

ANNEX

Cross-border cooperation Action Programme Albania- Kosovo* for the years 2018-2020

Multi-annual Work Programme This document constitutes the multi-annual work programme in the sense of Article 110(2) of Regulation (EU, Euratom) 2018/1046

1 IDENTIFICATION

Beneficiaries	Albania and Kosovo
CRIS/ABAC Commitment references Union Contribution Budget line	2018/ 041-401 - EUR 1,200,000.00 - 22.020401 2019/ 041-457 - EUR 1,200,000.00 - 22.020401 2020/-041-459 EUR 1,080,000.00 - 22.020401
Management mode Responsible Structures	Direct management by the European Commission (EU Delegation to Albania) For Albania: Ministry of Europe and Foreign Affairs For Kosovo: Ministry of Local Government Administration
Final date for concluding <u>Financing Agreement(s)</u> with the IPA II beneficiary countries (tripartite)	For the budgetary commitment of year 2018: at the latest by 31 December 2019 For the budgetary commitment of year 2019: at the latest by 31 December 2020 For the budgetary commitment of year 2020: at the latest by 31 December 2021
Final date for concluding contracting including conclusion of contribution/delegation agreements	3 years following the date of conclusion of the Financing Agreement (signature by the last party) with the exception of the cases listed under Article 189(2) Financial Regulation
Final date for operational implementation	6 years following the date of conclusion of the Financing Agreement
Final date for implementing the Financing Agreement (date by which this programme should be de-committed and closed) after the acceptance of the accounts	12 years following the conclusion of the Financing Agreement

* This designation is without prejudice on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

2 DESCRIPTION OF THE ACTION PROGRAMME

2.1 OVERVIEW OF THE 2014-2020 CROSS-BORDER COOPERATION PROGRAMME AND THE 2018-2020 CBC ACTION PROGRAMME

The 2014-2020 CBC programme Albania-Kosovo was approved by Commission Implementing Decision in December 2014¹. The adopted 2014-2020 programme constitutes the CBC cooperation strategy for the border region, setting out, among others, the list of geographical eligible areas, the area context, the programme thematic priorities and the indicative budget allocations for the seven year period.

The 2014-2020 CBC programme Albania-Kosovo also serves as a reference for the adoption of the CBC action programmes. The 2018-2020 CBC action programme aims at providing assistance for cross-border cooperation in the thematic areas spelled out in the 2014-2020 CBC programme Albania-Kosovo (as indicated in section 2.2).

On 6 February 2018, the European Commission adopted a Communication on "A credible enlargement perspective for and enhanced EU engagement with the Western Balkans²". This Communication aims to generate renewed reform momentum in the Western Balkans and provide significantly enhanced EU engagement to better support their preparations on the European path. The Communication sets the new strategic orientations, in particular as regards the implementation of the six flagship initiatives (i.e. strengthening support to the rule of law; reinforcing engagement on security and on migration; supporting socio-economic development; increasing connectivity; a Digital Agenda for the Western Balkans and supporting reconciliation and good neighbourly relations). In particular, cross-border cooperation is a key vehicle for fostering reconciliation and dealing with the legacy of the past in the Western Balkans, in line with flagship 6 (supporting reconciliation and good neighbourly relations) and for sustainable local development, in line with flagship 3 (supporting socio-economic development).

List of geographical eligible areas

The cross-border programme area covers a territory of 8,335 km² with a population totalling around 936,761 inhabitants, of which 76% live in the Kosovo territory and 24% in the Albanian side of the programme area. The length of the border is 114 km.

In Albania the eligible areas include the regions of Kukës and Lezha (8 municipalities with a total of 362 settlements), covering 48% of the programme area.

In Kosovo, the eligible areas include the West Economic Region and the South Economic Region (12 municipalities), covering 52% of the programme area.

Cross-border cooperation (CBC) eligible area context

The border region has a predominately agrarian economy, with industry more developed on the Kosovo side, while the Albanian regions are more based on agriculture and services. The agriculture sector retains a high degree of importance for economic development and employment, as a large portion of the population still resides in rural areas, despite significant recent movements towards urban areas. Agriculture activity is mainly a family-based and subsistence-oriented economic activity also because land fragmentation is rather high and the size of agriculture farms is on average 1.5 ha. Improvement of rural infrastructure and better

¹ Commission Implementing Decision C(2014) 9574 of 11 December 2014

² COM (2018) 65 final, 6.2.2018

management of water resources are important priorities to increase the productivity of the sector.

Competitiveness and know-how are quite low throughout the programme area and require further investment to expand both nationally and internationally. Labour skills do not respond to the market demand for high-quality services and products. Light industry, particularly food processing, has considerable potential to accelerate economic growth. Small and medium-sized enterprises (SMEs) dominate the businesses map, while business network and business cooperation across the border is still unexploited. Local products have little or no access to regional and international markets. Business support mechanisms are weak and insufficient, being slightly more active in Kosovo. The development of digital skills and economy remain low and could boost productivity growth and opportunities in the region.

Unemployment remains at a disturbing rate for the population of the programme area, especially on the Kosovo side where there is much higher unemployment especially amongst youth, rural population and women (in some areas it exceeds 50%). Social services are poorly and unevenly developed. Improving the educational system at all levels is a major priority for the programme area, particularly in rural areas. Joint actions could be undertaken to establish a network of vocational training centres and foster cooperation across higher education institutions, research agencies and organisations. Advantages coming from the common language should be further exploited in developing educational curricula.

The area's rich historic-cultural-artistic heritage is an asset for the economic development but tourism is still a missed opportunity. Different types of tourism (mountain, culinary and agro-tourism) can be developed; historical and cultural sites deserve higher visibility and traditional peculiarities can be better promoted.

Environmental protection needs serious consideration. Natural resources valorisation is a key issue to increase the attractiveness of the border region and improve the quality of life for citizens. Key challenges to cope with for local authorities are the reduction of pollution, management of urban waste, quality of drinking water, protection of the land from natural and man-made destruction, strategic urban planning process and efficient use of energy resources.

Considering the problematic aspects affecting the economy of the area and its sustainable development, the programme will focus on the following thematic priorities, where cross-border cooperation initiatives can have a real added value:

- (1) Environment protection, climate change adaption and mitigation, risk prevention and management;
- (2) Tourism and cultural and natural heritage;
- (3) Youth and education with a focus on employment generation.

Overview of past and on-going CBC experience including lessons learned

Key recommendations from interim evaluations and audits on the 2007-2013 CBC programmes have been taken on board in the development of this programme. Thus, the 2014-2020 CBC programmes are more focused as regards the number of thematic priorities addressed and the geographical eligibility, which will help achieve better results and increased impact. Additionally, the implementation of the CBC programmes has been simplified mainly by having a single contracting authority and a single financial envelope per programme.

Key lessons learnt were also identified by the final evaluation of IPA CBC Programmes 2007-2013 that was carried out between 2016 and 2017. The lessons learnt and the recommendations were discussed with the CBC stakeholders in the Western Balkans and follow-up measures were identified for the short and medium term, both for the on-going

2014-2020 CBC programmes and for the future 2021-2027 CBC programmes. The main recommendations regarding all CBC programmes at intra-Western Balkans level include:

- The main objective of promoting good neighbourly relations should be clearly reflected in the CBC projects.
- The calls for proposal should be more focused on a few priority issues that have high cross-border content.
- The intervention logic of programmes and the reporting and monitoring systems must be improved as they are not structured to set out a clear basis for measuring the results at regional level.
- There is a need for keeping on capacity building activities for Operating Structures and Joint Technical Secretariats/Antennas.
- There is a need for improving synergies with other policies and donors, capitalising and sharing experiences with the other CBC environments (e.g. INTERREG and ENI CBC programmes).

2.2 DESCRIPTION AND IMPLEMENTATION OF THE ACTIONS 2018-2020

Action 1	Cross-Border Cooperation Operations	EUR 3,480,000
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The envisaged assistance to Albania and Kosovo is deemed to follow the conditions and procedures set out by the restrictive measures adopted pursuant to Article 215 TFEU³.

(1) Description of the action, objective, expected results

Description of the action

Cross-border cooperation operations in the border region in the fields of environment, climate change adaptation and mitigation, risk prevention and management; tourism and cultural and natural heritage and youth and education with a focus on employment generation.

Objective

Socioeconomic development and strengthening of the neighbourly relations in the cross border area through the implementation of cross-border cooperation operations aiming at:

- (a) protecting the environment and promoting climate change adaptation and mitigation, risk prevention and management through, inter alia: joint actions for environmental protection; promoting sustainable use of natural resources, resource efficiency, renewable energy sources and the shift towards a safe and sustainable low-carbon economy; promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems and emergency preparedness;
- (b) encouraging tourism and cultural and natural heritage;
- (c) investing in youth, education and skills through, inter alia, developing and implementing joint education, vocational training, training schemes and infrastructure supporting joint youth activities.

³ https://eeas.europa.eu/headquarters/headquarters-homepage/8442/consolidated-list-sanctions_en

Expected results

- (a) Environment resources and biodiversity are better managed and promoted.
- (b) The quality of tourism services and products is improved and more competitive; cultural, historical and natural heritage is better preserved and promoted;
- (c) Access to education for young people is improved; skills are strengthened to meet the demand of the labour market; youth networking and exchanges are enhanced.

The objectives and expected results will be achieved over the period of implementation of this programme, from 2014 to 2020. The 2018-2020 CBC Action Programme will contribute to the achievement of the overall objectives and expected results as defined in the 2014-2020 CBC programme. For further details see section 3.2 of the 2014-2020 CBC programme (Annex 2 of the Commission Implementing Decision C(2014) 9574 of 11 December 2014).

(2) Assumptions and conditions

As a necessary condition for the effective management of the programme, the participating countries shall establish a Joint Monitoring Committee and provide proper and functioning offices and staff for the Joint Technical Secretariat (to be set up under a separate Financing decision) and the Antenna Office.

Failure to comply with the requirements set out above may lead to a recovery of funds under this programme and/or the re-allocation of future funding.

So far, the beneficiaries have complied with this condition by ensuring the smooth run of the Joint Technical Secretariat in Kukës and the Antenna Office in Prizren. These structures are fully financed by the Support Measure for Technical Assistance for cross-border cooperation programmes between IPA II beneficiaries under the Instrument for pre-accession assistance (IPA II) for the year 2014 C(2014) 37629. Further financial support has been programmed by the European Commission to keep on providing support to the Joint Technical Secretariat and the Antenna Office from 2019 onwards. Therefore new arrangements will be established with the beneficiaries who have to ensure that the conditions under this paragraph are furtherly respected.

(3) Implementation modalities

(3)(a) Direct Management by the Commission

Grant- Calls for proposal: EUR 3,480,000

Two different calls are foreseen:

- i) Call for proposal for strategic actions with a significant (or *strategic*) cross-border impact.

As mentioned in the 2014-2020 CBC Programme Albania-Kosovo, the beneficiaries are given the possibility to consider using part of the programme financial allocation (e.g. one or two yearly allocations) to fund one or more strategic projects related to the thematic priorities 1 "Environment protection, climate change adaption and mitigation, risk prevention and management" and

2 "Tourism and cultural and natural heritage";

Strategic projects are defined as interventions that have a significant cross-border impact in the whole programme area which, independently or in combination with other strategic projects, substantially contribute to the achievement of major objectives at priority level. Some general criteria for selecting the strategic projects would be: impact on both sides of

the programme area; link with regional or other strategies for development of the bordering areas; level of contribution and co-financing from regional authorities; number of population benefiting from the intervention; cost effectiveness of the intervention; complementarity with parallel actions and sustainability of the intervention. Furthermore, these projects must have a complete tender documentation and, in case of infrastructure investments, apart from the necessary environmental impact assessments, all the necessary permits for location and construction.

Through consultations between the beneficiaries (i.e. Albania and Kosovo) facilitated by the EU Delegation in Albania, the types of activities to be financed will be identified, in accordance with the section 3.2 "Description of Programme priorities) of the 2014-2020 CBC programme (Annex 2 of the Commission Implementing Decision C(2014) 9574 of 11 December 2014) and, subsequently, the Contracting Authority of the Programme will publish an open call for proposals.

ii) Call for proposal

The eligible activities are set out in section 3.2 of the 2014-2020 cross-border programme, (Annex 2 of the Commission Implementing Decision C(2014) 9574 of 11 December 2014).

The following list is a summary indicating the main eligible actions/operations:

- Environmental awareness campaigns; small scale environmental infrastructure interventions and procurement of equipment; integrated environmental monitoring systems; preparation of regional strategies and action plans for solid waste management, soil erosion and prevention and mitigation of man-made hazards and natural disasters (e.g. re-forestation and civil emergency services); joint studies in the field of energy efficiency; small-scale renewable energy projects.
- Small-scale reconstruction, modernisation and restoration interventions to facilitate tourist attraction (e.g. upgrade of potential touristic sites) and procurement of equipment; development of joint touristic thematic routes; joint tourism promotion initiatives; integration of historical heritage within tourist offers; touristic mapping (e.g. historic and gastronomy); development and promotion of existing/new regional brands of typical local products (e.g. agro-food products and handicrafts); promotion of new tourism marketing techniques (e.g. use of ICT and multi-media); organisation of local festivals, fairs and competitions.
- Youth empowerment and self-employment initiatives; support to innovative start-up and digital businesses; common initiatives to prevent school drop-outs; joint curricula and vocational and educational training programmes for young generations(including actions to address the digital literacy deficit); teachers' exchanges and training for new qualifications; joint activities of employment agencies; networking activities (e.g. sports tournaments, culture and music festivals and events).

(3)(b) Essential elements of the action

- The essential eligibility criteria:

Beneficiaries shall be legal entities and be established in an IPA II beneficiary participating in the CBC programme.

Potential beneficiaries could be: local authorities, legal entities managed by local authorities , associations of municipalities, development agencies, local business support organisations, economic factors such as SMEs, tourism and cultural organisations, non-governmental

organisations (NGOs), public and private bodies supporting the workforce, vocational and technical training institutions, bodies and organisation for nature protection, public bodies responsible for water management, fire/emergency services, schools, colleges, universities and research canterers including vocations and technical training institutions.

- a) The essential selection criteria are financial and operational capacity of the applicant.
- b) The essential award criteria are relevance, effectiveness and feasibility, sustainability and cost-effectiveness of the action.
- c) Maximum rate of EU co-financing for grants under the calls is 85% of the eligible cost of the action.
- d) Indicative amount of the call(s) (EU part): EUR 3,480,000 out of which EUR 2,040,000 will be allocated for the call for strategic actions and 1,440,000 for the second call.

The responsible structures may decide for more than one call for proposals. Nevertheless, every call for proposals will have the same objectives, results, and essential eligibility, selection and award criteria as described above.

The responsible structures may decide to merge the 2019 allocations with subsequent budget allocations.

f) Indicative date for launch of the call(s) for proposals:

First semester 2020 for the 2018 budgetary commitment: launch of a call for proposal for standard actions on 1, 2 or 3 priorities (to be confirmed in consultation with the beneficiaries and Joint Monitoring Committee, and by taking into account the need for focusing more the calls for proposals as highlighted in paragraph 2.1). Indicative number of grants to be awarded: 3 to 4

First semester 2022: for the budgetary commitments 2019 and 2020: launch of a Call for proposal for strategic actions. Total value EUR 2,040,000, for awarding 1 to 2 grants.

3 BUDGET

2018				2019				2020				Total Financing Decision
	Union contribution*	Grant beneficiary/ies Co- financing**	Total expenditure		Union contribution	Grant beneficiary/i es Co- financing	Total expenditure		Union contribution	Grant beneficiary Co- financing	Total expenditure	
CBC operations	1,200,000.00	211,764.00	1,411,764.00	CBC operations	1,200,000.00	211,764.00	1,411,764.00	CBC operations	1,080,000.00	190,588.00	1,270,588.00	3,480,000.00
in %	85	15	100		85	15	100		85	15	100	
TOTALS 2018	1,200,000.00	211,764.00	1,411,764.00	TOTALS 2019	1,200,000.00	211,764.00	1,411,764.00	TOTALS 2020	1,080,000.00	190,588.00	1270,588.00	4,094,116.00

**The Union contribution has been calculated in relation to the eligible expenditure, which is based on the total eligible expenditure including public and private expenditure. The Union co-financing rate at the level of each thematic priority shall not be less than 20% and not higher than 85% of the eligible expenditure.*

***The co-financing of the thematic priorities will be provided by the grant beneficiaries. Grant beneficiaries should contribute with a minimum of 15% of the total eligible cost of the project.*

5 PERFORMANCE MONITORING ARRANGEMENTS

As part of its performance measurement framework, the Commission shall monitor and assess progress towards achievement of the specific objectives set out in the IPA II Regulation on the basis of pre-defined, clear, transparent measurable indicators. The progress reports referred to in Article 4 of the IPA II Regulation shall be taken as a point of reference in the assessment of the results of IPA II assistance.

The Commission will collect performance data (process, output and outcome indicators) from all sources, which will be aggregated and analysed in terms of tracking the progress versus the targets and milestones established for each of the actions of this programme, as well as the Indicative Strategy Papers.

The National IPA Co-ordinators (NIPACs) will collect information on the performance of the actions and programmes (process, output and outcome indicators) and coordinate the collection and production of indicators coming from national sources.

The overall progress will be monitored through the following means: a) Result Orientated Monitoring (ROM) system; b) IPA II Beneficiaries' own monitoring; c) self-monitoring performed by the EU Delegations; d) joint monitoring by DG Neighbourhood and Enlargement Negotiations and the IPA II Beneficiaries, whereby the compliance, coherence, effectiveness, efficiency and coordination in implementation of financial assistance will be regularly monitored by an IPA II Monitoring committee, supported by the Joint Monitoring Committee, which will ensure a monitoring process at programme level.

The overall progress will be subject to evaluation which will take place following the implementation of activities.