

# **IPA Cross-Border Co-operation Programme Greece/Albania 2007-2013 Draft OP**

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## **Executive Summary**

In the **Programming Period 2007-2013** the EU introduced a **new strategic approach**, achieving better coordination of programmes and activities for the **Member States** and for neighbouring **candidate and potentially candidate countries**. Lessons learnt in the 2000-2006 period led to the decision to combine **ERDF and IPA funds under one single umbrella**. In this context the **Instrument for Pre-accession Assistance (IPA)** dedicates a significant part of its resources to **Cross-Border Cooperation**, promoting sustainable economic and social development in the border areas and assisting cooperation for addressing common challenges in fields such as environment, natural and cultural heritage, public health and the prevention of and fight against organised crime.

The present **IPA Cross-Border Co-operation Programme Greece/Albania 2007-2013** is the product of a bilateral **"Task Force"**, responsible for the joint and interactive planning effort between the two countries.

The Programme eligible border area is composed of the following NUTS III regions:

- Florina, Grevena (under the territorial flexibility rule), Ioannina, Kastoria, Kerkira, Thesprotia in **Greece** and
- Gjirokaster, Korçë, Vlorë in Albania.

The Strategy of the Programme is based on a detailed **analysis** of the eligible border area and the resulting **SWOT**, underlining the importance of the **strong points** of the eligible border area, which are the high quality and abundance of the **natural and cultural resources**, the pronounced presence of significant **young population** and important **educational centres** and finally the **intensive cross border economical activity**.

**Global Objective** of the programme is to **increase the standard of living** of the population by promoting **sustainable local development** in the cross-border area. This objective will be pursued along two Strategic Priorities.

On the one side the Programme will enhance the cooperation among economic actors and stakeholders through common approaches for the support of local economic activities as well as the development of local human resources reflecting the needs of the area.

On the other side, the Programme will also devote its resources to the protection and promotion of the environmental and cultural potential of the eligible border area as a means for sustainable local development.

The Priority Axes of the Programme are defined below:

- **Priority Axis 1: "Enhancement of cross border economic development"**, aiming to promote sustainable economic development through common interventions, and to facilitate cross border relations. **Priority Axis 1** will be implemented through four Areas of Intervention focusing on the promotion of entrepreneurship, the development of tourism, the promotion of people to people actions and the improvement of border accessibility.
- **Priority Axis 2: "Promotion and development of the environment and natural and cultural resources"** aiming to promote common actions for the protection of the environment and the improvement of the natural and cultural heritage as well as for the sustainable development while safeguarding the natural and cultural heritage from impacts related to economic development. **Priority Axis 2** will be implemented through two Areas of Intervention focusing on the promotion and protection, one the one hand, of the environmental resources and, on the other hand, of the natural and cultural heritage of the area.
- **Priority Axis 3: "Technical Assistance"** aiming at specific actions for the successful implementation of the Programme.

The **indicative total Budget** of the Programme rises to 11.320.000 EUR ERDF and 10.825.000 EUR IPA.

The Programme Greece/Albania 2007 – 2013 is going to be implemented under **the transitional approach**.

The participating countries shall set up a **Joint Monitoring Committee**, ensuring the ensure the quality, effectiveness and accountability of the programme operations. They shall also set up a **Joint Steering Committee**, with the exclusive responsibility for selecting the operations to be funded under the IPA CBC Programme.

The **Managing Authority** of the Programme is the CIP INTERREG at the Ministry of Economy and Finance in Thessaloniki, Greece. It shall be responsible for managing and implementing the IPA CBC Programme in accordance with the principle of sound financial management.

The Ministry of European Integration in Albania is designated as the **National IPA Coordinator**, co-ordinating the participation of the country in the IPA CBC Programme.

The Managing Authority shall set up a **Joint Technical Secretariat**, located in Thessaloniki, Greece. The Joint Technical Secretariat (JTS) shall assist the Managing

Authority, the Joint Monitoring Committee and the Joint Steering Committee in carrying out their respective duties.

Beneficiaries will be **public and public equivalent bodies** from the eligible areas of the two countries. They will be invited to submit their **project proposals** using standardised application procedures during **public calls for proposals**. The beneficiaries will nominate one **Lead Beneficiary** per country, which will be responsible for ensuring the proper implementation of the operation in the respective participating country.

# **1 Introduction**

## **1.1 The IPA Cross-Border Co-operation Programme Greece/Albania 2007-2013**

**(1)** In the New Programming Period 2007-2013 the EU has inaugurated a new strategic approach, seeking better coordination of programmes and activities for the Member States and for the candidate and potentially candidate countries. Especially Cross Border Cooperation was experienced significant changes since the beginning of the 2000-2006 period.

**(2)** The Community initiative INTERREG has evolved for the new period 2007 - 2013 to an Objective of the EU Cohesion Policy to be funded by the Structural Funds. The EU Cohesion Policy aims at reducing the economic, social and territorial disparities which have arisen particularly in countries and regions whose development is lagging behinds. Such regions often demand economic and social restructuring, as well as the need of being capable of facing the socio-economic consequences of the ageing population (Art. 3, Reg. No 1083/2006). The Objective 3 «European Territorial Co-operation» includes three Strands of Programmes and more specifically, Cross-border, Transnational and Interregional Cooperation Programmes. The Cross-Border Strand aims at strengthening cooperation through joint local and regional initiatives.

**(3)** At the same time the Commission introduced the new Instrument for Pre-accession Assistance, replacing the 2000-06 pre-accession financial instruments PHARE, ISPA, SAPARD, the Turkish pre-accession instrument, and the financial instrument for the Western Balkans CARDS. IPA covers the countries with candidate status (currently Croatia, the former Yugoslav Republic of Macedonia, Turkey) and potential candidate status (Albania, Bosnia and Herzegovina, Montenegro, Serbia including Kosovo according to UNSCR 1244) and is broken down to five Components. Component 2, which addresses all IPA countries, is dedicated to Cross-Border Cooperation.

**(4)** In the period 2000-2006 the Commission introduced the CARDS programme as part of the EU effort in promoting stability and peace in the Western Balkans. Among other the CARDS programme incorporated CBC elements, facilitating the cooperation between Member States and Western Balkans countries. There have been significant efforts to harmonise and coordinate the two instruments of cross border cooperation (ERDF and CARDS) through the provision of common structures and joint calls for proposals. More specifically the initial Interreg III / CARDS CIP Greece-Albania 2000-2006, following its modification in 2004, evolved to the Neighbourhood Programme Greece/Albania 2004-2006.

**(5)** The complicated management structures affecting the communication and the different regulations regarding financing in the current Programming Period set limits to the cooperation



possibilities. The present IPA Cross-Border Co-operation Programme Greece/Albania 2007-2013 is the product of the joint planning effort between the two countries seeking to take full advantage of the new possibilities offered within the Objective 3 «European Territorial Co-operation» and the Instrument for Pre-accession Assistance.

### **1.2. Legal basis**

- Council Regulation (EC) No 1085/2006 establishing an Instrument for Pre-Accession Assistance (IPA);
- Commission Regulation (EC) No 2499/2007 implementing Council Regulation (EC) No 1085/2006 establishing an Instrument for Pre-Accession Assistance (IPA);
- Regulation (EC) No 1080/2006 of the European Parliament and of the Council on the European Regional Development Fund and repealing Regulation (EC) No 1783/1999;
- Council Regulation (EC) No 1083/2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) No 1260/1999.

### **1.3 Eligible Areas**

**(6)** The eligible region 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 21.588,41 km<sup>2</sup> with a population of 1.040.118. 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 districts of Vlorë, Gjirokastër and Korçë in Albania and the Prefectures of Kerkira, Thesprotia, Ioannina, Kastoria, Grevena and Florina in Greece.<sup>1</sup>

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<sup>1</sup> There is a difference between regions and district in Albania: A region is an administrative and territorial entity, which is composed of some communes and municipalities with geographic, traditional, economic and social links as well as common interests.

Based on the institutional scheme that designates the administrative division of Albania and the sub-division of the country into Local Government Units, (LGU) a Region is the highest level of local government. A Region has the power to make political, budgetary and administrative decisions on the territory inside the institutional and legal scheme of this territory.

**Figure 1: IPA Cross-Border Co-operation Programme Greece/Albania 2007-2013, eligible areas**



(7) According to Article 88 of the IPA-IR, NUTS III regions or, in the absence of NUTS equivalent classification areas, along land borders between the member state and the beneficiary country are eligible areas for the purposes of cross-border co-operation. Article 97 foresees the possibility to finance expenditure incurred in implementing operations or parts of operations up to a limit of 20% of the amount of the Community contribution to the cross-border programme in NUTS III regions or, in the absence of NUTS classification, equivalent areas adjacent to the eligible areas for that programme. The NUTS III region of **Grevena** is included in the eligible areas of the programme IPA-CBC Greece – Albania as adjacent area with a total expenditure not exceeding 20% of the total programme expenditure. This addition is based on the article 21(1) of the ERDF regulation. The district of Grevena is located in the core of the Pindos mountain belt which stretches from the northern most end of Greece to central Greece along a distance of 70 km. The area is characterized by mountainous relief and a very dense hydrographic system, which results in the formation of numerous water bodies and in particular springs and rivers. Due to the high

precipitation in the area, vegetation is abundant. The area represents a physical continuation of the northernmost areas of the districts of Kastoria and Ioannina as regards to geomorphology, geology, hydrographic systems, fauna and flora

**Table 1: Eligible NUTS III regions in the Programme border area**

<b>Greece</b>				
Prefecture	Capital	Population	Area (km <sup>2</sup> )	Status
Florina	Florina	52.340	1.869,41	Full eligible as in Article 88 of the IPA-IR
<i>Grevena</i>	<i>Grevena</i>	<i>32.567</i>	<i>2.339,23</i>	<i>Adjecent area: Subject to Article 97 of the IPA-IR</i>
Ioannina	Ioannina	170.239	5.005,05	Full eligible as in Article 88 of the IPA-IR
Kastoria	Kastoria	53.483	1.685,54	Full eligible as in Article 88 of the IPA-IR
Kerkira	Kerkira	111.975	649,70	Full eligible as in Article 88 of the IPA-IR
Thesprotia	Igoumenitsa	46.091	1.527,42	Full eligible as in Article 88 of the IPA-IR
<b>Albania</b>				
District	Capital	Population	Area	Programme Status
Gjirokaster	Gjirokaster	112.831	2.858,83	Full eligible as in Article 88 of the IPA-IR
Korçë	Korçë	311.448	3.035,16	Full eligible as in Article 88 of the IPA-IR
Vlorë	Vlorë	264.556	2.618,07	Full eligible as in Article 88 of the IPA-IR

#### **1.4 The Programming Process**

**(8)** Following the decision taken by the two participating countries a bilateral “Task Force” for the elaboration of the new IPA Cross-Border Co-operation Programme Greece/Albania 2007-

2013, was established. The members of the Task Force come from the relevant national bodies of the two countries including representatives from the European Commission. They have provided valuable information on the situation of the eligible border area and, the lessons learnt from the predecessor Neighbourhood Programme. Stakeholders and authorities responsible for the environment and gender aspects have also been consulted throughout the programming process.

**(9)** On the 22.09.2006 the programming process started with a kick-off meeting held in Thessaloniki, followed by 4 Task Force meetings, 3 in Greece and 1 in Albania.

- in Kastoria, defining the basic orientation of the Programme,
- in Thessaloniki, agreeing on the Programme structure,
- in Thessaloniki, approving the first draft version of the Programme,
- in Korçë, finalising the Programme content and the Implementing Provisions therefore.

**(10)** The Taskforce was also supported by three external expert teams on:

- Specific chapters of the Operational Programme (OP),
- The Ex-ante evaluation and
- The Strategic Environmental Assessment.

**(11)** To ensure broad regional and sector acceptance as well as participation of social partners and stakeholders the draft Programme was made available for public consultation launched in the period 21-29.05.07 in both countries. The results of the consultation and the findings of the Ex-ante Evaluation and the Strategic Environmental Assessment were continuously integrated in the programming document.

## 2 Analysis of the Socioeconomic Environment

### 2.1 Demography and spatial patterns, migration

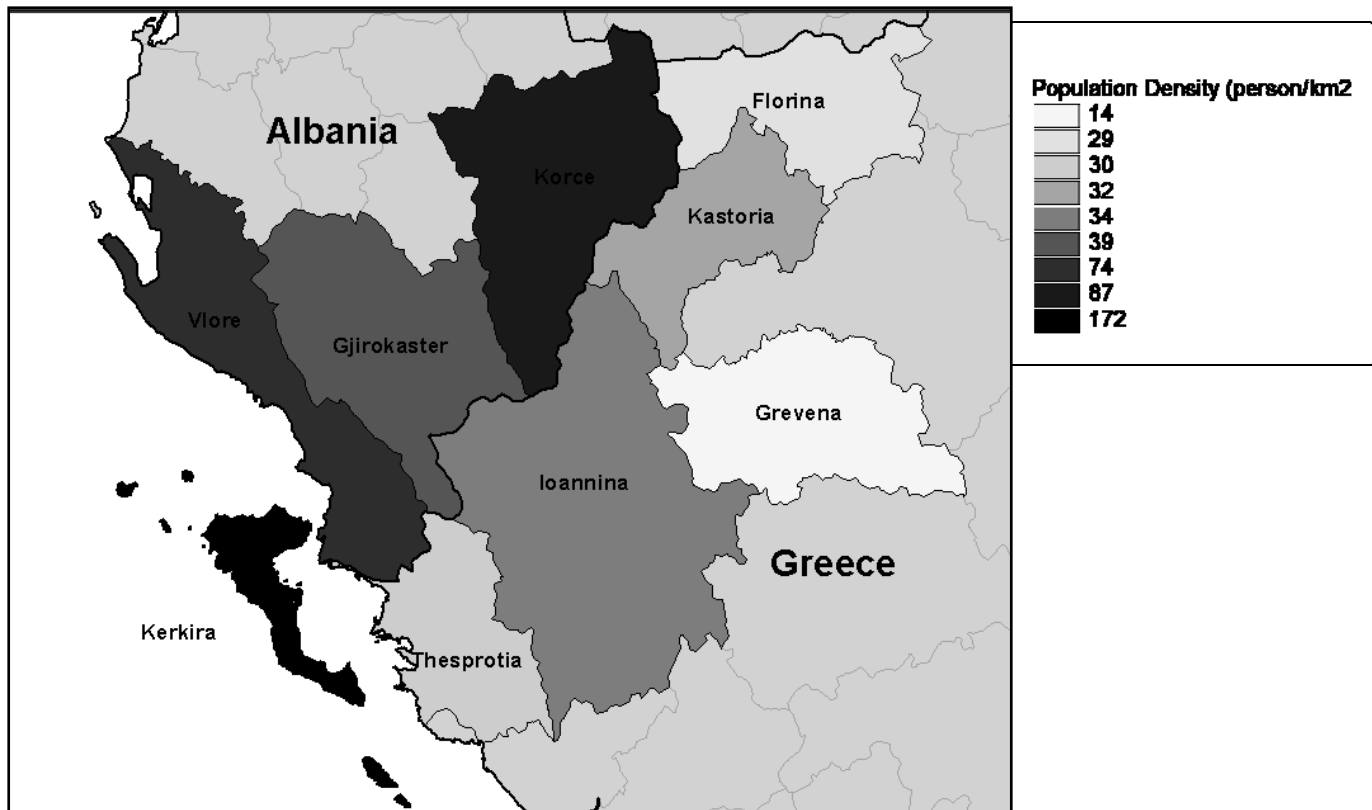
(12) The total population of the eligible border area is 1.040.118 . About 45,10% are located in the Greek side of the border, 54,90% at the Albanian side with major concentrations at the urban centres like Vlorë, Ioannina and Korçë.

**Table 2: Population in the eligible border area**

Greece					
Prefecture	Census 1991	Census 2001	Persons below 20	Persons over 65	Ratio male/female
Florina	52.340	54.768	13.167	10.075	1,04
<i>Grevena</i>	<i>36.797</i>	<i>32.567</i>	<i>4.890</i>	<i>8.294</i>	<i>1,0</i>
Ioannina	177.900	170.239	36.805	32.830	0,97
Kastoria	52.571	53.483	12.198	9.292	1,05
Kerkira	107.591	111.975	23.198	21.666	0,96
Thesprotia	50.500	46.091	10.400	32.830	1,02
Albania					
District	Census 1991	Census 2001	Persons below 14	Persons over 65	Ratio male/female
Gjirokaster	155.998	112.831	30.157	10.501	1,01
Korçë	311.448	265.182	68810	24543	1,01
Vlorë	264.556	192.982	52.762	18.366	1
<b>Total</b>	<b>1.209.701</b>	<b>1.040.118</b>	<b>252.387</b>	<b>168.397</b>	<b>1,01</b>

(13) Population density is very diverse. The Prefecture of Grevena shows only 14 inhabitants per km<sup>2</sup>, while the Albanian districts have a much higher density despite the concentration of the population in a few large cities, a fact which illustrates the disparities within the districts themselves. The Prefecture of Kerkira is leading with 172 persons/ km<sup>2</sup>! The national average for Greece is 84 persons/km<sup>2</sup> and for Albania 123 persons /km<sup>2</sup>.

**Figure 2: Population Density**



**(14)** The trends in the eligible border area show a significant reduction of the population. While the Greek prefectures had only minor population changes due to migration to different destinations and natural causes, the Albanian districts experienced a considerable decrease in population due to migration in third countries or to Greek metropolitan centres beyond the eligible border area. On the other hand the population structure reveals a large percentage of young population in the Albanian districts, whereas in Greece there is a more balanced picture with the obvious exception of Thesprotia. Male and female population is almost equally distributed with only a slight surplus of men in average. Last but not least, the Albanian eligible border area is home to the Greek ethnic minority in Albania mostly in the district of Gjirokaster, whereas in the last decade a significant number of Albanian citizens migrated to Greece. Well integrated communities of Albanian migrants exist in the Greek eligible border area providing an important source of labour for the region.

**(15)** The major urban centres of the area are the city of Korçë (74.370), Ioannina (70.203), and Kerkira (39.487). Apart from them, a large number of smaller towns form a functional and diverse polycentric system. However cross-border relations between the urban centres are not very well developed.

**(16)** Population is concentrated in a small number of major cities, with Ioannina, Korçë and Vlorë accounting for 62% of the total population. On the other hand prefectures like Florina, Kastoria and Thesprotia are less densely populated and lack a major centre. While all prefectures and districts are facing significant internal disparities especially between urban and rural areas, the smaller districts have also to compete with the main centres of the eligible border area (basically Korçë and Ioannina) which attract the population and the economic stakeholders.

## **2.2 Geography and Environment**

**(17)** The main characteristics of the eligible border area are the mountain ranges which form a part of the Dinaric Alps. Altitude ranges from sea level at the western coastal zones up to the highest peaks of over 2.600m (Mount Smolikas) in the East. Geologically the area is mainly composed of limestone, marble and flysche. The area is mostly forested with some agricultural activity (forestry, grazing, dry and irrigated agriculture) in smaller valleys.

**Figure 3: Geomorphologic Map of the Area**



**(18)** The main river of the area is the cross-border Aaos/ Vjosë. It originates from the Northern Pindos mountain range and flows in NW direction through Albania into the Adriatic Sea. The total length of the river is about 260 km, with the first 80 km in Greece. The catchment basin has a total area of 6,519 km<sup>2</sup>, where the Greek sub-basin covers approximately 2,154 km<sup>2</sup>. The mean

precipitation height in the area is about 850 mm and the flow rate varies between 8 and 130 m<sup>3</sup>/s. There is no bilateral agreement between Greece and Albania for river management.

**(19)** At the eastern edge of the eligible area the important Prespa lakes are located. Liqeni i Prespës/Megali Prespa has a total surface of 190 km<sup>2</sup>, divided between the 3 neighbouring countries. Small Prespa Lake is shared only between Greece (138 km<sup>2</sup> drainage area; 43.5 km<sup>2</sup> surface area) and Albania (51 km<sup>2</sup> drainage area; 3.9 km<sup>2</sup> surface area). The region had remained unnoticed till the 1990s when it began to be promoted as a tourist destination. The area was declared a Transnational Park in 2000, initiating numerous genuine cross border cooperation projects. Other important lakes (Kastoria, Ioannina) are located within the eligible area, contributing to the diverse landscape that characterize the area

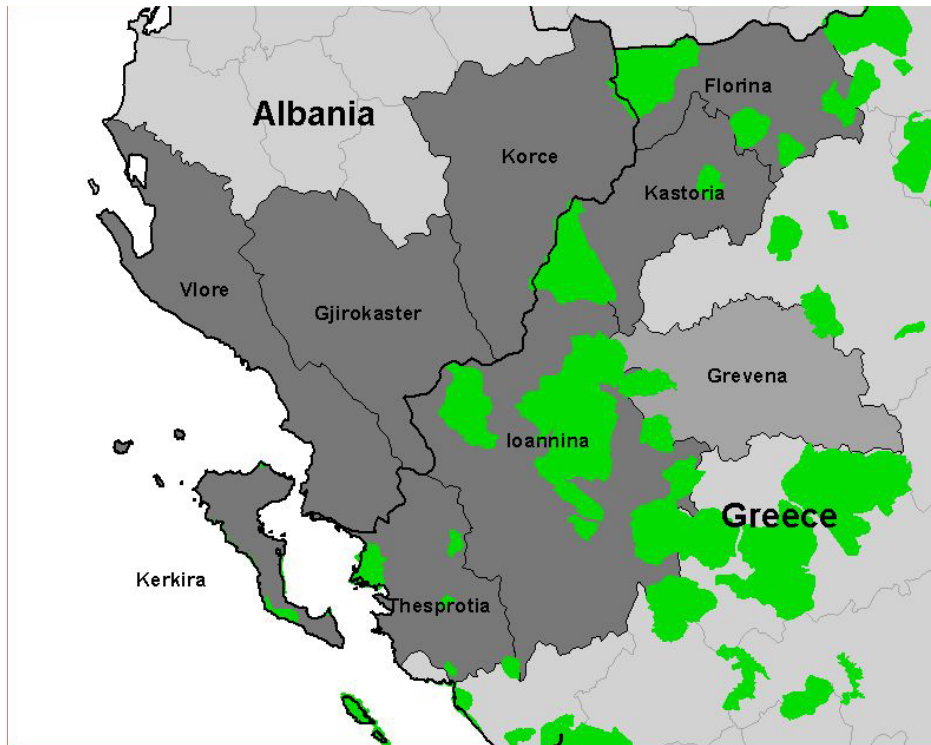
**Table 3: Natural Protected Areas in the Albania eligible border area**

IUCN Category	Region	Town	Name of the Protected Area	Area ha
National Park	Korçë	Korçë	Prespa	27,750.0
Managed Nature Reserve	Korçë	Korçë	Krastafillak	250.0
Managed Nature Reserve	Korçë	Devoll	Cangonj	250.0
Managed Nature Reserve	Korçë	Kolonjë	Gërmenj-Shelegur	430.0
Protected Landscape	Korçë	Devoll	Nikolicë	510.0
Protected Landscape	Korçë	Pogradec	Pogradec	27,323.0
National Park	Korçë	Korçë	Bredhi i Drenoves	1,380.0
Resource Reserve	Korçë	Kolonjë	Piskal-Shqeri	5,400.0
Resource Reserve	Korçë	Pogradec	Guri i Nikës	2,200.0

Source: Data of Ministry of Environment.

**Figure 4: NATURA 2000 sites in the Greek eligible border area**





**(20)** The mountains, lakes and rivers form a very diverse landscape with numerous small fertile plains, long and narrow valleys, and steep ravines, such as the Aaos gorge and the Vikos ravine. The climate of the area is influenced by the diverse relief and ranges from Mediterranean in the coastal zones, to alpine in the hinterland. Precipitation is high and clearly above the respective national averages. The vegetation is made up mainly of coniferous species. The animal life is especially rich in this area and includes, among other species, bears, wolves, foxes, deer and lynxes.

**(21)** The eligible border area is rich in natural resources. The abundance of water resources has made the area an important source of hydropower for both countries. The potential of micro-hydropower and renewable energy sources has not been utilised. Additionally the potential for recreation activities is the most dominant attraction of the region providing settings for mountain and white water sports (e.g. rafting, canoeing etc.) along with an appealing and relatively unaffected coastal zone.

**(22)** Main environmental risks and hazards are stemming either from natural alpine occurrences such as landslides, forest fires, seasonal floods and avalanches or from increasing human activities such as industrial pollution, land use and soil and water contamination. The rapid development of the construction industry in the Albanian districts and the unplanned settlement activities are seriously threatening the environment and the landscape. Oil rigs in Balshi on the road from Gjirokaster to Tepelen cause frequent oil spills. The main sources of pollution of the

water bodies are agriculture and aquaculture, urban sewage and petrol abstraction in the Albanian side. Sand and gravel extraction is also widespread.

### **2.3 Economy**

**(23)** The eligible border area is one of the poorest in Europe. GDP per Capita in PPP in the Greek eligible border area was in 2004 14.938,6 EUR (That year the average Greek GDP per Capita in PPS was 19.232 Euro, equalling to 82% of the EU25 average). The respective national average figure for Albania was in 2004 1.884 EUR (equalling to 7.8% of the EU average). There is no data available at the NUTS III level. Disparities are also substantial within the Greek and Albanian eligible border areas. The Kerkira Prefecture as well as the Ioannina Prefecture in Greece boast a relatively high GDP per Capita (16.667 EUR and 17.458 respectively), mainly due to the extensive tourism and tertiary sector services (related to health, commerce and administration), while Florina and Kastoria have the lowest rates in the country (13.230 and 12.345 respectively). Even within single regions such as Korçë or Ioannina the discrepancy between the urban centre and smaller rural settlements is significant.

**(24)** The **agricultural** sector is an important employment and production sector. Livestock breeding and dairy products are the major fields of activity. In the few plains tobacco and cereals cultivation offer alternatives. While mainly characterized by “subsistence farming” elements, in the last few years signs of expansion and innovation (e.g. in dairy products and in efforts based on Regulation No. 2081/92 for products with protected-designation-of-origin (PDO) label) are present. The relative slow adoption of intensive agricultural patterns and the cultivation of endemic species make the eligible border area ideal for the development of organic farming. However the overall sector is oriented towards local consumption and less towards national markets or exports.

**(25) Industry** is generally declining absolutely and relatively due to the loss of traditional markets but also due to the rise of the service sector. In the Albanian side industry is recovering from the transition period mainly as a result of the Greek investments in the food processing and light manufacturing industry. Beverages, garments and building materials also play a role. There is also a revival of small workshops and “cottage industries” mainly in packaging for retail products and the textile industry. The products of those industries are partially oriented to the domestic market or are imported in Greece. The expected approximation of Albanian legislation to the EU one will reinforce the shift of labour-intensive to capital-intensive industrial activities. A rapidly growing sector is the construction industry ignited by the rising demand for housing especially in the coastal zone. Construction materials industrial units are slowly establishing themselves in the region as an alternative to the imports from Greece. On the Greek side the

energy industry is an important stakeholder in Florina, whereas the fur industry in Kastoria is recovering after the decline of the recent decades mainly due to the opening of the East European markets. The fur industry is one of the few cases in the eligible border area with a long standing export tradition and know-how. In Epirus and Thesprotia, cottage industries in the dairy, food and beverages sectors are active, with a few of them targeting external markets.

**(26)** The significance of the **tertiary** sector is rising in a quantitative and qualitative dimension. Retail trade and services are dominant on the Greek side and ever more important on the Albanian districts, although not always reflected in the official statistics. Storage depots and wholesale centres for the distribution of goods imported from Greece to central Albania (Tirana) are rapidly developing and comprise an important link in the cross border trade chain. The larger urban centres in Greece concentrate a significant percentage of the health services, commerce and administration.

**(27) Tourism** is becoming an important field which bears great potential. In comparison to other service fields, tourism deems of strategic importance since it is “export” oriented thus identifying the region on the national and international level. While the island of Kerkira is a well known international, though overburdened, destination, other areas are mainly catering mainly for domestic visitors. The prefectures of Ioannina, Grevena and Thesprotia have developed ecotourism infrastructures and outdoor activities making them a destination for a small but dedicated international clientele. In the Albanian side the mountain areas remain pristine and bear great potential. The coastal zones of Vlorë and Sarande have become extremely popular, attracting mainly domestic visitors, but at the same time they demonstrate also a vast construction activity, which could undermine the development perspectives of the area.

**(28)** Overall **trends** are promising for the region. Economy is growing fast, albeit from a low starting point. Migration is affecting both sides of the border. On the Albanian side emigration to the Greek urban centres and to other western European countries is depriving the area of young people while in the Greek side internal migration has been slowing down but is still an issue. This effect is clearly affecting the economic development and has a negative long-term impact. Whereas cross-border mobility of labour market will remain difficult in the next years, the tourism sector could at least reduce internal migration. Public sector dominance and state aids while remain an important development factor and could potentially hamper indigenous development. However, expected private-driven investments in tourism, culture and renewable energy sources are anticipated to bring major changes to the economy sectors and their orientation. Facilitated access to private finance, E-government and innovation programmes and investments will accelerate these changes. Last but not least, the development in the economic front is expected

to cause major changes in the land take and land use patterns as well as in resources consumption established over longer periods of time in the eligible border area.

**Table 4: Economy of the eligible border area**

NUTS III Region	GDP per capita	Total GDP	Number of Enterprises	Enterprises in Tourism and Culture	Unemployment in %	State aids
<b>Greece</b>						
Florina	13.230	721	4.115	25	15,2	Zone B (up to 30% Cash grant / Leasing subsidy)
Grevena	12.219	391	3.091	16	13,7	Zone B (up to 30% Cash grant / Leasing subsidy)
Ioannina	17.458	2.945	13.270	115	9,3	Zone C (up to 40% Cash grant / Leasing subsidy)
Kastoria	12.345	663	6.395	27	24,9	Zone B (up to 30% Cash grant / Leasing subsidy)
Kerkira	16.667	1.980	13.954	435	11,5	Zone B (up to 30% Cash grant / Leasing subsidy)
Thesprotia	14.993	645	4.081	56	n.a. due to the minor sample size	Zone C (up to 40% Cash grant / Leasing subsidy)
<b>Albania</b>						
Gjirokaster	n.a. at district level	n.a. at district level	2.649	521	n.a. at district level	n.a.
Korçë	n.a. at district level	n.a. at district level	5.599	1.145	n.a. at district level	n.a.
Vlorë	n.a. at district level	n.a. at district level	5.234	989	n.a. at district level	n.a.

**(29)** The Statistical Office of the Republic of Albania does not provide the necessary data at a NUTS III level. The relevant national figures are: 1.884 EUR GDP/capita, a total GDP (2004) of

6.010.297,35 <sup>2</sup> and an unemployment rate of 14,4%. The GDP share of agriculture is 22,26% while industry and services share 23,84% and 53,90% respectively.

**Table 5: Economy Sectors of the eligible border area<sup>3</sup>**

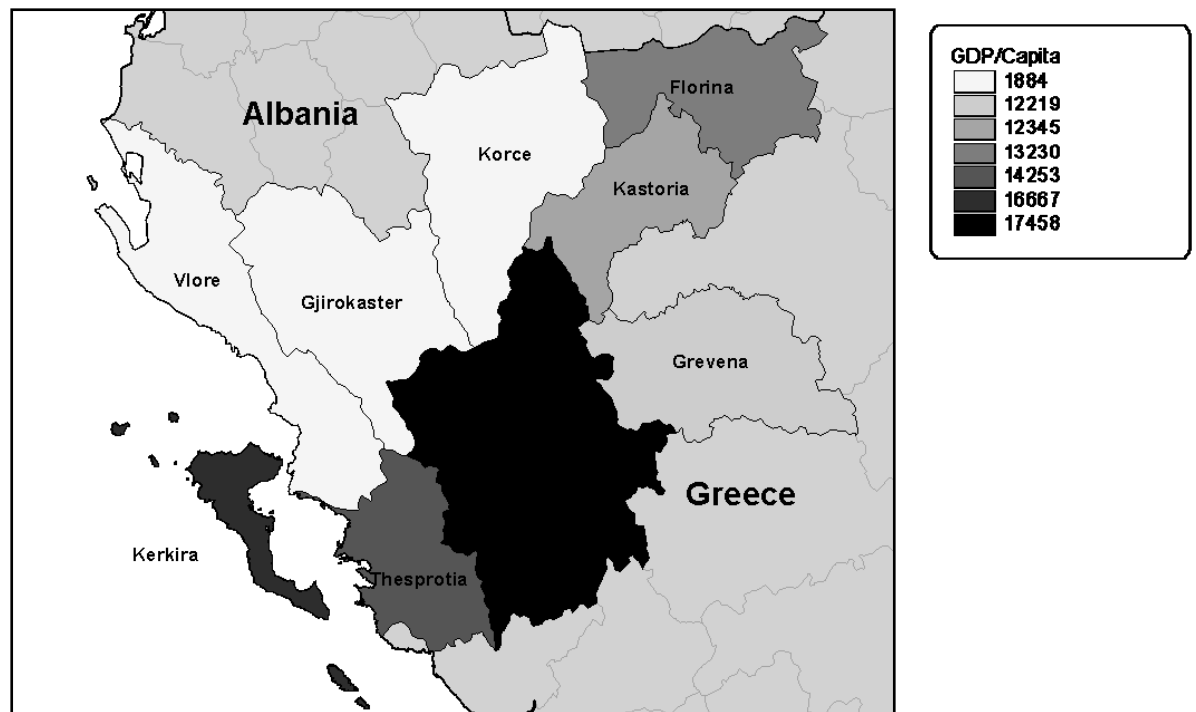
NUTS III region	Agriculture (% of labour force)	Agriculture (% of GDP)	Industry (% of labour force)	Industry (% of GDP)	Services (% of labour force)	Services (% of GDP)
<b>Greece</b>						
Florina	26,85%	13%	22,19%	26%	46,37%	52%
Grevena	33,5%	10%	18,45%	24%	45,09%	57%
Ioannina	12,55%	4%	21,60%	22%	59,93%	64%
Kastoria	19,64%	8%	29,05%	15%	47,58%	68%
Kerkira	15,73%	2%	15,70%	10%	61,67%	79%
Thesprotia	27,78%	8%	18,82%	14%	50,28%	69%
<b>Albania</b>						
Gjirokaster	59.2	n.a. at district level	n.a. at district level	n.a. at district level	n.a. at district level	n.a. at district level
Korçë	71.6	n.a. at district level	n.a. at district level	n.a. at district level	n.a. at district level	n.a. at district level
Vlorë	48.7	n.a. at district level	n.a. at district level	n.a. at district level	n.a. at district level	n.a. at district level

<sup>2</sup> Data are from [www.instat.gov.al](http://www.instat.gov.al). 1 EUR = 125.180 ALL

<sup>3</sup> Information about the % of labour force in the fields of agriculture, industry and services in Albania is not available. Available data refer to employment in the Public sector, the non-agricultural sector and the private sector. The data for the three Albanian districts are:

Region	Total employment	% Total employment	No of persons employed in Public sector	% employment in public sector	No of persons employed in non-agricultural sector	% employment in non-agricultural sector	No of persons employed in private sector	% employment in private sector
GiroKaster	30.693	100.0	7.570	24.7	4.933	16.1	18.190	59.2
Korce	75.745	100.0	11.435	15.1	10.097	13.3	54.213	71.6
Vlore	42.092	100.0	10.997	26.1	10.576	25.1	20.519	48.8
Albania	932.105	100.0	175.015	18.8	214.935	23.1	542.142	58.1

**Figure 5: GDP per capita in the eligible border area**



**(30)** Despite the unavailability of statistical data at the NUTS III level in some districts, the general tendencies become clear. Hence in the Albanian side combination of the dominance of agriculture, high unemployment, low income and young population predict a continuing migration. The number and nature of active SMEs and the tourism perspectives in the area, however, allow for the relative development of indigenous economic activities, which can offer employment and growth. On the Greek side there is a much more differentiated picture. While Kerkira and Ioannina have a vivid tertiary sector, other prefectures have a more rural character, whereas Kastoria is unique in combining high unemployment and a high services share (% of local GDP) as a consequence of the transformation that the traditional industries have experienced in this Prefecture.

#### **2.4 Education and R&D**

**(31)** The eligible border area demonstrates an extensive and adequate network and number of primary and secondary schools. The Greek side has 715 primary and 217 secondary schools, while at the Albanian side the numbers are 410 and 97 respectively. While the level of installations varies from rudimentary to very good, many areas suffer from poor accessibility to primary and secondary schools due to the poor secondary road network. This holds especially true for the Albanian side of the border area.

**(32)** The eligible border area boasts a substantial number of tertiary institutions especially on the Greek side. Cross border cooperation among tertiary institutions has been persistently pursued but still has room for development.

**(33)** The education level of the population remains lower than the national averages. This is a consequence of the internal and external migration, the local SMEs' structure and the interrelation of the local needs and the curricula offered. Hence only a limited number of graduates remain in the area or resettles after graduation elsewhere. Gender statistics show a lower but rising percentage of female graduates.

**(34)** Vocational training and human resources development is very weak in the region. This is a consequence of the dominant role of agriculture and the nature and activities of most SMEs. Research and Development centres in the area are limited to the tertiary institutions.

**(35)** The Centres for Entrepreneurial and Technological Development in Ioannina, Kerkira and Kozani (catering for the eligible districts of the West Macedonia Region) offer basic services to existing and potential enterprises. Although they cannot be regarded as Research and Development facilities they could act as "entry level facilitators" for the engagement of enterprises in research and development activities.

**Table 6: Education of the eligible border area**

NUTS III region	Post-secondary schools and technological foundations	Universities	Indicative Faculties	Number of Students	Other
Florina	TEI of Western Macedonia	University of West Macedonia	International Commerce; Public Relations and Communications Policy  Agricultural Production Department, the Animal Production Department, and the Agricultural Products Trade and Quality Control Department Faculty of Educational Sciences:  * Department of Elementary Education (Florina)  * Department of Preschool Education (Florina)  Independent Departments:  * Department of Balkan Studies (Florina)  * Department of Figurative and Applied Arts (Florina)		
Gjirokaster		Eqerem Çabej University	Natural Science Economics	1.027 973	

			Education Social Science	378 1.058	
Grevena					
Ioannina	TEI of Epirus	University of Ioannina			Centre for Entrepreneurial and Technological Development of Epirus
Kastoria	TEI of Western Macedonia				
Kerkira		Ionian University			Centre for Entrepreneurial and Technological Development of the Ionian Islands
Korçë	Higher Agricultural Institute of Korçë	F.S. Noli	Education Agriculture Infirmery Economics	1.232 357 473 908	
Thesprotia	TEI of Epirus				
Vlorë	Higher Military School	Ismail Qemali University of Vlora	<i>University</i> Trade Infirmery <i>Languages</i> Education	1.365 319 799 838 1.528	

## **2.5 Accessibility**

**(36)** The topography, location and political past of the eligible border area have affected the quality and low density of the infrastructure. Hence the main accessibility is provided for by the regional road network. The latter is mainly adapted to the topography following river valleys and mountain passes, hence leaving smaller regions relatively isolated. In some cases the accessibility of the network becomes problematic and seasonal with certain connections closing, due to snowfalls, heavy rainfalls and torrents.

**(37)** Investment in road infrastructures has been strengthened through the implementation of the Regional and Sectoral Operational Programmes in Greece, in the period 2000-2006, and through the Stability Pact in Albania. The construction of the Egnatia Odos Vertical Axis Siatista-Ieropigi/Kristallopigi is expected to offer a valuable connection to central and southern Greece (including Athens), the central Greece Motorway (E65), as well as the Egnatia Motorway (including Thessaloniki). The long-term completion and modernisation of the Korçë-Elbasan-Tirane and Tirane-Gjirokaster motorways is expected to close important gaps. The planned "Ionia Odos" in Greece, is expected to become operational after 2013, and will link Patras in Western Greece to Ioannina and eventually Kakavia in the Northwest. At the coastal zone the upgraded road connection Sagiada-Konispol-Sarande is at the final stages of tendering. All those road projects,



in conjunction with the existing sea connections, are expected to change significantly the interaction patterns on both sides of the border with a positive effect on the eligible border area. Especially in the field of road infrastructure the Interreg IIIA/CARDS Programme Greece/Albania 2000-2006, followed by the Neighbourhood Programme Greece/Albania 2004-2006, has contributed through significant primary network interventions. However, secondary network remains weak although constantly improving.

**Figure 6: ACCESSIBILITY**



**(38)** Further accessibility routes of the eligible border are the airfields of Korçë, Gjirokaster, Sarandë and Vlorë (intended to be developed to national airports) in Albania and the national airports in Ioannina, Kastoria and the International Airport of Kerkira in Greece. The facilities in the airfields and national airports are basic with the exception of Ioannina which caters for the domestic connection to Athens. The Kerkira International Airport, "Ioannis Kapodistrias" is oriented towards tourism.. On the northern part of the eligible border area the port of Vlorë is an important gateway being the second most important port in Albania with important freight and passenger connections. Further south the port of Sarandë is only of local importance but the daily connection to Kerkira gives it a valuable role for the eligible border area. The inland road

connections are however leading mainly to the north (Tirana) and the links to the core of the eligible border area are weak. In the southern part the port of Igoumenitsa is an important gate to the Adriatic and to Italy and is also connected to the main motorways of the "Egnatia Odos" and "Ionia Odos". The completion of these roads may lead to increasing importance of the port. Considering modal split the road network is expected to remain the mainstay of transportation with all the related implications. Rail is virtually non-existent with only a small section connecting Florina to Thessaloniki, with negligible importance to the region. However, this is expected to change as the Kalambaka – Siatista/Kozani railway axis has been included in the TEN-T railways and in the European Priority Project 29, while the Siatista – Ieropigi railway axis is currently under design to be included in the TEN-T railway network. This latter axis will be extended to Pogradec, through which it will be connected to the Albanian Railway network, with significant impacts to the eligible region.

**(39)** The provision of the eligible border area with telecommunications is one of the lowest both in the 2 countries and in Europe. In the Albanian eligible border area the average is 90 telephone lines per 1000 persons (national average of 73 telephone lines per 1000 persons) while in Greece the national average is at 573 telephone lines per 1000 persons<sup>4</sup>. While the provision of earthbound telephone lines and cellular phone coverage can be regarded as adequate or rapidly improving the provision of internet connections and content is very low, reaching 25% of male and 20% of female residents in the Greek districts.

**(40)** Cross border connections remain dispersed with four crossing points in Sagiada/ Konispol, Kakavia, Melissopetra-Carshove (Mertzani/Tri-Urat) and Kristallopigi-Ieropigi/Kapshtica. The Kakavia and the Kristallopigi/Kapshtica crossings are of primary importance for the region. Ieropigi/Kapshtica crossings could be upgraded. Accessibility to the crossing points varies due to the disparities between the primary network already upgraded or planned and the less maintained secondary roads. Border control including the facilities and equipment of the border stations are continuously improving to a great extent through interventions of the Neighbourhood Programme Greece/Albania 2004-2006. However, such improvements must continue.

## ***2.6 Health and Social Protection***

**(41)** The main urban centres are equipped with sufficient health infrastructure including state hospitals, health centres and sanatoria. Ioannina is the key focus of concentrated health facilities providing university clinic level services, making it the region's most important centre for health care services. A key role here is played by the Regional University Hospital of Ioannina. The

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<sup>4</sup> Regional data are not available

existing facilities on the Greek side are used by the population of both sides of the border, since hospitals in Albania have been facing extreme shortages in equipment. However these cross border relations are dealt at an ad-hoc basis leaving room for further cooperation.

**(42)** While urban centres are well catered, primary health care in the rural areas and social protection especially for women, mothers and the elderly population are very basic. Emergency and Search and Rescue mechanisms are rudimentary. Taking in account the envisaged development in the tourism field, these sectors will have to be further strengthened. In addition, parallel preventive medicine initiatives must also be introduced.

### **2.7 Culture**

**(43)** The eligible border area is rich in cultural resources including significant ancient sites like Dodoni Oracle in Ioannina, Byzantine monuments in Katora and Arta, the fortifications in Kerkyra as well as Butrint (Roman Buthrotum) in Sarande, Gjirokastra and the Old City of Kerkyra, which are part of the UNESCO World Heritage List, and Ancient Nikopolis and the area of Prespes Lakes which are part of the tentative UNESCO World Heritage List. There is a large number of medieval monasteries, chapels and churches which have been nodes of vivid religious and lay networks for centuries. For example the existence of valuable icons and manuscripts link different places of worship in the area. Such links have been violently interrupted after the Second World War and their revival could contribute to the cultural enrichment of the area.

**(44)** The eligible border area also boasts a large number of architecturally valuable towns and settlements like the Museum-City of Gjirokaster (also a UNESCO World Heritage Site), the town of Kastoria, the town of Kerkira and the Zagoria complex. A further cultural asset is the masonry craftsmanship as evident in a large number of bridges and constructions along with numerous noblemen houses.

### **2.8 Administration, planning capacity and bilateral cooperation**

**(45)** The districts of the eligible border area are NUTS III level or equivalent units. Two of them (Ioannina and Kerkira) are also the seat of the NUTS II Regional authorities. In Greece most administrative bodies have acquired substantial administrative and planning capacity due to the implementation of large multi-annual Regional Operational Programmes within the Structural Funds Framework along with the Greek Public Investment Programme and the Ministry of "Interior, Public Administration and Decentralisation" THISSEAS Programme for local authorities . On the Albanian side administrative bodies have also undergone a substantial process of capacity development, although smaller municipal administrations face problems. In the light of the MIPD

and Component 1 of the IPA addressing Transition Assistance and Institution Building these efforts are going to be reinforced.

**(46)** In the field of cross-border cooperation the basic foundations have been set up by the Community Initiative INTERREG III and the external cooperation programme CARDS. Several bilateral cooperation agreements between municipalities from both sides of the eligible area have been established during the previous period. However the different structural funds, ERDF and CARDS, caused complications in the implementation of the programme.

**(47)** On the multilateral side, concerning the entity of the Balkans area, Greece has initiated the Hellenic Plan for Economic Restructuring of the Balkans (also known under the Greek acronym of ESOAB). The target of this initiative is to promote the political, economic and social stability in the Balkan countries. In particular it aims to modernise infrastructure, to promote productive investments and to support democracy and the rule of law as well as to modernise public administration and local government along side the promotion of the welfare state.

**(48)** During the period 2004 – 2011 Albania will receive 49.890.000,00 €, 79% of which (39.413.100 €) is earmarked for large scale infrastructure projects, 20% (9.978.000 €) is directed towards private productive investments and 1% (498.900 €) is to be channelled into small scale projects. Until April 2007 a total of 30.049.814,64 € is approved by ESOAB for financing the upgrade of the Sagiada-Saranda road (40,5 km in length). Thirteen projects addressing private investments have been approved (a total of 9.254.569 €), and 462 new jobs have been created. Eighteen small scale projects of mainly social character have been implemented till today. (total support: 212.495 €). Seven more small scale projects are currently under implementation (cost: 114.000 €).

## **2.9 Lessons learnt in Cross Border Cooperation within the period 2000-2006**

**(49)** Cross Border Cooperation in the area was initiated with the INTERREG II (1994-1999) and PHARE CBC programmes. They were the first major opportunity for an institutionalised cooperation between the 2 countries. This process was continued and strengthened with **the C.I.P. Interreg IIIA Greece/Albania 2000-2006 Programme**. The Programme was developed jointly between the Greece and Albania and was 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, out of a total budget of Euro 126 million. Assistance to Albania was being delivered under the CARDS instrument with a total CARDS budget of EUR 4.180.000.

**(50)** The programme identified two priorities (apart from the priority on technical assistance) for cross border cooperation, namely:

- Priority 1: Cross-border infrastructure including actions like upgrading border area connections with Albania, the modernisation of border crossing installations, customs facilities and border control and security installations at these crossing points.
- Priority 2: Economic development and employment focusing on measures to encourage co-operation between firms, to protect and improve the natural environment, to improve the quality of public health services, to encourage co-operation and to develop administrative structures and finally to promote new employment opportunities by introducing new technologies within the framework of cross-border co-operation.

**(51)** The Neighbourhood Programme Greece/Albania 2004-2006 was finally approved early in 2005 and the first call for proposals was launched on 26.06.2006.

**(52)** A total of 151 applications were submitted (90 Greek applicants, and 61 Albanian applicants). 32 were submitted in Priority 1 and 119 in Priority 2. Projects were selected by the Joint Selection Committee. The amount allocated to the projects was 37.575.330,36 Euro (ERDF) and 4.180.000 EUR (Cards).

**(53)** Programme implementation was successful in Priority 1, as Greek applicants had an advantage considering the availability of ERDF funds in order to implement significant infrastructure projects.

**(54)** However the dual structures of ERDF and CARDS, made coordination mainly among projects and partners difficult. The possibility however, to develop and implement joint projects was limited due to reasons beyond the control of the Programme and the Applicants motivation.

**(55)** At the programme level, the late change from CBC to Neighbourhood programme has enabled the two countries to come closer to each other, though with some difficulties. Cooperation on this level including bilateral meetings of the Monitoring and Steering Committees, exchange of information and decision making, evolved considerably.. A joint secretariat has also been established and is staffed by 4 persons, 2 from each country.

**(56)** A Joint Monitoring Committee and a Joint Selection Committee have been established. The need for establishing new structures in combination with differences in the legal framework has delayed the two countries in introducing fast implementation techniques for the the programming period 2000 – 2006.

**(57)** On the other hand this experience, which both countries acquired in setting up the joint structures at programme level, has contributed to both countries being well prepared in terms of coping with these demands in the 2007-13 programming period.

### **3 SWOT Analysis**

**(58)** The socio-economic background of the eligible border area represents one important input for implementing the SWOT analysis. Additionally to the present analysis, regional plans and programmes and other strategic documents along with the opinions of the Programming Group have been taken in consideration.

**(59)** The Albanian/Greek border area is far from being a homogenous region – neither between the two countries nor within the single participating districts themselves. Important regional centres like Ioannina, Kerkira and Korçë are however much closer to each other than to their respective national ones and face similar problems. At the same time rural areas of the eligible region have different needs and capacities, requiring a detailed case by case approach in order to overcome their problems and keep up with their regional centres

**(60)** The following SWOT analysis concentrates on the joint strengths/weaknesses and opportunities/risks taking into consideration the diversities in economic level, structure and development processes as well as in the institutional framework.

**Table 7: SWOT Analysis**

Sector	Strengths	Weaknesses	Opportunities	Threats
Demography and accessibility	Geographical position and climate; Provision of telephone lines Egnatia Odos high rates of young age population in the Albanian NUTS III regions,	Remoteness and isolation of micro-regions; Inadequate accessibility Infrastructure; Ageing population in the Greek NUTS III regions, Limited accessibility to international airports Provision of Internet connections	Completion and Funding of TEN and related projects (e.g. Ionia Odos); Development of Igoumenitsa port to a Gateway;	Funds for cross border infrastructure reduced in the new programming period 2007-13 according to population allocation
Geography, Environment and Culture	Pristine natural environment with rich flora and fauna; Attractive mountains; Prespa Lakes under a Transnational Park status High quality natural resources, especially water sources; Integrated Greek ethnic minority in Albania and Albanian migrant community in Greece; Strong and vivid cultural heritage UNESCO sites (e.g. Butrint, Gjirokastra, Old City of Kerkyra) Networks and cultural exchanges reinforced during the past cross-border experience	Lack of coordinated environmental protection actions Cultural networks interrupted during the recent past Lack of masterplans for the maintenance and enhancement of archaeological sites and historical monuments	Promotion of Renewable Energy Sources at national and EU level in relation to the hydropower potential of the region; Environmental policies of the EU and request for compliance. Enrichment of cultural activities in the frame of the free time management Promotion of the historical and cultural heritage	Urban sprawl and consumption of non-replenishable resources due to changing habits and social models. Heavy pressure on the natural and cultural environment by uncontrolled construction activity.

Sector	Strengths	Weaknesses	Opportunities	Threats
<b>Economy</b>	Agricultural patterns with "organic" qualities; Vertical food processing industry with innovative elements; Developed service and tourism sector in some centres and especially in the island of Kerkira; Tourism still has a great potential for development, Cross border investments especially in light processing and manufacturing industry	Low income per capita; Large economic disparities; Unemployment; Poverty and Migration; Obsolete agricultural enterprises focused on the local markets; Comparative advantages of the area based on cheap labour are expected to diminish in the future Weak R&D and minimal connection to the business sector.	External and foreign investments especially from the Diaspora; Rising demand for alternative tourism; Rising demand for potable water; Rising demand for organic farming;	Restrictive labour market regulations and Visa regime;
<b>Education, R&amp;D, Health and Social Protection</b>	Young population in Albanian NUTS III units; Adequate primary and secondary schools; Tertiary education facilities with high capacity; Highly developed hospital centres in the prefecture capitals. Highly trained medical personnel	Lack of indigenous Vocational training and human resources development; Cooperation among universities marginal Brain drain; Lack of cross border cooperation in the health sector; High quality hospitals concentrated in the prefecture capitals with accessibility constraints, Missing emergency and Search and Rescue mechanisms	Telemedicine	Ageing population
<b>Administration and state bodies capacities</b>	Balanced polycentric network; Positive experience from the cross border cooperation in the framework of the Neighbourhood Programme, Active involvement of ministries and central state authorities.	Weak administrative bodies in the rural areas;	Stable political relations between the 2 countries; Approximation of Albanian legislation to EU acq communautaire Regional focus of Structural Funds Management in Greece; IPA Component 1 and Decentralisation	Centralised state administration; Political instability in the wider region; Organised crime and illicit drugs;



## **4 Programme Strategy**

### **4.1 Strategy Framework**

**(61)** The Programme strategy is the result of the interaction of the following elements:

- EU strategic decisions as laid down in the Community Strategic Guidelines on Cohesion (2006/702/EC),
- The specific needs and challenges of the Greek-Albanian eligible border area as presented in the analysis and SWOT of the present document,
- The scope and limitations of a Cross Border Cooperation Programme as outlined in the relevant regulations (e.g. Regulation No 1080/2006 on ERDF and Council Regulation (EC) No 1085/2006 on IPA).

These elements help in the delineation of the Programme's strategy outline and define the Global and Specific Objectives as well as the corresponding Priority Axes.

**(62)** The basic logic underlying the formulation of the Strategy is the definition of "policy responses" to the Strengths, Weaknesses, Opportunities and Threats identified.

Taking in account the limited funds of the Programme the policy responses are defined by the possible combination of:

- Strengths and Opportunities in order to accelerate development in particular fields;
- Strengths or Opportunities against Weaknesses in order to overcome existing short comings and
- Strengths or Opportunities against Threats in order to mobilise the existing potentials.

**(63)** The fundamental conclusions from the analysis of the eligible border area and the SWOT underline the importance of the strong points of the eligible border area, which are the high quality and abundance of the natural and cultural resources, the pronounced presence of young population and important educational centres and finally the intensive cross border economical activity especially in terms of investments from the Greek to the Albanian side. On the other hand, other issues such as the geographical isolation, the large socio-economic disparities between the two countries, the limited cooperation in crucial cross-border issues such as environment and health and the environmental and socio-economic dangers imposed by uncontrolled economic development represent the main challenges that the region has to confront. The EU policies are seen as an important external component which either intervenes in areas which can not be addressed by the Programme, such as State reforms through the IPA

Component 1 or through Infrastructure investments through the Regional Operational Programmes of the Greek NUTS II regions or provides incentives and political legitimation in issues such as the exploitation of the renewable energy sources or the protection of the environment, hence providing for the ignition of locally driven sustainable development.

#### **4.2 Application of EU principles.**

**(64)** This chapter addresses the EU principles according to Articles 16 and 17 of the General Regulation and provides a description of how the programme will pursue the horizontal objectives linked to those principles.

**(65) Principle "Promotion of sustainable development":** Development, in the context of the present Programme will be pursued in environmentally sensitive areas. As a horizontal principle, sustainability should be part of all the actions. A special consideration point is whether activities confront with different user demands. The principle of sustainability aims at providing development conditions to the living generation, without decreasing the development possibilities for the future generations. To reach this point, there have to be taken into consideration the three dimensions of sustainability, namely, the environmental, the economic and the social one.

- **Environmental sustainability** means the proper, environmental quality oriented use of natural resources, the improvement of the quality of the environment, the protection of biodiversity and risk prevention for humans and the environment.
- **Economic sustainability** implies the establishment of a future oriented economic system and a continuous increase in economic capability and competence for innovation.
- **Social sustainability** means social balance, the right for human life and the active participation of the population in policy making and society.

In the programme context that would mean that all envisaged actions respect the three dimensions of sustainability. The overall Objectives Structure and the resulting Priority Axes show direct links to these dimensions, addressing environmental protection and improvement, promoting a future oriented economic system based on knowledge and innovation and underlining social equality and public participation.

**(66) Principle: Promotion of equal opportunities and non-discrimination:** The implementation of the activities should be in line with European and national policies for equal opportunities and non-discrimination. Equal opportunities is a basic principle for each single activity – not a separate issue. Inclusion of equal opportunities in all activities would bring balance and fairness within the society. In the programme context that would mean that through all priorities the same tools and opportunities will be offered to all potential participating groups.

#### **4.3. Objectives and Priority Axes**

**(67)** The Programme Strategy is structured along one **Global Objective** and two **Strategic Priorities** which will be achieved through two **Priority Axes**. These two **Priority Axes** will be accompanied by a Priority Axis on Technical Assistance aiming at successful implementation of the Programme.

#### **(68) Global Objective**

**To increase the standard of living of the population by promoting sustainable local development in the cross-border area.**

**(69)** The Global Objective is addressing sustainability in its economical, social and environmental components. It takes into account the need to specify and focus on the one hand on the socio-economic dimension of the cross-border area and on the other hand, on the undividable entity of nature and culture and their interactions in the eligible border area.

**(70)** On the one side the Programme will enhance the cooperation among economic actors and stakeholders through common approaches for the support of local economic activities as well as the development of local human resources reflecting the needs of the area.

**(71)** On the other side, the Programme will also devote its resources to the protection and promotion of the environmental and cultural potential of the eligible border area as a means for sustainable local development.

**(72)** The Priority Axes of the Programme are defined below:

- **Priority Axis 1: "Enhancement of cross border economic development"**, aiming to promote sustainable economic development through common interventions, and to facilitate cross border relations. **Priority Axis 1** will be implemented through four Areas of Intervention focusing on the promotion of entrepreneurship, the development of tourism, the promotion of people to people actions and the improvement of border accessibility.
- **Priority Axis 2: "Promotion and development of the environment and natural and cultural resources"** aiming to promote common actions for the protection of the environment and the improvement of the natural and cultural heritage as well as for the sustainable development while safeguarding the natural and cultural heritage from impacts related to economic development. **Priority Axis 2** will be implemented through two Areas of Intervention focusing on the promotion and protection, one the one hand, of the environmental resources and, on the other hand, of the natural and cultural heritage of the area.

- **Priority Axis 3: "Technical Assistance"** aiming at specific actions for the successful implementation of the Programme.

(73) The Programme underlines the importance on the implementation of projects with real cross-border character as requested by the IPA Regulation.

**Figure 7: Programme Structure**

**Global Objective:** Increase the standard of living of the population by promoting sustainable local development in the cross-border area.

**Priority Axis 1:** "Enhancement of cross border economic development"

**Areas of Intervention**

- 1.1 Promote entrepreneurship
- 1.2 Promote sustainable tourism
- 1.3 Enable people to people actions
- 1.4 Facilitate border accessibility through small scale infrastructure

**Priority Axis 2:** "Promotion and development of the environment and natural and cultural resources"

**Areas of Intervention**

- 2.1 Promote and protect the environmental resources of the area
- 2.2 Promote and protect the natural and cultural heritage of the area

**Priority Axis 3:** "Technical Assistance"

(74) The Programme follows a coherent objectives sequence structure ranging from the Objectives of the relevant IPA and ERDF regulations, through the Priority Axis and the aims of each Area of Intervention to the evolving project ideas. This sequence is illustrated in Table 8 for clarity reasons. Beneficiaries will be encouraged to point out the relevance of their project ideas with the overall Programme Structure.

**Table 8: Programme Structure**

<i>Level</i>	<i>Objectives</i>
IPA Programme Greece/Albania 2007-2013	Increase the standard of living of the population by promoting sustainable local development in the cross-border area.
Priority Axis 1: "Enhancement of cross border economic development",	The Aim is to: Enhance the cooperation among economic actors and stakeholders through common approaches for the support of local economic activities and the development of local human resources reflecting the needs of the area
Aol 1.1 Promote entrepreneurship	The aim is to support interventions <b>facilitating the development of cross border economic activities</b> through the utilisation of the existing potential and the emerging opportunities.
Aol 1.2 Promote sustainable tourism	The aim is to <b>support common cross border activities supporting sustainable tourism</b> and utilising the existing natural and cultural heritage.
Aol 1.3 Enable People to people actions;	The aim is to <b>support common cross border activities</b> of a smaller scale focusing directly to the interaction of the local population on matters supplementary to economic development
Aol 1.4 Facilitate border accessibility through small scale infrastructure	The aim is to <b>support small scale interventions</b> which contribute to <b>swift and efficient</b> border crossing procedures.
Priority Axis 2: "Promotion and development of the environment and of the natural and cultural resources"	The Aim is to: Mobilise the environmental and cultural potential of the eligible border area as a mean for sustainable local development.
Aol 2.1 Promote and protect the environmental resources of the area	The aim is to support interventions that <b>protect the environment and mitigate the environmental impacts</b> related to economic development.
Aol 2.2 Promote and protect the natural and cultural heritage of the area	The aim is to support interventions <b>that protect and mobilise the natural and cultural resources</b> as means for a local-driven sustainable development while safeguarding the natural and cultural heritage from impacts related to economic development.

#### **4.4 Financial allocation per priority axes**

**(75)** The systematic of the Programme objectives, the internal coherence of the Programme, the lessons learned during the Neighbourhood Programme Greece/Albania 2004-2006 and the proposals submitted by potential beneficiaries **require a balanced allocation** of the available funds. The financial allocation in the table is indicative regarding the transitional arrangements and the allocation of IPA funds which is subject to revision by 2009.

**Table 9: Financial allocation per Priority Axis**

Priority axes	Budget share (ERDF and IPA)
<b>Priority Axis 1: "Enhancement of cross border economic development",</b>	45%
<b>Priority Axis 2: "Promotion and development of the environment and natural and cultural resources"</b>	45%
<b>Priority Axis 3: "Technical Assistance"</b>	10%

#### **4.5 Quantification of objectives**

**(76)** The IPA Implementing Regulation, Article 94 emphasize the need to describe the objectives of each priority axis using a limited number of indicators for output and results. All priority axes should set quantified targets by means of a limited set of indicators to measure the achievement of the programme objectives.

**(77)** Due to the limited financial resources of this Cross Border Cooperation Programme and the scope, limitations and possible activities of Territorial Cooperation in genera, it is obvious that the results of the programme will be mainly of immaterial nature; in some cases material investments may be appropriate and justifiable. Results will be more difficult to measure compared to e.g. Objective 1 Convergence programmes. Results are generated through the outputs of projects within the scope of the programme. In contrast to it, impact indicators refer to the long-term consequences of the programme and are beyond control of the programme management. So impact indicators are not included in the programme.

**(78)** The Operational Programme **contains only a sub-set of output and result indicators**, which are ex-ante-quantified. A **full set** of indicators will be further developed in a separate document providing in depth details for the implementation of the programme. The full set of indicators serves for the **programme structures** and forms an indispensable basis for the **reporting and communication needs** to make the programme achievements **visible** to the programme partners and to a broader public.

**(79)** The ex ante quantification of the **output and result targets** is based on **two parameters**: the allocation of IPA funds per Priority Axis and an estimated average project size.

**Table 10: Ex-Ante-quantified Output and Result Indicators for the Operational Programme**

	Indicator	Target	Source of Verification
IPA Programme Greece/Albania 2007-2013	<b>Output:</b> 1. No of projects respecting only one of the following criteria: joint development, joint implementation, joint staffing, joint financing 2. No of projects respecting only two of the following criteria: joint development, joint implementation, joint staffing, joint financing	70 40	Output: 1. Programme Monitoring 2. Programme Monitoring
Pr.1: Enhancement of cross border economic development	1. No of projects contributing to Cross Border Economic Development	40	1. Programme Monitoring
Aol 1.1 Promote entrepreneurship	1. Output: Number of projects 2. Result: <i>Contributions</i> to the economic development of the eligible border area	12 12	1. Programme Monitoring 2. Project reporting
Aol 1.2 Promote sustainable tourism	1. Output: Number of projects 2. Result: <i>Contributions</i> to the tourism development of the eligible border area	10 10	1. Programme Monitoring 2. Project reporting
Aol 1.3 Enable People to people actions	1. Output: Number of projects 2. Result: <i>Contributions</i> to the closer relations of the people in the eligible border area.	15 15	1. Programme Monitoring 2. Project reporting
Aol 1.4 Facilitate border accessibility through small scale infrastructure	1. Output: Number of projects 2. Result: <i>Contributions</i> to the border accessibility	3 3	1. Programme Monitoring 2. Project reporting
Pr. 2 Promotion/Development of the environment and of the natural and cultural resources	1. No of projects contributing to the Promotion and Development of the environment and natural and cultural resources	30	1. Programme Monitoring
Aol 2.1 Promote and protect the environmental resources of the area	1. Output: Number of projects 2. Result: <i>Contributions</i> to the protections and promotion of the environment	15 15	1. Programme Monitoring 2. Project reporting
Aol 2.2 Promote and protect the natural and cultural heritage of the area	1. Output: Number of projects 2. Result: <i>Contributions</i> to the protections and promotion of the natural and cultural heritage	15 15	1. Programme Monitoring 2. Project reporting

**(80)** The **complete list of output and results indicators** (which is not part of the operational programme) could include output **results** indicators referring to **all priority axes** and areas of intervention (including the Technical Assistance) and **horizontal** output-indicators reflecting project characteristics, strategic implementation principles, output of project activities, public awareness. All relevant indicators should be **included** in **application forms** and **reports**.

**(81)** According to the IPA Implementation regulation, Article 94 the Programme must provide information on the priority axes, the related activities and their specific targets. Those targets shall be quantified using a limited number of indicators for output and results, taking into account the proportionality principle. The indicators shall make it possible to measure the progress in relation to the baseline situation and the effectiveness of the targets implementing the priorities.

**(82)** Context indicators should monitor the evolving socio-economic context of the programme. Context indicators form part of the **analysis** to describe the socio-economic development status

based on official statistics (e.g. Public expenditure on education in % of GDP, 2004). For the OP no context indicators (going beyond the analysis) are defined. The fund volume of the OP, represents **only a very small part** of the entire public expenditures in the eligible border area. A connection between the Programme funds and context indicators is not possible.

#### **4.6 Compliance and complementarity with other policies and programmes**

**(83)** The new IPA Cross-Border Co-operation Programme Greece/Albania 2007-13 conforms to the principles addressed by the EU regarding European policies and priorities for Equality, Sustainability, Cohesion, Competitiveness, etc. The two Priority Axes (apart from the third axis "Technical Assistance") and the six areas of intervention are based on the Lisbon and Gothenburg principles. They are aiming at improving the local economic base, which apart from innovation and entrepreneurship promotes social equity, advances human resources and a sustainable natural and cultural environment.

**(84)** The new Cohesion Policy addressed by the European Union focuses on four main principles:

- Encouraging Innovation, Entrepreneurship and promoting the Knowledge Economy.
- Improving the attractiveness of the two States and their cross-border regions through accessibility, quality of life and environmental conservation.
- Providing more and better jobs for women for gender convergence to be achieved, as well as more opportunities for the vulnerable groups and the ethnic or social minorities.
- Convergence between urban and rural areas, in order a limitation of the gap between the rich and the poor to be achieved.



**Table 11: Contribution to the Lisbon Agenda, Gothenburg Priorities, Strategic Cohesion Guidelines and the MIPD**

	Competitiveness	Social Equity	Sustainable Natural and Cultural Environment	Equality	Cohesion Guideline 1: Improving the attractiveness of the two States	Cohesion Guideline 2: Encouraging Innovation, Entrepreneurship and promoting the Knowledge Economy	Cohesion Guideline 2: More and Better Jobs	MIPD 1: Cross-border Infrastructures	MIPD 1: Economic Development and Employment
Pr.1: Enhancement of cross border economic development	Very highly coherent	Coherent	Highly coherent	Very highly coherent	Highly coherent	Very highly coherent	Very highly coherent	Coherent	Very highly coherent
Aol 1.1 Promote entrepreneurship	X			X		X	X		X
Aol 1.2 Promote sustainable tourism	X		X	X	X	X	X		X
Aol 1.3 Enable People to people actions		X	X	X	X	X	X		X
Aol 1.4 Facilitate border accessibility through small scale infrastructure	X							X	
Pr. 2 Promotion/Development of natural and cultural resources	Coherent	Coherent	Very highly coherent	Coherent	Very highly coherent	Coherent	Coherent	Coherent	Very highly coherent
Aol 2.1 Promote and protect the environmental resources of the area			X		X	X		X	X
Aol 2.2 Promote and protect the natural and cultural heritage of the area	X	X	X	X	X		X		X

**(85)** All the aforementioned principles are consistent with the Lisbon Agenda and the Gothenburg Strategy for Sustainable Development. The main objectives of the IPA Component on Cross Border Cooperation are the promotion of sustainable economic and social development in the border areas; the cooperation in addressing common challenges in fields such as environment, natural and cultural heritage, public health and the prevention of and fight against organised crime and the promotion of joint small scale actions involving local actors from the border regions. At the same time Structural Funds promote sustainability, environmental protection and risk prevention, equal job opportunities, enhancing access to employment and participation in the labour market, reinforcing social inclusion enhancing entrepreneurship through innovation, promotion of public and private investments, information society and promotion of R&D and finally cross-border and inter-regional co-operation between regional and local authorities.

**(86)** Complementarily to these principles, the regulation 1085/2006 “establishing an Instrument for Pre-Accession Assistance (IPA) target the assistance to the beneficiary countries in their progressive alignment with the standards and policies of the European Union, including the **acquis communautaire** and the social, economic and territorial development, including infrastructure and investment related activities in the areas of regional, human resources and rural development.

**(87)** The new Programme conforms to the European Policies and Priorities since its main axis and priorities will be focused on the promotion and application of the abovementioned European regulations.

**(88)** Taking into consideration the Article 16 of the 1083/2006 General Regulation, with reference to the equality between men and women and their non-discrimination, the 6th Action Plan which describes the European environmental policy until 2010, as well as the general approach of the General Aim 4, 8, 9, 10, 11, 12, 15 and 17 of the Greek National Strategic Reference Framework 2007-2013, the IPA Cross-Border Co-operation Programme Greece/Albania 2007-2013 will also further assist:

- The promotion of gender equality through specific actions
- The promotion of Social Inclusion
- The quality investing on human resources for the enhancement of the educational system and the health system
- The better accessibility to employment
- The improvement of life-quality and entrepreneurship
- The sustainable environmental management and

- o The prominence of culture as a factor of economical development.

### **Conformity with National Policies and Priorities**

**(89)** The IPA Cross-Border Co-operation Programme Greece/Albania 2007-2013 is based on the main guidelines provided by the National Strategic Reference Frameworks (NSRF) for Greece and the MIPD of Albania, as well as on the priorities provided by the EU, as far as the promotion of Sustainability and Cohesion is concerned. The Greek NSRF and the Albanian MIPD represent the National Policy issues and priorities for Sustainability, Entrepreneurship and Innovation, Investments and Promotion of employment. All the aforementioned priorities have been derived from the Treaty, the renewed Lisbon Agenda, as well as the Regulations of the Structural Funds and IPA Regulation, and the renewed directive for Sustainability that will be applied during the current programming period.

### **Greek National Strategic Reference Framework**

**(90)** The Greek policy for Cohesion is based on the European principles according to which the European Union should:

1. Become a more attractive place for investments (foreign and internal) and employment.
2. Enhance innovation and knowledge economy for embracing spatial development.
3. Offer more and better jobs for equal opportunities.

The main **keywords** of the aforementioned principles are "Territorial Cohesion and Cooperation", "Improving Infrastructures", "Conservation of the Environment", "Promotion and enhancement of Alternative forms of Energy", "Enhancing Competitiveness and Entrepreneurship, Innovation and Knowledge Economy", "Funding" and "More and better jobs".

**(91)** According to the new principles for Cohesion and the new directives provided by the Structural Funds (ERDF, ESF) and other aid Funds (EARFD-European Agricultural and Rural Development Fund, EFF-European Fishery Fund), the Greek NSRF promotes:

- Competitiveness and accessibility
- Digital convergence
- Environmental conservation and Sustainable Development
- Education and lifelong learning
- Skills improvement for civil servants.

**(92)** According to the aforementioned analysis, the strategy for the Cohesion and Development of the country is relevant and convergent to the ESDP and the European Framework of Priorities and Principles for Equality, Lisbon and Gothenburg Strategies and Structural Funds' regulations. The new regulations take into consideration the spatial integration and enlargement of the European Union, in order to secure social and economic cohesion and prosperity.

The Albanian **Multi-annual Indicative Planning Document (MIPD) 2007 - 2009**

**(93)** The Multi-annual Indicative Planning Document (MIPD) 2007 - 2009 is the key strategic planning document for assistance to Albania under the Instrument for Pre-Accession Assistance. The main strategic objective of the pre-accession assistance to Albania is to support the country in the transition from the status of a potential candidate to a candidate country and through to membership of the European Union. IPA will support Albania to meet the Accession Criteria by fulfilling the political, economic and acquis-related criteria for membership.

At the same time IPA will support the implementation of the Albania's National Strategy for Development and Integration and the National Plan for the Approximation of the Legislation and SAA Implementation as well as other relevant horizontal, multi-sectoral strategies in the areas which correspond to the EU integration process.

**(94)** The strategic choices made for Albania in the Multi-annual Indicative Planning Document are based on the needs and priorities which had been identified in the Stabilisation and Association Process and which had been articulated in the Progress Report. Particular areas related to the Stabilisation and Association Agreement obligations and entering into force of the Interim Agreement are also considered a priority. As a potential candidate country In order to respond to the identified needs, the MIPD 2007 – 2009 addresses in its component I – Transition Assistance and Institution Building its support to Albania to cope with the political requirements of the Stabilisation and Association Process, to improve the economic indicators and to comply with European Standards.

**(95)** In response to the above requirements, the IPA MIPD is addressing the regional cooperation requirement in its component II – Regional and Cross Border Co-operation by proposing joint projects at the borders with Italy, Greece, Former Yugoslav Republic of Macedonia, Montenegro and Kosovo (according to UNSCR 1244), interregional projects and projects under the Italy/Adriatic programme.

**(96)** The Cross–Border Co–operation component may also support the participation of Albania in the relevant transnational and interregional programmes under the Structural Funds' European territorial cooperation objective. Beside its regional development objectives, the IPA Component II also aims to familiarise candidates and potential candidates with the procedures of the cross–border programmes of the Structural Funds.

**(97)** The strategy of the Programme is formulated so as to ensure complementarities with National Policies. Regarding the conformity of the Programme with the National and European Guidelines, several meetings have taken place for ensuring that overlapping with actions taken at the national level will be avoided. Representatives of ministries and regional and local authorities were invited to participate in the discussion of the draft of the Programming Document and the strategic concept and priorities of the new cross-border Operational Programme. The comments and feedback collected by all participants was taken into consideration for the formulation of the updated Programming Document; the political representatives also validated that the interventions proposed by the new Operational Programme Greece – Albania 2007 – 2013 is complementary and not overlapping to the actions and priorities proposed at both national levels.

**(98)** The Strategy and respective Priority Axes were presented and openly discussed. All representatives were invited to stress their viewpoints about the programme and give feedback as regards the final priorities and axes. All respective feedback was taken into consideration for the formulation of the final Programming Document, while the discussion that followed the presentation of the new Programme further ensured that the initiatives and categories of project ideas proposed have a complementary rather than overlapping role to the regional and national strategies of both countries.

**(99)** Taking into consideration all national policies and Programmes, the Strategy and Priority Axes of the formulated programme ensures the meeting of the needs of the eligible border area, complementing but not overlapping the actions and initiatives undertaken at the national and regional level.

#### 4.7 Main findings of Ex-ante Evaluation and Strategic Environmental Assessment

##### 4.7.1 Main findings of the Ex-ante Evaluation

Ex-Ante Recommendations	Integration in the OP
<p>The socio-economic analysis should explore more &amp; assess crucial <b>inward</b> (endogenous) development factors that affect potential sources of comparative advantage, such as possibilities for added-value processing of locally made &amp; produced goods that are transshipped across historical trade patterns between small-scale production units scattered in the area, indicating local clustering potential, and possible branding of local skills and competencies in connection with the area's unique characteristics (cultural heritage, eco-tourism, stonemasonry, construction) that have cross-border synergies and global appeal.</p>	<p>Scope of socio-economic analysis was extended to document changing structure of area economy in reflection of global market pressures, and to identify development potential in key areas (e.g. transport, tourism, culture)</p>
<p>Some minor additions and corrections in the designation of various elements to quadrants of the <u>SWOT analysis</u></p>	<p>Accepted &amp; SWOT analysis was revised accordingly</p>
<p>The <u>SWOT analysis</u> could be further used, by the combined reading of statements in the quadrants, as a policy-option generating tool (see attached Table 1).</p>	<p>Under consideration</p>
<p>The initial <u>strategic framework</u> of the Programme was very generic, broadly-stated and unnecessary complicated at the specific objective level.</p> <p>It could've been re-phrased to better reflect the identifying characteristics of the cross-border area, as well as the limited financial means, for example the <b>overall aim</b> of the Programme could be to accelerate the <b>European integration of the</b> cross-border GR-AL area by joint and sustainable development of local resources</p> <p>In addition, the implementation of the basic programme strategy could be carried out within two strategic priorities, instead of differentiating between 2 specific objectives &amp; 2 priority axis.</p>	<p>After extensive discussion, a modified version of the suggested overall aim was adopted, as well as the simplified priorities structure.</p>
<p>Initially, the achievements of the 2000-6 funding period were used as <u>baseline for Results indicators</u>, which is not advisable because it is not consistent with methodological guidance by the E.U. Evaluation Unit and will likely marginalize the ramifications of the Programme 2007-13 given the reduced budget.</p>	<p>Accepted &amp; baseline of Results indicators was revised</p>
<p>Add as an <b>Impact indicator</b>, jobs created</p>	<p>Under consideration</p>

*4.7.2 Main findings of the Strategic Environmental Assessment*

## **5 Priority Axes and Areas of Intervention**

**(100)** The structure of the programme consists of **two Priorities Axes** with **six Areas of Intervention**. 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.

**(101)** Additionally a Priority Axis 3 “Technical Assistance” is foreseen.

### **5.1 Priority Axis 1: “Enhancement of cross border economic development”**

**(102) Context:** The economy of the eligible border area is characterised by large disparities in income and employment opportunities on the one hand and vivid cross border trade, dynamic industries and a large potential for the development of sustainable tourism and services on the other. The Programme can intervene in specific points providing for the missing links in the cross border relations. Thus the public funds committed can produce real added value for the eligible border area. In the narrower field of economic cooperation, cross-border relations are developing rapidly. However the Programme can address the need for closing the information and communication between the bodies facilitating economic development in the region. Hand in hand with economic development the promotion of sustainable tourism appears as a necessity taking in account the natural and cultural potential of the eligible border area. Economic development however is not taking place in vacuum. Hence the promotion of people to people actions addressing immanent needs in training, health care and exchanges is also an integral part of the Priority Axis. Last but not least efficient border accessibility is considered as a *conditio sine qua non* for the enhancement of cross border economic development, continuing a successful story of the Neighbourhood Programme Greece/Albania 2007-2013.

**(103) Objective:** Priority Axis 1 “Enhancement of cross border economic development”, aims to promote sustainable economic development through common interventions and facilitate cross border relations. Priority Axis 1 will be implemented within four Areas of Intervention focusing on the promotion of entrepreneurship (AoI 1.1), the promotion of sustainable tourism (AoI 1.2), the promotion of people to people actions (AoI 1.3) and the facilitation of border accessibility (AoI 1.4).

**(104) Indicative Beneficiaries:** Priority Axis 1 is directed mainly towards ministries and central state bodies with regional competences, regional authorities, local self-government, education and research institutes, chambers, professional associations, cultural institutes and health directorates . As a general rule possible applicants are mainly public or public equivalent bodies implementing activities of non-profit character. However the Programme remains



**objective-driven**, meaning that all projects implemented contribute to the objectives. Hence all beneficiaries, who are eligible based on the requirements of Chapter CXX implementing provisions are welcomed to participate and are evaluated based on the virtue of their project proposals and contributions to the programme objective.

**(105) AoI 1.1 Promotion of entrepreneurship:** The aim is to support interventions facilitating the development of cross border economic activities through the utilisation of the existing potential and the emerging opportunities.

**(106) Potential indicative activities** are:

- Development of joint actions for cooperation, exchange of information and coordination of activities and services among professional associations and chambers,
- Support for research activities and studies for the facilitation of cross border trade and investment,
- Development of cross border databases and business partner search facilities,
- Development of public services for activities for the facilitation of cross border trade and investment,
- Development of trans-boundary associations,
- Transfer of know how in relevant business areas,
- Promotion of common events and fairs.

**(107) AoI 1.2 Promotion of sustainable tourism:** The aim is to support common cross border activities supporting tourism and utilising the existing natural and cultural heritage.

**(108) Potential indicative activities** are:

- Development of joint tourism territorial planning,
- Development of a regional brand-name and joint marketing initiatives,
- Development of standards for services, common billing systems, common training etc.,
- Development of thematic tourism clusters and routes (e.g. monasteries),
- Development of eco-tourism networks,
- Enhancement of existing outdoor activities,
- Promote the combination of local craftsmanship and tourism.

**(109) AoI 1.3 People to people actions:** The aim is to support common cross border activities of a smaller scale focusing directly to the interaction of the local population on matters supplementary to economic development as well as social – and health issues.

**(110) Potential indicative activities** are:

- Cooperation of the universities and education institutes for the development of common courses,
- Enhancement of students' mobility,
- Development of vocational training and qualification, especially for disadvantaged groups,
- Know-how transfer relating to health and social welfare matters
- Development of innovative and customised life-long learning concepts,
- Development of networks for exchanges on living culture, training, sport, local media, public participation, citizens' action etc.,
- Development of mobile cross/border Primary Health Care,
- Improvement of the quality of services provided to the local population by Cross-Border Health Centres, including equipping existing health care units.
- Prevention and control of infectious diseases,
- Development of links for the local and central health services and Search and Rescue for joint response to health emergencies,
- Support to the use of new technologies and ICT in cross-border cooperation in the health sector.

**(111) AoI 1.4 Facilitate border accessibility through small scale infrastructure:** The aim is to support small scale interventions which contribute to fast and efficient border crossing procedures.

**(112) Potential indicative activities** are:

- Support small scale upgrades at the border stations, and improvement of safety procedures linked to mobility of persons, capital and goods;
- Support ICT interventions to facilitate and accelerate border checks,
- Development of coordinated customs procedures
- Support the development of studies in order to facilitate and accelerate border checks,

- Explore the potential for public transport.

## **5.2 Priority Axis 2: Promotion and Sustainable Development of the environment and of the natural and cultural resources**

**(113) Context:** The eligible border area has been a space of vivid cultural exchange for centuries, creating thus a fascinating conglomerate of natural and cultural monuments, elaborated local craftsmanship and architecture and dense cultural lay and religious networks. The political development in the later half of the 20<sup>th</sup> century led to an extreme isolation, which weakened the cultural connections but preserved the natural environment in a pristine status seldom encountered. These two strong points of the eligible border area are important pillars in the quality of life and also accelerators of economic and social development. In the same time their existence and quality is threatened by the rapid economic development and the negligence of ecological principles. The Programme can be pivotal in establishing crucial links in the protection of the environment and the fighting of environmental hazards spreading across state borders. On the other hand the Programme is essential in closing the gaps in the cultural fabric of the area reanimating traditional links and creating new ones among the people of the eligible border area.

**(114) Objective:** *Priority Axis 2 aiming to promote common actions for the protection of the environment and the mobilisation of the natural and cultural heritage.. Priority Axis 2 will be implemented within two Areas of Intervention focusing on the promotion and protection the environmental resources (AoI 2.1) and natural and cultural heritage of the area (AoI 2.2).*

**(115) Indicative Beneficiaries:** Priority Axis 2 is directed mainly towards Ministries and central state bodies with regional competences, regional authorities, local self-government, education and research institutes., protected areas' management bodies, museums and cultural institutes, and non governmental organisations . As a general rule possible applicants are mainly public or public equivalent bodies implementing activities of non-profit character. However the Programme remains **objective-driven**, meaning that all projects implemented contribute to the objectives. Hence all beneficiaries, who are eligible based on the requirements of Chapter CXX implementing provisions, are welcomed to participate and are evaluated based on the virtue of their project proposals and contributions to the programme objective.

**(116) AoI 2.1 Promote and protect the environmental resources of the area:** The aim is to support interventions that protect the environment and mitigate the environmental impacts related to economic development. During project proposal evaluation special attention will be given to avoid duplication of activities that will be financed be sectoral Operational Programmes and other National Programmes, while fully exploiting potential synergies.

**(117) Potential indicative activities** are:

- Implementation of trans-boundary environmental impact assessments,
- Development of training and awareness programmes and regional certificates especially in the fields of eco-tourism, organic farming and renewable energy,
- Development of networks and plans for the management and preservation of the water resources (e.g. according to the Water Framework Directive 2000/60/EC),
- Development of links in the cross border environmental planning of the involved public bodies,
- Recording and assessment of threatened elements of the natural environment
- Development of cross border strategies for waste and wastewater management especially in connection to the 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 especially around brownfields, former military zones, coastal zones, environmental hotspots and envisaged development zones.

**(118) AoI 2.2 Promote and protect the natural and cultural heritage of the area:** The aim is to support interventions that protect and mobilise the natural and cultural resources as means for a local-driven sustainable development while safeguarding the natural and cultural heritage from impacts related to economic development. During project proposal evaluation special care will be given to avoid duplication of activities that will be financed by the sectoral Operational Programmes and other National Programmes, while fully exploiting potential synergies.

**(119) Potential indicative activities** are:

- Promotion and upgrade of natural and cultural monuments including religious monuments, traditional and listed buildings, historical and archaeological sites,
- Promotion and marketing of the region towards Special Interest Groups,
- Development of ICT tools for the promotion and protection of natural and cultural monuments,

- Development of common tools in the fields of protection and restoration of cultural landscapes,
- Promotion of local architecture,
- Development of innovative approaches in land use and settlement development especially around leisure and recreation settlements and cultural sensitive areas,
- Development of actions recording, and promoting shared traditional features (music, language, folklore) including joint cultural events (festivals conferences, etc).

### **5.3 Priority Axis 3: Technical Assistance**

**(120)** Priority Axis 3 on Technical Assistance includes activities which

- Secure the core management for the implementation of the programme (of the programme preparation, management, monitoring, evaluation and auditing);
- Implement accompanying actions to support the generation and implementation of high quality, result oriented cross border projects and partnerships.

**(121)** As outlined in detail in Chapter XX (Implementing Provisions) the Technical Assistance will focus on activities necessary for the effective management and implementation of the programme. Last but not least Technical Assistance funds should also be earmarked to provide environmental monitoring of the Programme, if existing monitoring measures are considered inadequate (in accordance with the SEA report).

## **6 Publicity and Visibility**

**(122)** In accordance to Article 62 and 63 of the IPA Implementing Regulation and Article 69 the General Regulation No. 1083/2006 the Managing Authority of the Programme will provide and guarantee for its publicity and its visibility. The information provided shall be addressed to all citizens and beneficiaries with the aim of highlighting the role of the Community and ensure that assistance from the Funds is transparent.

**(123)** Publicity and its visibility on the Programme will be provided by:

- Publication of full information on the Programme at the Managing Authority website;
- Publication of short information on the Programme in brochures and leaflets;
- Generation of annual and final reports for the Commission;
- Implementation of information activities and events including regional and local stakeholders related to project development and implementation;
- Implementation of information activities and events related to management, monitoring and evaluation of the Programme.

**(124)** A Communication Plan will be elaborated providing all interested potential applicants at local or regional level with information on the Programme as well as on the relevant funding instruments.

## 7 Financial Tables

### 7.1 Annual commitment of ERDF in the programme

**Table 12: Annual commitment of ERDF in the programme (in Euro):**

Years	ERDF
2007	910.910
2008	1.556.290
2009	1.701.140
2010	1.735.163
2011	1.769.866
2012	1.805.263
2013	1.41.368
Total 2007-2013	11.320.000

### 7.2 Annual commitment of IPA in the programme

**Table 13: Annual commitment of IPA in the programme (in Euro):**

Years	IPA
2007	873.000
2008	1.491.000
2009	1.626.000
2010	
2011	
2012	
2013	

Total 2007-2013	
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**7.3. Breakdown by codes for finance and territory at programme level**

**Table 14: Indicative breakdown by codes for finance and territory at programme level  
(in accordance with Annex II of the Commission Implementing Regulation)**

Dimension 2: codes for the form of finance		Dimension 3: codes for the territorial dimension	
Code	Allocation in Euro	Code	Allocation in Euro
01 Non-repayable aid	22.145.000,00	08 Cross-border cooperation area	22.145.000,00



## **8 Implementing provisions**

*Text from MA INTERREG in here ...*

***8.1 Programme Management Structures***

***8.2 Transitional arrangements***

***8.3 ERDF elated issues***

***8.4 IPA related issues***

***8.5 Project Development and Selection***

***8.6 Information and Publicity***

***8.7 Project level implementation and programme level financial management***

***8.8 Monitoring and Evaluation***

***8.9 Specific rules for the TA budget***

***8.10 Audits***

***8.11 Irregularities and recovery of funds unduly paid***

## Annex

**Table 145: Priority axes by source of funding (in Euro)**

Priority axes	Community Funding (ERDF+IPA) (a)	National public funding (b)	National private funding (c)	Total funding (d) = (a) + (b) + (c)	Co-financing rate (e) = (a)/(d)
Priority Axis 1	9.965.250,00	2.557.632,35	0,00	12.522.882,35	79,57
Priority Axis 2	9.965.250,00	2.557.632,35	0,00	12.522.882,35	79,57
Priority Axis 3	2.214.500,00	568.362,74	0,00	2.782.862,74	79,57
<b>TOTAL</b>	<b>22.145.000,00</b>	<b>5.683.627,44</b>	<b>0,00</b>	<b>27.828.627,44</b>	<b>79,57</b>

**Table 15: NATURA 2000 sites in the Greek eligible border area**

	SITECODE	CATEGORY	SITE NAME	ΟΝΟΜΑΣΙΑ ΤΟΠΟΥ	AREA (ha)
			<b>WEST MACEDONIA</b>		
			<b>Grevena</b>		
73	GR1310001	SCI	VASILITSA	ΒΑΣΙΛΙΤΣΑ	8012,77
74	GR1310002	SPA	ETHNIKOS DRYMOS PINDOU	ΕΘΝΙΚΟΣ ΔΡΥΜΟΣ ΠΙΝΔΟΥ	3294,00
75	GR1310003	SCI	ETHNIKOS DRYMOS PINDOU (VALIA KALDA) - EVRYTERI PERIOCHI	ΕΘΝΙΚΟΣ ΔΡΥΜΟΣ ΠΙΝΔΟΥ (ΒΑΛΙΑ ΚΑΛΑΝΤΑ) - ΕΥΡΥΤΕΡΗ ΠΕΡΙΟΧΗ	6838,25
			<b>Kastoria</b>		
76	GR1320001	SCI	LIMNI KASTORIAS	ΛΙΜΝΗ ΚΑΣΤΟΡΙΑΣ	4732,50
77	GR1320002	SCI/SPA	KORYFES OROUS GRAMMOS	ΚΟΡΥΦΕΣ ΟΡΟΥΣ ΓΡΑΜΜΟΣ	34469,96
78	GR1320003	SPA	LIMNI ORESTIAS (KASTORIAS)	ΛΙΜΝΗ ΟΡΕΣΤΙΑΣ (ΚΑΣΤΟΡΙΑΣ)	3846,00
			<b>Florina</b>		
80	GR1340001	SCI/SPA	ETHNIKOS DRYMOS PRESPON	ΕΘΝΙΚΟΣ ΔΡΥΜΟΣ ΠΡΕΣΠΩΝ	26621,72
81	GR1340003	SCI/SPA	ORI VARNOUNTA	ΟΡΗ ΒΑΡΝΟΥΝΤΑ	6071,16
82	GR1340004	SCI	LIMNES VEGORITIDA-PETRON	ΛΙΜΝΕΣ ΒΕΓΟΡΙΤΙΔΑ - ΠΕΤΡΩΝ	12569,02

83	GR1340005	SCI/SPA	LIMNES CHIMADITIDA-ZAZARI	ΛΙΜΝΕΣ ΧΕΙΜΑΔΙΤΙΔΑ - ΖΑΖΑΡΗ	4064,39
84	GR1340006	SCI	OROS VERNON-KORYFI VITSI	ΟΡΟΣ ΒΕΡΝΟΝ - ΚΟΡΥΦΗ ΒΙΤΣΙ	8202,13
85	GR1340007	SPA	LIMNI PETRON	ΛΙΜΝΗ ΠΕΤΡΩΝ	6699,00
			<b>IPIROS</b>		
			<b>Thesprotia</b>		
111	GR2120001	SCI	EKVOLES (DELTA) KALAMA	ΕΚΒΟΛΕΣ (ΔΕΛΤΑ) ΚΑΛΑΜΑ	8531,68
112	GR2120002	SCI	ELOS KALODIKIOY	ΕΛΟΣ ΚΑΛΟΔΙΚΙ	786,78
113	GR2120003	SCI	LIMNI LIMNOPOULA	ΛΙΜΝΗ ΛΙΜΝΟΠΟΥΛΑ	579,50
114	GR2120004	SCI	STENA KALAMA	ΣΤΕΝΑ ΚΑΛΑΜΑ	1820,30
115	GR2120005	SPA	YGROTOPOS EKVOLON KALAMA KAI NISOS PRASOUDI	ΥΓΡΟΤΟΠΟΣ ΕΚΒΟΛΩΝ ΚΑΛΑΜΑ ΚΑΙ ΝΗΣΟΣ ΠΡΑΣΟΥΔΙ	8614,00
116	GR2120006	SPA	ELI KALODIKI, MARGARITI, KARTERI & LIMNI PRONTANI	ΕΛΗ ΚΑΛΟΔΙΚΙ, ΜΑΡΓΑΡΙΤΙ, ΚΑΡΤΕΡΙ & ΛΙΜΝΗ ΠΡΟΝΤΑΝΗ	1806,00
117	GR2120007	SPA	STENA PARAKALAMOU	ΣΤΕΝΑ ΠΑΡΑΚΑΛΑΜΟΥ	3483,00
118	GR2120008	SPA	ORI PARAMYTHIAS, STENA KALAMA KAI STENA ACHERONTA	ΟΡΗ ΠΑΡΑΜΥΘΙΑΣ, ΣΤΕΝΑ ΚΑΛΑΜΑ ΚΑΙ ΣΤΕΝΑ ΑΧΕΡΟΝΤΑ	11692,00
119	GR2120009	SPA	ORI TSAMANTA, FILIATRON, FARMAKOVOUNI, MEGALI RACHI	ΟΡΗ ΤΣΑΜΑΝΤΑ, ΦΙΛΙΑΤΡΟΝ, ΦΑΡΜΑΚΟΒΟΥΝΙ, ΜΕΓΑΛΗ ΡΑΧΗ	19906,00
			<b>Ioannina</b>		
120	GR2130001	SCI	ETHNIKOS DRYMOS VIKOU-AOOU	ΕΘΝΙΚΟΣ ΔΡΥΜΟΣ ΒΙΚΟΥ ΑΩΟΥ	12794,25
121	GR2130002	SCI/SPA	KORYFES OROUS SMOLIKA	ΚΟΡΥΦΕΣ ΟΡΟΥΣ ΣΜΟΛΙΚΑΣ	19975,72
122	GR2130004	SCI	KENTRIKO TMIMA ZAGORIOY	ΚΕΝΤΡΙΚΟ ΤΜΗΜΑ ΖΑΓΟΡΙΟΥ	33114,95
123	GR2130005	SCI/SPA	LIMNI IOANNINON	ΛΙΜΝΗ ΙΩΑΝΝΙΝΩΝ	2690,13
124	GR2130006	SCI	PERIOCHI METSOVOY (ANILIO-KATARA)	ΠΕΡΙΟΧΗ ΜΕΤΣΟΒΟΥ (ΑΝΗΛΙΟ - ΚΑΤΑΡΑ)	7328,82
125	GR2130007	SCI/SPA	OROS LAKMOS (PERISTERI)	ΟΡΟΣ ΛΑΚΜΟΣ (ΠΕΡΙΣΤΕΡΙ)	20123,52
126	GR2130008	SCI/SPA	OROS MITSIKELI	ΟΡΟΣ ΜΙΤΣΙΚΕΛΙ	8435,99
127	GR2130009	SPA	OROS TYMFI (GAMILA)	ΟΡΟΣ ΤΥΜΦΗ (ΓΚΑΜΙΛΑ)	27416,00
128	GR2130010	SPA	OROS DOUSKON, ORAIOKASTRO, DASOS MEROPIΣ, KOILADA GORMOU, LIMNI DELVINAKIOY	ΟΡΟΣ ΔΟΥΣΚΩΝ, ΩΡΑΙΟΚΑΣΤΡΟ, ΔΑΣΟΣ ΜΕΡΟΠΗΣ, ΚΟΙΛΑΔΑ ΓΟΡΜΟΥ, ΛΙΜΝΗ ΔΕΛΒΙΝΑΚΙΟΥ	17383,00
			<b>IONIAN ISLANDS</b>		
			<b>KERKIRA</b>		
140	GR2230001	SCI/SPA	LIMNOTHALASSA ANTINIOTI (KERKYRA)	ΛΙΜΝΟΘΑΛΑΣΣΑ ΑΝΤΙΝΙΟΤΗ (ΚΕΡΚΥΡΑ)	189,69
141	GR2230002	SCI	LIMNOTHALASSA KORISSION (KERKYRA)	ΛΙΜΝΟΘΑΛΑΣΣΑ ΚΟΡΙΣΣΙΩΝ (ΚΕΡΚΥΡΑ)	2357,03
142	GR2230003	SCI/SPA	ALYKI LEFKIMIS (KERKYRA)	ΑΛΥΚΗ ΛΕΥΚΙΜΗΣ (ΚΕΡΚΥΡΑ)	242,96
143	GR2230004	SCI	NISOI PAXI KAI ANTIPAXI	ΝΗΣΟΙ ΠΑΞΟΙ & ΑΝΤΙΠΑΞΟΙ	5649,66

144	GR2230005	SCI	ΠΑΡΑΚΤΙΑ ΘΑΛΑΣΣΙΑ ΖΩΝΗ ΑΠΟ ΚΑΝΟΝΙ ΕΩΣ ΜΕΣΟΓΓΙ (ΚΕΡΚΥΡΑ)	ΠΑΡΑΚΤΙΑ ΘΑΛΑΣΣΙΑ ΖΩΝΗ ΑΠΟ ΚΑΝΟΝΙ ΕΩΣ ΜΕΣΟΓΓΙ (ΚΕΡΚΥΡΑ)	884,14
145	GR2230007	SPA	LIMNOTHALASSA KORISSION (KERKYRA) & NISOS LAGOYDIA	ΛΙΜΝΟΘΑΛΑΣΣΑ ΚΟΡΗΣΣΙΩΝ (ΚΕΡΚΥΡΑ) & ΝΗΣΟΣ ΛΑΓΟΥΔΙΑ	1060,00