

IPA III

Cross-border Cooperation Programme

Montenegro - Albania

2021-2027

***1st Draft, 3 December 2020***

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# Programme synopsis

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| --- | --- |
| Programme title | IPA III Cross-Border Cooperation programme Montenegro – Albania 2021-2027 |
| Programme area | Montenegro:   * Andrijevica, Berane, Plav, Petnjica, Rožaje, Podgorica, Cetinje, Danilovgrad, Budva, Ulcinj, Bar, Gusinje, Tuzi   Albania:   * Shkodra and Lezha Regions * Municipality of Tropoja |
| Programme overall objective | To improve the quality of life of the population in the cross-border area by tourism development based on cultural/natural heritage and by protecting the environment |
| Programme thematic clusters, thematic priorities and specific objectives per thematic priority | |  | | --- | | **Thematic Cluster 2:**  Greener and Improved resource efficiency  **TP2:** Environment protection, climate change adaptation and mitigation, risk prevention and management  **SO1**: To enhance environmental protection, the resilience of communities for adaptation to climate change, risk preparedness and disaster management  **Thematic Cluster 4:**  Improved business environment and competitiveness  **TP5:** Tourism and cultural and natural heritage  **SO1:** To enhance tourism prospects by promoting cultural and natural heritage  **SO2:** To upgrade the competitiveness of service providers/SMEs in the tourism sector  **TP0:** Technical Assistance  **SO1:** To ensure the efficient, effective, transparent and timely implementation of the cross-border cooperation programme as well as to raise awareness of the programme amongst national, regional and local communities and, in general, the population in the eligible programme area. | |
| Total EU financial allocation 2021-2027 | € <…> |
| Management implementation mode | Indirect Management |
| Contracting authority | **Montenegro:**  Ministry of Finance  Central Finance and Contracting Unit (CFCU) |
| Relevant authorities in the participating beneficiaries [Operating Structures] | In **Montenegro:**  The Government of Montenegro - European Integration Office  In **Albania**:   * National IPA Coordinator (NIPAC)   Ministry for Europe and Foreign Affairs |
| Offices of the joint technical secretariat (JTS) | JTS Office, located in Podgorica, Montenegro  Antenna Office, located in Shkodra, Albania |

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# List of acronyms

|  |  |
| --- | --- |
| AL | Albania |
| CA | Contracting Authority |
| CBC | Cross-border cooperation |
| CBC-Forum | CBC regional consultative forum |
| CBIB+3 | Cross-border Institution Building Plus Phase III |
| CFCU | Central Finance and Contracting Unit |
| CfP | Call for Proposals |
| CSO  DEU | Civil Society Organisation  Delegation of the European Union |
| EC | European Commission |
| EIO | European Integration Office, Montenegro |
| EU  EUSAIR | European Union  EU Strategy for the Adriatic Ionian Region |
| GDP | Gross Domestic Product |
| IPA | Instrument for Pre-accession Assistance |
| JMC | Joint Monitoring Committee |
| JTF | Joint Task Force |
| JTS | Joint Technical Secretariat |
| ME | Montenegro |
| MEFA | Ministry for Europe and Foreign Affairs, Albania |
| NGO | Non-Governmental Organisation |
| OS | Operating Structure |
| PESTLE | Political, Economic, Social, Technological, Legal, Environmental |
| SME | Small and Medium-Sized Enterprise |
| SO | Specific Objective |
| SWOT | Strengths, Weaknesses, Opportunities, Threats |
| TA | Technical Assistance |
| TC | Thematic Cluster |
| TP | Thematic Priority |

# 

# Section 1: Programme summary

The IPA III Cross-Border Cooperation Programme 2021-2027 between Montenegro (MNE) and Albania (AL) will be implemented under the framework of the Instrument for Pre-Accession Assistance (IPA III) supports cross-border cooperation with the ultimate goal to enhance and empower the socio-economic development of the bordering regions and enhance European integration.

The legal provisions for the implementation of the programme are stipulated in the following EU legislation:

(to be completed as soon as the IPA III Regulation is in place)

## 1.1 Summary of the programme

A detailed socio-economic situational analysis of the municipalities and regions included in the programme area has provided an accurate snapshot of the reality on the ground, based on the available statistical data, reports, national, regional and municipal strategies.

The programme area for the IPA III cross-border cooperation programme between Montenegro and Albania covers a territory of 11 640 km2, slightly larger in Albania accounting for around 52 % as against 47 % in Montenegro. The population living in the programme area is 743 636 and accounts for around 63 % of total population of Montenegro, and 12.3 % of Albania’s. On the other hand, the population in the programme area is almost balanced as the Montenegrin accounts for 52.8 %, and the Albanian stands at 45 % of the total. Overall, the programme area has 22 municipalities and a total of 1 235 settlements, including towns and villages. As per the programme area, nine municipalities are directly on the border. The borderline length is 244 km, out of which 38 km are water borders composed of Skadar/Shkodra lake, the Adriatic Sea and some rivers. The programme area of both countries has experienced internal migration flows. A population movement towards the central and the coastal regions, which are broadly more developed and provide more socio-economic opportunities, as well as from rural to urban centres, is present in the programme area. Internal migrants settle in towns in search of employment, particularly in the tourism and construction sectors. Contrasting geographical elements enrich the environment and the flora and fauna of the programme area. Its natural resources are stimulating for the development of tourism and agro-business as the main economic drives to increase the prosperity of the programme area. Due to their environmental value, the CBC area is home to several protected areas, natural reserves and national parks.

The programme area is diverse but still has some common features like geographical position, demographic trends – young population, economic development, tourism potential, environmental assets, entrepreneurial spirit and commitments undertaken towards increasing competitiveness, innovation and skills; all of which represent good opportunities for CBC initiatives.

Key issues emphasized by the socio-economic analysis were confirmed and complemented through extensive consultations with a wide range of stakeholders at national, regional and municipal level both by face to face interviews and a structured questionnaire (provided by the CBIB+3 project) that enabled gathering their views on strengths, weaknesses, opportunities and threats (SWOT), as well as regarding the key priorities for the region.

Against this background and based on the situation and SWOT analyses, including political, economic, social, technological, legal and environmental (PESTLE) aspects, on the current situation in both countries and specifically in the programme area, the joint task force (JTF) overseeing programming selected the following thematic clusters/thematic priorities:

**Thematic Cluster 2:** Greener and Improved resource efficiency

**TP2**: Environment protection, climate change adaptation and mitigation, risk prevention and management;

**Thematic Cluster 4:** Improved business environment and competitiveness

**TP5:** Tourism and cultural and natural heritage;

The programme design has also relied on experience from the implementation of the two preceding programmes under the 2007-2013 and 2014-2020 financial cycles, as well as from other CBC and transnational programmes where both countries participate. Additionally, it considers other interventions that are occurring or planned in the programme area.

## 1.2 Preparation of the programme and involvement of the partners

The 2021-2027 IPA III CBC programme between Montenegro and Albania is the result of joint programming work, carried out by the participating countries’ operating structures (OSs) in coordination with representatives from relevant central institutions, local institutions of the programme area and local organizations. A JTF was been established with all these members from both countries to prepare this programme document under the leadership of the OSs and support from the joint technical secretariat (JTS).

The programming process took place from end of July to December 2020. The programme was designed through a consultation process involving local stakeholders and potential beneficiaries from both sides of the eligible territory. Questionnaires were drafted by the CBIB+3 team and disseminated by the OSs with the support of the JTS to institutions at central and local level, and CSOs. The responses collected, along with the situation and SWOT analyses, greatly helped in identifying joint priorities for the cross-border area. Furthermore, the AL OSs, assisted by the JTS, organized a series of meetings with local authorities from the 8 municipalities and 2 regions in the Albanian programme area after having circulated the questionnaires among them. Thus, they managed to accelerate the collection of responses, succeeded in collecting a questionnaire from every regional and local unit and ensured the comprehensiveness and quality of the gathered responses.

The following table summarizes the main events and milestones in the programme’s preparation.

***Table 1.1 Events and milestones in the IPA III CBC ME-AL programming process***

| **Timing and Place** | **Activities and Scope** |
| --- | --- |
| 22 April 2020 | A letter from the European Commission (EC) regarding IPA III and the start of the programming process was received by the NIPAC Office |
| 5 May 2020 | Kick-off meeting between ME OS and the CBIB+3 on the IPA III CBC programming process (required steps and draft working plan) |
| 6 May 2020 | Kick-off meeting between AL OS and the CBIB+3 on the IPA III CBC programming process (required steps and draft working plan) |
| End of July 2020 | The process of appointing JTF members started |
| 4-7 August 2020 | The JTS dispatched the questionnaires to the relevant CBC stakeholders |
| End of August 2020 | Mobilisation of the programming expert for this programme |
| 3 September 2020 | The AL OS meets representatives of Lezha municipality and regional council |
| 4 September 2002 | The AL OS meets representatives of Kurbin and Mirdita municipalities |
| 8 September 2020 | The AL OS meets representatives of V. Dejes, Puke and F. Arrez municipalities |
| 11 September 2020 | The AL OS meets representatives of Tropoja municipality |
| 14 September 2020 | The AL OS meets representatives of M. Madhe municipality and the Regional Council of Shkoder |
| 23 September 2020 | Online meeting with the CBIB+3 team and the programming experts (ME-AL & AL-KS) |
| 28 September 2020 | The aggregated answers from the collected questionnaires were delivered to the programming expert for further elaboration and analysis |
| 9 October 2020 | Online webinar organised by CBIB+ for IPA III CBC strategy formulation and development for the Albanian JTF members. |
| 13 October 2020 | Online webinar organised by CBIB+ for IPA III CBC strategy formulation and development for the Montenegrin JTF members, OS and JTS staff. Follow up meeting of the OSs, CBIB+3 team and the JTS on technicalities of the programming process. |
| 29 October 2020 | 1st JTF online meeting: results of questionnaires and preliminary priorities |
| 11 November 2020 | 2nd JTF online meeting: situation and SWOT analyses and preliminary priorities |
| 19 November 2020 | 3rd JTF online meeting: discussion on and adoption of the selection of priorities based on scenarios resulting from the analyses |
| 1 December 2020 | 4th JTF online meeting: discussion on and adoption of the programme strategy |
| <day> December 2020 | Submission of the 1st draft of the programme document to DG NEAR |
| <date> December 2020 | Public consultation(-s) |

# Section 2: Programme area

## 2.1 Situation Analysis

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The programme area of the IPA III cross-border cooperation programme between Montenegro and Albania covers a territory of 11 640 km². The territory of the programme area is slightly larger in Albania accounting for around 52 % as against 47 % in Montenegro. The borderline length is 244 km out of which 38 km are water borders composed of the Skadar/Shkodra lake, Adriatic Sea and some rivers. There are three operational land border-crossing points and a 4th under construction. Montenegro’s programme area covers 13 municipalities: Andrijevica, Berane, Plav, Gusinje, Petnjica, Rožaje, Podgorica, the capital of Montenegro, Tuzi, Cetinje, Danilovgrad, Budva, Ulcinj and Bar. Albania’s programme area covers the regions of Shkodra (which includes the municipalities of Shkodra, Malësi e Madhe, Vau i Dejës, Puka and Fushë-Arrës), and Lezha (municipalities of Lezha, Mirdite and Kurbin), and the municipality of Tropoja. The programme area has 22 municipalities with a total of 1 235 settlements, including towns and villages.

# *Geography*

The programme area is home to several national parks, protected zones and landscapes illustrating a rich biodiversity and environmental differences. The programme area in Montenegro is characterized by significant regional differences. It has a contrasted geographic and climate profile, loaded with mountain ranges, plains, valleys, rivers, lagoons and lakes. The programme area in Albania presents sharp contrasts as it alternates mountains, hills, rivers, lakes and the sea coastline very close to each other.

# *Demography*

The population living in the programme area is 743 636 and accounts for around 63 % of total population of Montenegro, and 12.3 % of Albania’s. On the other hand, the population in the programme area is almost balanced as the Montenegrin accounts for 393 176 inhabitants or 52.8 %, and the Albanian stands at 350 460 inhabitants or 45 % of the total in the programme area. Podgorica has the biggest population at both country and programme area within ME.

### *Migration and Density*

The programme area of both countries has experienced internal migration flows. A population movement towards the central and the coastal regions, which are broadly more developed and provide more socio-economic opportunities, as well as from rural to urban centres, is present in the programme area. Internal migrants settle in towns in search of employment, particularly in the tourism and construction sectors. Lower population density, long distances for commuting and poor availability of social facilities increase the difficulties of people residing in rural areas.

### *Poverty*

In Montenegro regional disparities are obvious – poverty is more evident in the northern regions and diminishes substantially southward in the central and coastal regions. An increased poverty rate is much more emphasized in rural areas, 35.6 % as against urban areas where it was 17.3 % in 2018.

The regions in the programme area of Albania are poorer compared to the national average of poverty rate 14.3 %. Lezha region registers a 17.5 % poverty rate and Shkodra is slightly better with a 15.7 % poverty rate. Poverty has become an urban concern, indicating a sluggish performance of economy over the last years, while the revival of the already exhausted urban potential to lead economic growth has become imperative.

### *Private Sector*

In the programme area there is an increasing number of SMEs with diversified activities.

In Montenegro, the number of businesses in the programme area account for around 71 % of the total number of businesses of the country. The biggest number of business entities in Montenegro and the programme area is in Podgorica, which constitutes around 50 % of the total number of businesses in the programme area. In Montenegro the largest number of business units falls under small business entities (98.7 %).

The structure of economic operators in the Albanian programme area is also dominated by SMEs. The total number of active enterprises in Albania as a whole is 162 343, while Shkodra accounts for 10 999 (7th in Albania) and Lezha for 5 167 (9th) and Tropoja (within the Kukës region, which is at the bottom of the ranking list).

### *Agriculture and Rural Development*

The programme area is rich in agricultural resources with potential for investment and development. The common feature is that it is based on small scale holdings being ideal operators for investment in genuine agro-products, that could become bio-products.

The agricultural sector plays an important role in Montenegro’s economy and is responsible for a significant share of the GDP (6.4 % in 2019). Stats shows that employability in the agriculture sector (including forestry and fishing) stands at 8.3 %.

The agriculture sector is one of the most important in the Albanian economy. Agricultural products are part of the regional identity in a wide range of environmental, natural and climatic conditions. Agricultural and rural development policy is especially relevant in Albania, as agriculture contributes around 20 % of the country’s GDP and employs nearly half of the country´s workforce.

### *Tourism*

Montenegro’s economy is strongly dependent on tourism, a key source of GDP growth, foreign exchange, employment and fiscal revenue, with a share of almost 22 % of the total GDP and with a strong tendency toward growth. Tourism revenues substantially impact both on the current account balance and employment. The programme area, bordering with Albania, provides a diversity of touristic destinations offering seaside and mountain tourism activities. The coast of the programme area attracts many tourists that enter Montenegro especially during the summer.

In Albania, tourism has continued to grow steadily over the last 3 years and become very important for the economy. Along 2017, the tourism sector recorded a direct contribution of $ 1.12 bn, accounting for about 8.5 % of the GDP. The programme area of Albania is very important for the sustainable tourism development, based on national parks and protected areas at the seashore and hinterland, rural traditions and handicrafts and on a very developed tradition of pilgrimage. It has a wide nature, cultural and historical touristic potential, which is largely unexploited.

### *Environment and Nature*

The programme area is very rich on environmental resources. **Montenegro** has a high biological diversity due to its geological background, climate and the proximity of the sea and mountain ranges. Environmental preservation and protection are pillars of all development strategies of the country. Together with mountains and water, forests form a substantial part of Montenegro’s brand in the area of sustainable and green tourism.

In **Albania**, the programme area has a wealth of biodiversity and climate as it includes mountains, hills, plains, lakes, rivers and coastline. It has natural parks, managed nature reserves and protected landscapes with the largest natural value and biodiversity in the country.

Social and economic changes of recent years, demographic shifts in both Albania and Montenegro have put pressure on the environment and biodiversity in the programme area. Energy efficiency measures will be an additional incentive to ensure resource efficiency and cleaner production. The main environmental challenges to be coped with in the programme area are the enforcement of strategic urban planning, pollution reduction, land protection from natural and man-made disasters, risk management and the capacity to protect people’s life, property and natural heritage.

### *Infrastructure*

The position of the programme area highlights the importance of a good transport infrastructure in the future development of tourism, trade, agriculture, cultural exchanges, competitiveness, and other related sectors affecting GDP growth. An efficient and well-functioning passenger and freight transport system is considered vital for a competitive economy but also to increase the degree of integration both within the country and in the regional and wider international surroundings, and to stimulate the attraction of transport flows in the region. The development of an efficient transport system also results in shorter travel times, changing market conditions of business and increasing company competitiveness due to easier access to the (regional) market and direct engagement of domestic construction equipment, materials and workforce, which has its own multiplying effects on overall economic growth.

Montenegro and Albania continue to actively participate in the EU strategy for the development of the Danube Region (EUSDR) as well as in the EU strategy for the Adriatic and Ionian Region (EUSAIR). Albania participates actively in around 35 regional organisations and initiatives, such as the Central European Free Trade Agreement (CEFTA), the Energy Community, the Transport Community, the South East European Cooperation Process (SEECP) and the Regional Cooperation Council.

### *Roads*

The total length of Montenegro’s roads is approximately 7 000 km, of which around 1 850 km consists of main and regional roads, while the remaining length consists of local roads. The connections between Podgorica and the coastal towns have significantly improved, journey times have become shorter and routes safer with the completion of Sozina tunnel in 2005 and numerous upgrades of roads towards Cetinje, Budva and Bar. Currently, on the section 1 (Smokovac - Matesevo) of the new motorway, began in 2015 and should be completed by 2021 (only section 1). In the Albanian programme area, the road infrastructure has been substantially improved in the last 5 years. Transport of commodities and people is easier and faster now. Travelling to Lezha, and Shkodra from Tirana takes no more than 120 minutes.

### *Railway Transport*

Montenegro’s railway network consists of three (mostly) electrified, standard gauge railway corridors with a total length of 150 km. These railways connect the Port of Bar with Podgorica and Podgorica with Albania (Podgorica-Shkoder railway). The railway line to Albania offers exclusively freight service. Railways are operated by companies, which independently handle the railway infrastructure, passenger transport, cargo transport and maintenance of the rolling stock. Montenegro and Albania have agreed to integrate procedures of organizing railway transport between countries.

***Air and Maritime Transport***

The Podgorica airport in Montenegro is the major airport in the programme area. There is also the Berane airport that is not functioning (the last flights happened during the 1980s) and the Špiro Mugoša airport in Podgorica, a non-commercial airport frequently used for parachuting, gliding, and other air sports. The programme area in Montenegro is home to the port of Bar, the biggest in Montenegro, and the marina in Budva. There is another marina in Bar, close to the port of Bar, and a small harbour in Ulcinj. In the Albanian programme area, there is the port of Shengjin (Lezha region) which serves the needs of the northern part of Albania for maritime transport.

***Telecommunication, Information Technologies***

Telecommunication in the programme area benefits from both land (fixed) and mobile telephony.In Montenegro, 72 % of households have home internet access. The developments of telecommunication networks largely rely on the private sector. In Albania, the number of households enjoying home internet access has increased (from 80.7 % in 2017 to 82.2 % in 2018).

***Energy***

The 2019-2021 Economic Reform Program for Montenegro set out a priority reform measure entitled “enhancing the legislative-regulatory and institutional framework for integration into the regional electricity market'' for a period of three years. The completion of the 400 kV interconnection line between Albania and Montenegro (Elbasan-Podgorica) increases the capacities of energy exchanges between the two countries and connects Albania with regional and European networks, thus increasing the security of electricity supply in the country.

**Social**

***Labour Market***

Unemployment in both Montenegro and Albania is relatively high by international standards. It is still a major economic problem in both countries and is characterised by significant regional differences. In Montenegro, the structure of persons in employment by sectors of activity shows that the highest share of them works in the service sector, 74 %; then in industry and construction, 17.7 %, and 8.3 % in agriculture, forestry and fishing. Long-term unemployment remains a major structural challenge. The most vulnerable groups on the labour market remain women, youth, Roma and low skilled workers. According to 2018 data, 94 000 women in Montenegro work in various economic sectors. Most of them work in trade (26 100), education (10 600) and health care (9 300). Although the number of women in Montenegro is slightly higher than that of men, women contribute less to the country’s GDP. In 2019 the unemployment rate of the working age population was 15.4 % (15 % for men and 15.9 % for women).

In Albania, the annual growth rate of employment for the population aged 15 and over, from the second quarter of 2019 to the second quarter of 2020, was -3.6 %. In annual terms, the employment rate decreased 3.7 % in the agricultural sector, 3.7 % in the industry sector and 3.4 % in the services sector. The labour market shows disparities between women and men in Albania. Women have lower labour force participation and employment rates, and higher inactivity rates due to household responsibilities. Youth in Albania has the lowest labour force participation and employment rates, and the highest unemployment rates compared to the rest of the population. Data show higher employment of women than men in social sectors like education, human health and welfare.

***Education and Youth***

The education system in Montenegro is centrally managed, while in Albania it is decentralized with shared responsibilities between central and local government.

Montenegro retains a good coverage of the territory with primary and secondary schools, including rural areas. Proper implementation of the strategy on VET will be an important element moving forward, given its focus on providing quality and inclusive education geared towards the labour market, and the need for green and digital skills.

The Albanian programme area has a good coverage with primary and secondary education institutions. Vocational education has been a priority in recent years. For this reason, enrolment in vocational education has been increasing year-on-year. the Law on Youth (adopted on 4 October 2019) is expected to enhance the role of youth organisations in decision-making and ensure the efficiency of state institutions working on issues affecting young people.

Unequal educational levels are present in the programme area, with illiteracy increasing in remote areas. Private schools and Vocational training are present but still more efforts are required to match labour market demands for qualified and skilled workers. Roma and marginalised groups need to be better integrated in the education system.

***R&D, ICT, Innovation***

Montenegro has a growing scientific base, and the level of funding has been rising since 2017. R&I funding access has improved through training support to access international funding. Research and development (R&D) funding increased to 0.50 % of GDP in 2018 (up from 0.37 % in 2017). In January 2020, the University of Montenegro (UoM) was awarded the ‘HR Excellence in Research Award’. In June 2019, Montenegro was the first country in the region to adopt a smart specialisation strategy (S3), covering the 2019-2024 period and prioritising the areas of agriculture, energy, health, tourism and ICT. Albania is at an early stage in the area of science and research. Some progress was made over the reporting period, especially with the completion of the mapping phase of the Smart Specialisation Strategy. Despite a significant increase in national resources for research and innovation, this is still well below the target and still needs to step up investments in scientific research and other measures to strengthen research and innovation capacity at national level.

***Health***

The organization of the health system in Montenegro and Albania is similar: largely public with a modest (but increasing) private presence, and full territorial coverage including primary, secondary and tertiary health care. The Government of Montenegro adopted the 2015-2018 Montenegro Development Directions (July 2015) with the ultimate purpose of increasing the quality of life, with health being one of the policy fields. Like Montenegro, the primary health care in Albania is provided at commune and municipal level, while secondary health care is mainly located in the biggest urban centres. The primary health care service is the first contact point of the population to address their health problems. The basic institutions that provide these services are polyclinics, health centres, ambulances and special child and woman counselling services.

### *Culture*

Culture in the programme area is overall characterized by elements of different individual and common traditions. Tourist centres and big cities are rich in cultural heritages that include monuments and religious sites (churches, monasteries and mosques), old towns, archaeological ruins and different museums. The programme area is also rich in diversified culinary and handicraft traditions that could play an important role in tourism promotion and development. Limited public investments and subsidies have kept a low level of cultural activities in the programme area despite its rich heritage. This calls for new join initiatives aimed at adding value to the common heritage on both sides of the eligible territory.

The programme area in Montenegro is home to a variety of religious beliefs, traditions, and cultures. The area contains a population of mixed ethnicity (Montenegrins, Serbs, Albanians, Bosniaks, Roma community), with a long history of being closely connected to each other. Such history and tradition represent a good ground for cross-border initiatives as cross-border relations and cultural links are deeply rooted in the mindset of the programme area population.

In Albania, the programme territory is rich in cultural heritage. Beside the famous Rozafa castle, there are several museums in Shkodra and a considerable number of archaeological sites and tourist attractions in the region and city. Lezha, an archaeological park since 2005, has also its castle ruins dominating the city, together with other attractions which could be found in the region such as museums and churches.

### Civil Society

There are 5 932 CSOs registered in Montenegro (417 registered during 2019) with 4 062 registered in the programme area. The most influential and experienced CSOs have headquarters in Podgorica (2 392 accounting for more than 50 %) and are active in various sectors (human rights, public policy, environment and rural development, capacity building, people with disabilities, etc.). Most of them have experience in designing CBC projects. In the other regions and particularly in the northern region, the CSOs’ situation is more precarious. Officially there are 11 739 registered CSOs in Albania (313 newly registered in 2019). Most of the CSOs are concentrated in the capital city (Tirana), or in the central region (which includes Tirana and major towns such as Shkodra, Durrës, Elbasan and Korçë). Civil society is weakly represented in all rural areas. CSOs are mainly devoted to advocacy and research in the fields of promotion of human rights, the protection and rights of children, democracy and good governance, as well as policy think tanks and economic development. Access to government and private funding is limited.

## 2.2 Main findings

The programme area shares common values and features but it is at the same time diverse, which entails a huge potential to engage in cross-border initiatives and transfer know-how, work jointly, create synergies to increase the quality of services and enhance economic development. Some specific features worth mentioning are nature, geographic position, demographic trends, economy and human resources.

The programme should be built upon the best practices and wealth of initiatives undertaken through IPA I and II CBC between both countries and other ETC programmes such as Italy-Albania-Montenegro, the EU Strategy for the Adriatic and Ionian Region and Union programmes such as Erasmus Plus, Creative Europe, EaSI, Europe for Citizens, Horizon Europe, COSME, etc. which are under programming as well for 2021-2027 and in which both countries participate.

Basic findings of the programme area for CBC as summarised below:

* **Economic characteristics** of both countries indicate similar trends. The structure of their economies is however slightly different. While Albanian regions rely on agriculture, services, wholesale and retail markets; Montenegrin regions feature more developed industry (wood, leather, etc.), and the level of tourism is much highly developed. Agriculture is commonly important for both sides.
* **Competitiveness** requires attention as it is still under development on both sides of the border taking into consideration that both countries have an increased interest to invest in it. Higher productivity and further investment in know-how and use of innovation technologies are preconditions to becoming more competitive both nationally and internationally. In border areas, businesses normally exploit across-the-border and international trade opportunities. Most SMEs in the programme area work in the service sector where there are great opportunities, including innovation and capacity building, to develop joint initiatives promoting local products and crafts.
* Both sides of the programme area are increasingly becoming more attractive for **foreign investors**, but there is a need on both sides to improve conditions and especially the infrastructure for doing business. Investments in tourism, renewable energy and agriculture could be potential sectors for attracting more FDIs. Light industry and food processing industries are also considered as a potential for accelerated economic growth in the programme area.
* **Agriculture** is a major economic potential in the programme area. In general, the rural economy is fragmented, to a much higher degree in the Albanian side, and small agricultural holdings have difficulties in accessing markets. Production is moderately diversified and the range of main agricultural produce on both sides of the border is more complementary than competing. Improving efficiency in agriculture to develop additional sources of income, while preserving natural assets and finding synergies with tourism, would be a potential.

Further improvement of the access to markets, especially for local products, investments in rural infrastructure and better management of water resources could also be priorities in the programme area. Modernizing agriculture, upgrading production processes and establishing the EU compliance food safety standards are challenges to be tackled in the programme area. Cross-border initiatives can support and promote: i) the diversification of rural activities (e.g. tourist accommodation in farms); ii) access to markets and development of production and marketing of organic food products and crafts; iii) the protection (e.g. protected denomination of origin) and marketing of traditional agricultural and agro-food products; and iv) cooperation among farmers and other producers.

* **Unemployment** remains an issue among the population of the programme area, especially for the socially sensitive groups such as youth and rural population, women, Roma. **Employment** insecurity is considered as the main reason for a high migration rate, especially in the rural or less developed areas where the unemployment rates are high as result from subsistence and low-scale agricultural production. The latter paradoxically provides a form of social security for the bulk of the rural population and works as a buffer against high rates of registered unemployment. Such issues can be very well dealt with in tourism, being the backbone of Montenegro’s economy and strategic for boosting employment for Albania.

* **Environment protection** needs serious consideration in future development plans of the programme area. With the overall development of the programme area largely relying on natural resources, the environmental protection and preservation of these resources is crucial for the sustainable development of the area. Improved waste management, control of pollution, an efficient use of energy resources, managing natural and manmade disasters, and improved land management are amongst the key priorities to be addressed by governmental and local development plans. Further valorisation of natural resources for economic development is a key issue in the area, especially on the Albanian side.
* **Infrastructure** is a very important feature that contributes to the economic and social development of the programme area. The improvement of transport and public infrastructure could contribute to sustainable economic growth and a general increase of wealth in the programme area. There are several plans to invest through various programmes in the infrastructure of the programme area. A combination of infrastructure investments with the diffusion of networks and services to support business development and innovation could contribute to a general increase of wealth and economy in the area. Rehabilitation and electrification of the railway line from Podgorica to the state border with Albania (SEETO railway direction 2) will significantly contribute to the conditions for environment preservation and to the possibility of developing passenger traffic on the Podgorica – Skadar/Shkodra route, especially considering the intention of the Albanian side to improve and electrify this railroad in its territory.
* The programme area has high **tourism potential,** but such opportunities are utilized mainly on the Montenegrin side, while tourism in the Albanian side is still developing with increasing attention and focus from both national and local policymakers. CBC initiatives aiming to produce a joint touristic offer should be considered. Obvious synergies, potentially to be supported by the CBC programme, can be built between the regions in Albania and the coastal areas in Montenegro (developing within the programme area and the coastal tourism that can serve as a connecting bridge), but also with the “less touristic areas” in North-eastern Montenegro, which has similar characteristics in terms of environment, wild nature and mountains with north of Albania. As such, the improved infrastructure in the Alps, Tamare and Accursed Mountains, could be supported with the development of new integrated and regional products. A strong potential is the culinary tourism based on the Albanian and Montenegro tradition, in the production of local wines and other products that could be promoted and developed jointly.
* There is a rich **historic-cultural-artistic heritage** in the programme territory that needs to be preserved. Further valorisation of its historical and cultural heritage could contribute to strengthening the identity of the area. Cultural heritage is an asset for the economic development of the programme area. Cross-border cooperation among cultural institutions is already present, but it could be intensified further.
* Improving the **educational** curricula is a major priority for the programme area focusing in youth and marginalised groups. The CBC programme will have a limited role in addressing these issues but may support exchanges between schools and vocational training centres in the border areas. The presence of universities and research centres in both sides of the programme area is an asset for the CBC programme and an opportunity not only for further enhancing academic cooperation, but also for initiating research programmes in the border area and in several sectors such as agriculture or tourism.
* Overall, the health sector is unevenly developed and the lack of a proper legal framework for health insurance in rural areas (in the Albanian side of the border) is still hampering its development. Given that the health sector is centrally managed, perhaps not much can be done under CBC programmes, but certainly there is room for potential joint activities related to health prevention campaigns and health education.
* Encouraging regional **CSO** networks (including environmental, social, youth, Roma, cultural organisations, etc.) could contribute to maintaining and strengthening the ties between the communities in this multi-ethnic programme area.
* **Research & Development and ICT** penetration is quite diverse. Montenegro is quite developed in this area while Albania needs more efforts to invest. Governmental, regional or local support activities for R&D activities are present and need to be further developed through national support. More could be done in cooperation between education institutions in both countries, and research, development and innovation centres.
* **Local and regional governments** are in general financially weak and cannot boost local development. They need more efforts in management, financial control and budgeting, as well as in adopting democratic approaches in decision making processes. Cooperation between local and regional governments between the two countries could be advanced.

# Section 3: Programme strategy

## 3.1 Rationale - Justification for the selected intervention strategy

For the first section of this programme, statistical data pertaining to the programme area were examined, a large volume of strategic documents was reviewed, and a variety of stakeholders were consulted. The findings were subsequently presented and discussed with the OSs and the JTF in charge of the programming effort in keeping with the **coordination** principle.

A subsequent section of this programme will present the financial package that will be made available to fund the implementation of this seven-year CBC programme.

But the third and most important section is describing the thematic clusters/priorities, as they were selected as a result of the socio-economic and SWOT analysis in a broad consultation with the CBC stakeholders.

***Objective of the Programme***

To improve the quality of life of the population in the cross-border area by tourism development based on cultural/natural heritage and by protecting the environment.

The thematic priorities which have been developed based on a thorough analyses of the situation in both countries with specific focus in the programme area and are the following:

**Thematic Cluster 2:**

Greener and Improved resource efficiency

**TP2**: Environment protection, climate change adaptation and mitigation, risk prevention and management

**Thematic Cluster 4:**

Improved business environment and competitiveness

**TP5:** Tourism and cultural and natural heritage;

**Technical Assistance TP0:**

***Table 3.1: Synthetic overview of the justification for selection of thematic priorities***

|  |  |
| --- | --- |
| **Selected thematic priorities** | **Justification for selection** |
| **Thematic Cluster 2:**  Greener and Improved resource efficiency  TP2: Environment protection, climate change adaptation and mitigation, risk prevention and management | The programme area has immense potentials to explore within the environmental sphere. This priority can greatly contribute to articulating a response of local communities to climate change, developing risk prevention measures and management. It can be considered as showing continuity with results achieved through IPA II projects. It has high cross border effect having in mind the fact that institutions and organisations having experience in this field can address common needs in the area through organising different joint actions that could lead to joint solutions against specific impact of climate change on forests and farmland (e.g. bark beetle, irrigation, hail storms, etc.), prevention of floods, fires, droughts etc. It will furthermore improve capacities of disaster prevention services, enhance cooperation between relevant authorities and with NGOs.  *To sum up:*  - The programme area is home to several national parks, protected zones and landscapes reflecting rich biodiversity and great environmental variety.  - It has a rich biodiversity, untouched and attractive environment, diversity of natural landscapes  - It must increase public awareness on environmental protection measures and management  - It should promote joint improved mechanisms to manage natural disasters such as floods, fires, earthquakes and other disasters    ½ of the IPA funds would go to this TP |
| **Thematic Cluster 4:**  Improved business environment and competitiveness  **TP5:** Tourism and cultural and natural heritage; | Tourism based on cultural and natural heritage is of high relevance for the CBC programme area. It provides the possibility to build upon previously implemented projects, to further contribute to diversification of the tourism offer in the area and through CBC initiatives, to exploit the resources still underused, capacity of rural areas and underused potentials. This allows for the opportunity of combining tourism with agriculture as this is perceived as a major economic potential in the programme area. In addition, unemployment, as a huge issue of the area, can also be tackled with this TP.  *To sum up:*  - The programme area is rich in natural resources that are highly favourable for the development of tourism and as the main economic drives to increase the opportunities for the welfare and prosperity of the inhabitants in the programme area.  - A diversity of touristic destinations offering seaside and mountain tourism activities, as well as a wealth of architectural, natural and cultural heritage sites can be easy promoted.  - In rural and remote areas, all kinds of tourism related to mountain sports (skiing, hiking, biking, rafting, etc.) have a clear potential.  - The programme area is rich in diversified culinary and handicraft traditions that could play an important role in further promotion and tourism development.  - The further development of agriculture products and agro-processing industry and wood, crafts industry can be connected with tourism.  - The educational system can provide to youth opportunities to engage in entrepreneurship in tourism and advance qualitative and competitive services and products.  - Innovation and ICT should be applied to a tourism based on culture and natural heritage.  - Opportunities to create an integrated tourism product include both lake, coastal and mountain areas.  ½ of the IPA funds would go to this TP |
| **TA** | 10% of the IPA funds would be dedicated to the TP0 Technical Assistance |

## 

## 3.2 Description of programme priorities

**Overview of the programme strategy**

**Thematic Cluster C 2 – Greener and improved resource efficiency**

The selection of this TC includes investments to ensure disaster resilience against specific risks, by education in schools and strengthening of public services related to protection of environment. It would therefore seek to **enhance environmental protection, the resilience of communities for adaptation to climate change, risk preparedness and disaster management.** The actions under this TC would result in:

- ***improved capacities to adapt to climate change and respond to natural disasters and management.*** To achieve this, the programme could undertake investments to address specific risks, ensuring disaster resilience, fight against forests’ and farmland’s pests, prevention of floods, fires, droughts, storms, etc., investments for small infrastructure (e.g. targeted irrigation systems), coordinated response to natural and manmade disasters (including joint rescue protocols and operational procedures, equipment for responsible public bodies), capacity building of citizens' associations and local authorities to foster innovative environmental management approaches, initiatives to promote the sustainable use of natural resources in danger, promoting green initiatives in urban areas (i.e. energy efficiency measures such as greenhouse gas emissions and other pollutants).

- **Enhanced protection of the environment through pollution control and strengthened public services.** Activities under this result include, actions for combating pollution, provision of environmental education in schools, as well as youth initiatives towards environmental issues: protection, safeguarding natural resources and utilization, , public awareness campaigns on environmental protection measures in line with EU policies and eco-tourists demands, actions for strengthening the relevant public services related to the protection of environment, as well as cross-border networks, for instance among universities, research centres and NGOs in the field of research and education, exchange of experience on environmental topics, peer learning, non-formal education activities, volunteer actions with focus on youth, etc., social entrepreneurship initiatives supporting environmental protection (recycled products, etc.). Below is provided a summary table on the intervention logic.

| **Thematic Cluster 2:**  **Greener and Improved resource efficiency** | | | | | | |
| --- | --- | --- | --- | --- | --- | --- |
| **Protecting the environment and promoting climate change adaptation and mitigation, risk prevention and management** | | | **Indicators** | **Baseline (year)** | **Target (year)** | **Sources of data** |
| **Specific objective(s)** | **Results** | **Types of activities**  **(examples)** | **Impact**  Percentage of population benefitting from interventions to safeguard and manage environmental issues and contributing to its protection |  |  |  |
| 2.1. To enhance environmental protection, the resilience of communities for adaptation to climate change, risk preparedness and disaster management | 2.1.1. Improved capacities to adapt to climate change and respond to natural disasters and management | - Investments to address specific risks, ensuring disaster resilience  - Fight against forests’ and farmland’s pests  - Prevention of floods, fires, droughts, storms, etc.  - Investments for small infrastructure (e.g. targeted irrigation systems)  - Coordinated response to natural and manmade disasters (including joint rescue protocols and operational procedures, equipment for responsible public bodies)  - Capacity building of citizens' associations and local authorities to foster innovative environmental management approaches  - Initiatives to promote the sustainable use of natural resources in danger  - Actions for combating pollution by promoting green initiatives in urban areas (i.e. energy efficiency measures such as greenhouse gas emissions and other pollutants)  - Research on risk areas and establishment of intervention and approach protocols towards environmental hazards | **Outcomes**  -Number of emergency services from both sides of the border with increased capacities through joint initiatives[[1]](#footnote-1)  -Number of joint risk management measures included in the routine of relevant bodies in the cross-border area  - Number of strategies and action plans adopted based on research of risk areas  **Outputs**  - Number of people with increased capacities in rescue protocols  - Number of targeted trainings delivered  - Number of joint solutions for irrigation, heil storms, energy efficiency measures developed  - Number of protocols for joint interventions in border areas established,  - Number of professional emergency services provided  - No of joint management initiatives in relation to risk prevention and management  -Number of departments within the public administration equipped for improved cross-border management of disasters and dealing with climate change  -Number of institutions included in joint management initiatives in relation to risk prevention and management |  |  | - Reports from beneficiaries  - AIR  - Official statistics  - Reports from relevant national and regional authorities |
| 2.1.2. Enhanced protection of the environment through pollution control and strengthened public services | - Provision of environmental education in schools, as well as youth initiatives towards environmental issues: protection, safeguarding natural resources and utilization, climate change and adaptation  - Public awareness campaigns on environmental protection measures in line with EU policies and eco-tourists demands  - Actions for strengthening the relevant public services related to the protection of environment  - h, educational cross-border networks, for instance among universities, research centres and NGOs in the field of research and education  - Exchange of experience on environmental topics, peer learning, non-formal education activities, volunteer actions with focus on youth, etc.  - Social entrepreneurship initiatives supporting environmental protection (recycled products, etc.) | **Outcomes**  - Number of public services with increased capacities  - Population reached by the awareness campaigns  - Number of social enterprises in relation to environmental protection established (recycled products, etc.)  **Outputs**  - No of joint youth initiatives targeting environmental issues  - No of young people with increased capacities in environmental issues  - No of awareness campaigns implemented  - No of joint training programmes/curricula developed  - Number of joint environmental actions in schools implemented  - No of research studies developed  - No of networks established |  |  | - Reports from beneficiaries  - AIR  - Reports from municipalities/regions  - Monitoring Reports |

Main beneficiaries[[2]](#footnote-2): Authorities at all levels and institutions with competences in the policy area, local governments and their institutions; development agencies; organisations (including CSOs) for nature protection and climate change; public bodies responsible for fire/flood/emergency services, educational institutions of all levels; bureaus of education and vocational education centres.

Target groups: staff of all levels of administration in both countries and in particular of those sectors and departments bearing responsibility for risk management, and climate change volunteer organizations/bodies, social partners and civil society, local communities and general public, research staff, teachers and young population.

**TC 4: Improved Business Environment and Competitiveness**

Targeting **tourism, cultural and natural heritage** will improve and diversify the tourism offer in rural areas, increase capacities of service providers in tourism and develop innovative joint offers for cultural and natural heritage sites. On one hand, this will both develop new joint tourist offers and improve small scale infrastructure, preserve/renovate/digitilise/make visible the many historical and cultural sites of the programme, create innovative solutions, etc. and, on the other hand, it will provide an opportunity to the population of the border area to be more actively involved in tourism services/agriculture initiatives. The activities that can be undertaken are new innovative, competitive joint tourist offers applying modern technologies for the promotion of cultural and natural heritage, creation of joint touristic packages and their marketing through national/international travel operators, setting up or supporting already established guest houses with capacity building and experience sharing with focus on preserving local traditions, training courses, upgrading the services to visitors of historical and cultural sites, using innovative methods, capacity building of service providers, promoting unexplored natural and cultural sites, small scale infrastructure, etc.

In addition, a series of capacity building and education actions, use of ICT and VET will involve **SMEs/service providers working in the tourism sector who will have the opportunity to strengthen standards in terms of services and quality of products and enhance competitiveness**. This will enhance capacities of tourist entrepreneurs to provide competitive and innovative services. Activities to reach this would be developing innovative new models for tourism actors/SMEs, in particular regarding competitiveness by promoting local products in the cross-border area, support the development of local bio/organic products, agri-food SMEs eco-friendly products, branding, and internationalization within tourism, support to the educational institutions involved in providing high quality tourism services, competitive offers and professional standards in the tourism industry in accordance with the labour market demand (including marginalized young people, Roma, women), development of innovative learning systems, increase skills and foster entrepreneurial learning in tourism in multi-stakeholders’ partnerships (e.g. policy makers, business entities, and training and education institutions), training of young people, including marginalized groups, for tourism entrepreneurial initiatives in remote areas, Support the use of innovation and ICT to increase quality of service provision and enhance competitiveness, support local farmers in the field of agriculture production and agro-processing industry, wood and crafts industry in connection with tourism, actions to improve the business environment and enhanced opportunities for business creation and employment in tourism focusing in young people, marginalized and vulnerable groups, including rural and remote areas, participation of tourism enterprises in specific VET education through e.g. joint projects, joint exchange schemes etc., among others. Below is provided a summary table on the intervention logic.

| **TC 4:**  **Improved Business Environment and Competitiveness** | | | | | | |
| --- | --- | --- | --- | --- | --- | --- |
| **Tourism and cultural and natural heritage** | | | **Indicators** | **Baseline**  **value (year)** | **Target value (year)** | **Data source** |
| **Specific objective(s)** | **Results** | **Types of activities**  **(examples)** | I**mpact**  Increase in the number of visitors to the cross-border area |  |  |  |
| 1.1: To enhance tourism prospects by promoting cultural and natural heritage | 1.1.1. Improved and diversified offer of tourism products based on joint initiatives for the utilisation of cultural and natural heritage | - New innovative, competitive joint tourist offers applying modern technologies for utilisation of cultural and natural heritage  - Creation of joint tourist packages and their marketing through national/international travel operators  - Setting up or supporting already established guest houses with capacity building and experience sharing with a focus on preserving local traditions (e.g. costumes, cuisine, dancing and songs, handicrafts, etc.)  - Training courses based on a credits scheme for professional tour guides in cooperation with the tour guides accredited associations  - Upgrading the services to visitors of historical and cultural sites  - Developing joint offers and packages linked to cultural heritage through innovative methods  - Capacity building for staff working in cultural sites and training opportunities for young people to engage in the sector, including marginalized groups  - Innovative tourist offer to explore natural heritage and cultural sites  - Promotion of unexplored natural and cultural sites, including remote and rural areas by organizing joint events, festivals, concerts, cultural tours  - Small scale infrastructure interventions to facilitate and exhibit natural and cultural heritage sites | **Outcomes**  -Number of new joint tourism products commercialised[[3]](#footnote-3)  - No of new sites commercialised  -Number of historical, cultural and natural sites and buildings newly open to public visits  -Percentage of tourism offers generated by the CBC initiatives adopted by tourist operators active in the area  -Number of tourists using new/improved products.  **Outputs**  - Number of new joint tourist products[[4]](#footnote-4) developed;  - Number of small-scale investments in tourism infrastructure made;  - Number of tourism sites mapped  -Number of new/improved tourism sites developed  -Number of upgraded natural sites  -Number of heritage sites in CB area systematically promoted  -Number of cultural heritage sites improved  - Number of innovative solutions created (digital tours online, mapping, etc) |  |  | - Report of Beneficiaries  - Reports of Monitoring Mission to Projects  - Evaluation at Programme Level  - Tourism - Agencies data  - AIR  - Official statistics |
| 1.2. To upgrade the competitiveness of service providers/SMEs in the tourism sector | 1.2.1. Capacities of tourist entrepreneurs to provide competitive and innovative services enhanced | - Developing innovative new models for tourism providers/SMEs, regarding competitiveness by promoting local products in the cross-border area  - Support the development of local bio/organic products, agri-food SMEs eco-friendly products, branding, and internationalization within tourism  - Support to the educational institutions involved in providing high quality tourism services, competitive offers and professional standards in the tourism industry in accordance with the labour market demand (including marginalized young people, Roma, women)  - Development of innovative learning systems, increase skills and foster entrepreneurial learning in tourism in multi-stakeholders’ partnerships (e.g. policy makers, business entities, and training and education institutions)  - Training of young people, including marginalized groups, for tourism entrepreneurial initiatives in remote areas  - Support the use of innovation and ICT to increase quality of service provision and enhance competitiveness  - Support local farmers in the field of agriculture production and agro-processing industry, wood and crafts industry in connection with tourism  - Actions to improve the business environment and enhanced opportunities for business creation and employment in tourism focusing in young people, marginalized and vulnerable groups, including rural and remote areas  - Participation of tourism enterprises in specific VET education through e.g. joint projects, joint exchange schemes etc.  - Grant schemes for service providers in the tourism sector or new ones to increase accommodation and catering capacities and quality. | **Outcomes**  - No of new innovative and qualitative services from actors operating in the tourism sector commercialised  - Number of local bio/products and services that were internationalized  - Number of training curricula/programmes matching the needs of the labour market in the tourism sector implemented.  - Number of new businesses established as a result of the operations;  **Outputs**  - No of new models for tourism actors/SMEs promoting local products  - Number of local bio/products and services that were branded  - Number of new innovative and qualitative services produced  - No of local bio/products developed  - No of joint capacity building events delivered;  - No of tourism providers that received support;  - Number of people with increased capacities to offer agriculture productions, agro-processing, wood and crafts  - Number of tourism enterprises from the eligible areas participating in supported VET programmes related to tourism  - Number of local farmers involved in project activities in the field of agriculture  - No of sub-granting scheme launched to tourism operators/actors/new ones to increase accommodation and catering capacities and quality |  |  | - Report of Beneficiaries  - Reports of Monitoring Mission to Projects  - Evaluation at Programme Level  - Tourism Agencies data  - Labour office  - AIR  - Reports from national/local tourist organisations |

Main beneficiaries[[5]](#footnote-5): tourism organisations at national/local level, Development organisations/agencies, Local self-governments, Chamber of commerce, crafts, business associations, clusters, cooperatives, Association of farmers, Nature/environment protection institutions, institutions in the field of cultural heritage, CSOs active in the field, education institutions (schools and higher education institutions); business enterprises and other organizations involved in education; licensed youth and adult education providers; bureaus for education and vocational education centers, [[6]](#footnote-6)Youth organisations.

Target groups: people working in agriculture sector/professionals working in tourism organizations/institutions in charge for nature protection, SMEs, young entrepreneurs, clusters, souvenir producers; people living in mostly rural areas of the border region/people struggling with unemployment, Local touristic organizations, institutions in charge for nature protection; NGOs, and souvenir producers; People living in mostly rural areas of the border region/people struggling with unemployment, association of agricultural producers, tourist organizations, CSOs, local authorities; students, teachers, management and non-teaching staff in education institutions.

**Thematic Priority 0:**

**Technical Assistance**

**The specific objective of the technical assistance** is two-fold: (i) to ensure the efficient, effective, transparent and timely implementation of the cross-border cooperation programme; and (ii) to raise awareness of the programme amongst national, regional and local communities and, in general, the population in the eligible programme area.

It also supports awareness-raising activities at country level in order to inform citizens in both IPA III beneficiaries. This priority will also reinforce the administrative capacity of the authorities and beneficiaries implementing the programme with a view to improve ownership and suitability of the programme and projects’ results.

The technical assistance allocation will be used to support the work of the national OSs and of the joint monitoring committee (JMC) in ensuring the efficient set-up, implementation, monitoring and evaluation of the programme, as well as an optimal use of resources. This will be achieved through the establishment and operation of a joint technical secretariat (JTS) with its main office in Montenegro and an antenna office in Albania. The JTS will oversee the day-to-day management of the programme and will be reporting to the OS and JMC.

**Expected results:**

1. The administrative capacity for CBC reinforced

2. Potential applicants and grant beneficiaries supported

3. The visibility of the programme and its outcomes is guaranteed

**Target groups and final beneficiaries** (non-exhaustive list)

* Programme management structures
* Potential applicants
* Grant beneficiaries
* Final project beneficiaries
* Wider public

**Main beneficiaries:**

* Operating Structures
* Joint Monitoring Committee

|  | | | | | | |
| --- | --- | --- | --- | --- | --- | --- |
| **Technical assistance** | | | **Indicators** | **Baseline**  **value (year)** | **Target value (year)** | **Data source** |
| **Specific objective(s)** | **Results** | **Types of activities**  (examples) | Impact |  |  |  |
| Percentage of funds available under the programme that are contracted | 0 | 100 | AIR, Monitoring system |
| 0.1**.** To ensure the efficient, effective, transparent and timely implementation of the cross-border cooperation programme as well as to raise awareness of the programme amongst national, regional and local communities and, in general, the population in the eligible programme area | 0.1.1The administrative capacity for CBC reinforced | * Establishment and functioning of the Joint Technical Secretariat and its Antenna * Organisation of JMS and OS meetings * Support to the work of the Joint Task Force in charge of preparing the programme cycle 2028-2034 * Monitoring of project and programme implementation, including the establishment of a monitoring system and related reporting * Organisation of evaluation activities, analyses, surveys and/or background studies | Outcome |  |  |  |
| Percentage of JMC and OSs decisions implemented in a timely manner (as prescribed in the minutes of meetings) | 0 | 90 | AIR, MoM, Monitoring system |
| Percentage of projects covered by monitoring visits |  |  | AIR, project reports Monitoring system |
| Output |  |  |  |
| Number of JTS/antenna offices newly equipped and functional | 0 | 2 | AIR |
| Number of events organized in relation to programme management | 0 | …. | AIR, Monitoring system |
| Number of project monitoring visits implemented |  |  | AIR, project reports, Monitoring system |
|  |  |  |  |
| 0.1.2. Potential applicants and grant beneficiaries supported | * Organisation of events, meetings, training sessions, study tours or exchange visits to learn from best practice of other territorial development initiatives * Preparation of internal and/or external manuals/handbooks * Assistance to potential applicants in partnership and project development (partners search forums etc.) * Advice to grant beneficiaries on project implementation issues | Outcome |  |  |  |
| Average share of potential applicants, applicants, grant beneficiaries and other target groups satisfied with programme implementation support | 0 | 60% | AIR, project reports, monitoring system |
| Output |  |  |  |
| Number of capacity building events for potential applicants, grant beneficiaries and programme structures’ employees | 0 | …. | AIR, project reports Monitoring system |
| Number of internal/external manuals or handbooks prepared | 0 | … | AIR and other reports |
| Number of queries of grant beneficiaries resolved | 0 | … | AIR and other reports R |
| 0.1.3 The visibility of the programme and its outcomes is guaranteed | * Information and publicity, including the preparation, adoption and regular revision of a visibility and communication plan, dissemination (info-days, lessons learnt, best case studies, press articles and releases), promotional events and printed items, development of communication tools, maintenance, updating and upgrading of the programme website, etc. | Outcome |  |  |  |
| Number of people reached by information/promotion campaigns | 0 | … | AIR and other reports |
| Output |  |  |  |
| Number of information/promotion campaigns implemented | 0 | …. | AIR and other reports |
| Number of promotional and visibility events organized | 0 | …. | AIR and other reports |
| Number of publications produced and disseminated | 0 | … | AIR and other reports |

**3.3 Horizontal and cross-cutting issues**

Cross-cutting issues are laid down in several international conventions, declarations and treaties on development that are binding on EU countries and most beneficiary countries. They must be considered at all stages of the funding cycle.

Therefore, in accordance with EU objectives and policies, the programme will incorporate the horizontal principles of cross-border partnership, local ownership and equal opportunities, and will ensure that cross-cutting issues, such as non-discrimination of minority and vulnerable groups, participation of civil society organisations, environment protection, gender rights, and good governance are respected and encouraged in the design and implementation of projects. All the above issues are targeted through the selected priorities of the programme.

The current EU Cohesion Policy framework makes environment and sustainable development one of the horizontal themes that should be integrated across all priorities, measures and projects. The programme directly targets environmental protection as being one of the major issues of concern for the cross-border targeted areas through the thematic priority 2: ‘Protecting the environment, promoting climate change adaptation and mitigation, risk prevention and management’. Projects arising within this priority should be designed in such a way as to ensure that the environment is not harmed but turned into an opportunity for regional development.

The EU has repeatedly recognized that gender equality is key to achieving development objectives. Moreover, gender equality is a priority for the EU. The programme targets tourism and promotion on natural and cultural heritage where employability and opportunities under the gender perspective will be taken into consideration.

Double funding must be avoided and complementarity of the activities, synergies with other programmes must be ensured.

Thematic Cluster 5 will be developed here as a mainstreamed TP according to recommendations from DG NEAR.

## 3.4 Coherence with other programmes and macro-regional strategies

**The Western Balkans Green Agenda** sets out five pillars. Biodiversity, protection and restoration of ecosystems is stated in pillar five and has a central place in the Green Deal among the set of policy initiatives by the European Commission to make Europe climate neutral by 2050. The commission says that “the ecological transition for Europe can only be fully effective if the EU’s immediate neighbourhood also takes effective action.”

Mainstreaming biodiversity safeguards across all economic activities is one of the five pillars of the Western Balkans Green Agenda, as well as central to the European Green Deal. Implementation of Birds and Habitats Directives, together with enforcement of Environmental Impact Assessment and Strategic Environmental Impact Assessment Directives are preconditions for further sustainable infrastructure development.

The programme priorities are fully consistent with the European Green Deal which states as its overarching purpose “*the Green Deal will make consistent use of all policy levers: regulation and standardisation, investment and innovation, national reforms, dialogue with social partners and international cooperation*.” Moreover, a priority is to unlock the full benefits of the digital transformation to support the ecological transition. An immediate priority is to boost the ability to predict and manage environmental disasters.

**The EU Strategy for the Adriatic Ionian Region (EUSAIR)**, relevant to the programme, is complementary in a variety of fields as they both target protecting the environment, tourism promotion and entrepreneurship utilising skills, innovation and ICT. The same holds for the other transnational and Interreg programmes where both Montenegro and Albania participate such as Adriatic Ionian and Italy-Albania-Montenegro, where the investment potentials that can be carried out within these programmes can be very well coordinated and completed through smaller projects between the two countries.

The common natural asset of the Adriatic-Ionian Program is the natural cooperation of this program which comes from the joint feature of the participating countries having in common, the sea, where actions will develop with needs and potentials of sea-related activities in the Ionian area thus contributing and complementing programs within the Montenegro-Albania Programme, proving more emphasis on blue growth as a particular feature. Regarding “research, innovation and SMEs development”, actions under the first topic “blue technology” and the second topic “fisheries and aquaculture” both have a strong focus on research and innovation. They would provide as well added value to TP 2 environment as well and there are potential of synergies and complementarities. This also involves using the latest research for developing commercial products and internationalising clusters. Actions may thus help transfer the latest R&D results to seafood processing and new products, helping SMEs working in the tourism sector/service providers develop in the sectors concerned. There is a strong focus on “brain circulation” (mobility of researchers, also between academia and private sector) and on establishment of joint research and innovation platforms in the region. The Adriatic-Ionian will be aimed at promoting sustainable economic growth and jobs as well as business opportunities creation from blue economy sector such as aquaculture, fisheries, blue biotechnologies, marine and maritime services, etc which will provide a value-added to the MNE-AL program.

In addition, both Montenegro and Albania are part of other IPA/IPA CBC programmes and the priorities selected through one programme in the same eligible area will be carefully considered in order to avoid overlapping and create synergies to make best use of the joint programme.

# Section 4: Financial plan\*

***Table 3: Indicative financial allocations per year for the period 2021-2027***

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Year** | **IPA II CBC PROGRAMME BENEFICIARY X- BENEFICIARY Z** | | | | | | | **Total (EUR)** |
| **2021** | **2022** | **2023** | **2024** | **2025** | **2026** | **2027** | **2021-2017** |
| **CBC operations (all thematic priorities)** | **1190000** | **1700000** | **1700000** | **1190000** | **170000** | **1700000** | **1530000** | **10710000** |
| **Technical assistance** | **0** | **510000** | **0** | **0** | **510000** | **0** | **170000** | **1190000** |
| **Total (EUR)** | **1700000** | **1700000** | **1700000** | **1700000** | **1700000** | **1700000** | **1700000** | **11900000** |

**Table 4: Indicative financial allocation per priority and rate of Union contribution**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Clusters | Priorities | **IPA II CBC PROGRAMME BENEFICIARY X- BENEFICIARY Z** | | | |
| European Union funding | Co-financing | Total funding | Rate of Community contribution |
| (a) | (b) | (c)=(a)+(b) | (d)=(a)/(c) |
| TC 4: Improved Business Environment and Competitiveness | TP 5  Tourism and cultural and natural heritage | 5 355 000 | 630 000 | 5 985 000 | 85% |
| Thematic Cluster 2:  Greener and Improved resource efficiency | TP2: Protecting the environment and promoting climate change adaptation and mitigation, risk prevention and management | 5 355 000 | 630 000 | 5 985 000 | 85% |
| 2. Technical assistance | | 1 190 000 | 0 | 1 190 000 | 100% |
| GRAND TOTAL | | 11 900 000 |  |  |  |

*\* The assumption here is that same amount of funds will be maintained under the IPA III CBC, with the one for IPA II CBC, for this reason information is taken from the current IPA II CBC programme and will be replaced accordingly as soon as the IPA III Regulation will be in place.*

# Section 5: Implementing provisions\*\*

*Calls for proposals:*

As a general rule, this programme will be implemented through calls for proposals (CfP) to be launched covering one or two of the thematic priorities or specific objectives of the CBC programme. The JMC will be responsible for identifying the thematic priorities, specific objectives, target beneficiaries and specific focus of each call for proposals which shall be endorsed by the European Commission.

The responsible authorities in the participating countries are planning to implement most interventions through grant schemes based on public calls for proposals. They will ensure full transparency in the process and access to a wide range of legal entities registered under public and private law.

The dynamics of publication of calls for proposals depends on a few factors, including logistics, timing of the evaluation and level of interest from the potential applicants. It cannot be therefore defined at this stage how many calls for proposals will be published during the programme period. The responsible authorities are anyway committed to publish calls for proposals avoiding overlapping of TPs between different CBC programmes. The calls for proposals will in principle use the rotating principle for selection of TPs and their specific objectives.

**Calls for Proposals for Small Grants** with simplified implementing procedures may be introduced as implementation modality in TC1 (environment cluster). Having in mind large number of small civil society organizations and other actors, capacitated for implementing local community actions, the proposed implementing modality would encourage implementing concreate and straight forward actions. Those would have strong people to people and CBC effect, especially in small municipalities and neighbouring communities.

*Strategic projects:*

During the preparation of the programme, no strategic project to be funded outside a call for proposals has been identified, but there were several ideas under discussion that could be developed further at a later stage. Therefore, during the programme implementation period the responsible authorities might consider allocating part of the financial allocation of the programme to one or more strategic projects.

Strategic projects can be selected through calls for strategic projects or outside call for proposals. In the latter case, the programme partners will jointly identify and agree on any strategic project(s) that will be approved by the JMC at the appropriate moment along the programme implementation. In that event, after being proposed and approved by the JMC and endorsed by the Commission, the CBC programme must be amended to incorporate such a strategic project.

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 greatly 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 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; complementarily with parallel actions and sustainability. 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.

*Macro-regional strategies:*

As the two countries are participating in the EU Strategy for the Adriatic and Ionian Region (COM(2014) 357)", the definition and development of the strategic projects can be made in the framework of the priority areas or the topics identified in both, communication and action plan of those strategies. The same also applies for the call for proposals which can be launched in relation to the priority areas or topics of the macro-regional strategy where the programme is a part.

*\*\* The information is taken from the current IPA II CBC programme and will be replaced accordingly as soon as the IPA III Regulation will be in place.*

## 5.1 Financing agreement\*\*\*

In order to implement this programme, it is foreseen to conclude a financing agreement between the European Commission, Montenegro and Albania.

## 5.2 Indicative implementation period \*\*\*

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is <number> months from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission’s responsible authorising officer by amending this Decision and the relevant contracts and agreements.

## 5.3 Implementation method\*\*\*

Choose between a) or b)

***(a) Indirect management with <Beneficiary X>***

***(b) Direct management***

See responsibilities and tasks under section 5.4 below

**Delivery methods**

[Grey shading indicates an option, blue is guidance and yellow needs to be filled in.]

**[Procurement[** *(where relevant only in case of Strategic Projects)*

*Specify which objective/result in section 3 the procurement will contribute to achieving.* Do not mention the procurement procedure; its choice is the responsibility of the authorising officer, not the College.

<…>

*In case it is necessary to launch a call for tenders with a suspension clause before the adoption of this financing decision, the launch date must be mentioned and the nature of the exceptional circumstances hindering the possibility to launch the call after the financing decision is adopted must be explained. Moreover, the internal NEAR prior approval procedure must be followed* [This call has been launched on <date> under a suspensive clause prior to the adoption of this decision. This is justified because <explain the exceptional circumstances> .]

Theglobal budgetary envelope reserved for procurement:EUR <…>

*Give the total envelope available for procurement out of the overall Union contribution to the programme. Do not specify any amount per contract or amount per type of contract.*

***[Grants]***

*It is not necessary to specify the award procedure (call for proposals or direct award), unless the situation is as described in point c) below. Note that a direct award is always possible if the reasons for the exception from a call are applicable (Article 195 FR).*

1. Purpose of the grants: *Specify which objective/result in section 3 the call will contribute to achieving.* <…>

*In case it is necessary to launch a call for proposals with a suspension clause before the adoption of this financing decision, the launch date must be mentioned and the nature of the exceptional circumstances hindering the possibility to launch the call after the financing decision is adopted must be explained. Moreover, the internal NEAR prior approval procedure must be followed* [This call has been launched on <date> under a suspensive clause prior to the adoption of this decision. This is justified because <explain the exceptional circumstances> .]

1. Type of applicants targeted:

*Define the type of eligible applicant with regard to their type – for example: legal entities, natural persons or groupings without legal personality, local authorities, public bodies, international organisations, NGOs, economic actors such as SMEs, profit, or non profit organisations.* *See section 2.1.1. of the PRAG guidelines for grant applicants (annex E3a). In the case of Twinning grants, applicants must be EU Member State administrations or their mandated bodies.*

*The 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, 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 canters including vocations and technical training institutions.*

*Other essential characteristics of the potential applicants, such as their place of establishment shall be specified in the guidelines for applicants of the call for proposals. The default scope of potential beneficiaries given above may be narrowed down in terms of nationality, geographical location or nature of the applicant where it is required because of the specific nature and the objectives of the action and where it is necessary for its effective implementation.*

1. Direct grant award: (where relevant, i.e. in the case of technical assistance)

Direct grant award for technical assistance to the Operating Structure:

A grant will be awarded for the implementation of the thematic priority technical assistance under this programme. Under the responsibility of the Commission’s authorising officer responsible, this grant may be awarded without a call for proposals to *<name of the direct grant beneficiary, i.e. the name of the operating structure in the beneficiary where the contracting authority of the programme for operations is located>.*

The recourse to the award of this grant without a call for proposals is justified to bodies with de jure or de facto monopoly in managing this cross-border cooperation programme, pursuant to Article 195(c) of Regulation (EU, Euratom) 2018/1046. As stipulated under the Section VIII ‘Provisions on cross-border cooperation programmes’, Title V ‘Programme structures and authorities and their responsibilities’ of the Framework Agreement for the IPA III programme, operating structures are the bodies that enjoy this monopoly.

1. *Other* direct grant award: *(where relevant)*

*If you are 100% certain of the grant beneficiary then you may specify it here and delete point (b) above, or you could have points (a) and (b). Moreover, specify the relevant provision of Article 195 FR providing the basis for the direct award and outline briefly the actual circumstances which explain why this entity is best placed to be awarded the grant.*

[Under the responsibility of the Commission’s authorising officer responsible, the grant may be awarded without a call for proposals to <name of the direct grant beneficiary>]. Where this is filled in, you have to submit the direct award for a prior approval in parallel.

[The recourse to an award of a grant without a call for proposals is justified because <provide factual circumstances justifying any of the circumstances listed in Article 195 FR>.]

1. Exception to the non-retroactivity of costs:

*If it is required to accept costs made before the adoption of this financing decision, add:* [The Commission authorises that the costs incurred may be recognised as eligible as of <a date prior to the adoption of this Financing Decision> because <add justification>.] *If this phrase is not included, the costs incurred shall be eligible as of the date of entry into force of the grant agreement. The eligibility date may be set prior to the entry into force of the grant agreement but not before the date of adoption of this Financing Decision.*

The **global** budgetary envelope reserved for grants: EUR <……>

Give the total envelope available for grants out of the overall Union contribution to the Programme. The responsible structures may decide to publish more than one call for proposals. Every call for proposals will have the same objectives, results, essential eligibility, selection and award criteria as described above. Each grant contract will be funded from one budgetary commitment. The responsible structures may decide to merge the yearly budget allocations.

## 5.4 Programme management structure\*\*\*

<Description of the programme management structures with the list of their main responsibilities and tasks in programme preparation, implementation and management (Joint Monitoring Committee, Operating Structures/relevant CBC body (ies), Contracting Authority, Joint Technical Secretariat/Antenna, the audit authority, the role of the European Commission, Audit Authority).>

## 5.5 Project development and selection and implementation\*\*\*

<Description of project development and generation, modalities for project selection (e.g. CfP, tenders, etc.). If one or more strategic projects are mature enough for being funded, this is the section where they need to be depicted in detail. Description of the contracting process and the project implementation (e.g. role of the lead beneficiary).>

## 5.6 Payments and financial control\*\*\*

<Description of payment modalities and financial control system established in order to ensure sound, efficient and effective implementation of programmes, including:

- A summary description of the management and control arrangements between the countries participating in the programme.

- Financial flows and procedures from project to programme level>

## 5.7 Reporting, monitoring and evaluation\*\*\*

<Description of the reporting, monitoring and evaluation requirements and modalities>

## 5.8 Information and visibility\*\*\*

<Description of measures to be taken in order to ensure the popularity, recognition and public dimension of the cross-border programme (e.g. website, publications in local newspapers, information sessions, workshops, etc.). Communication and visibility activities shall be implemented in accordance with the EU communication and visibility requirements in force.>

\*\*\* *Sections from 5.1 to 5.8 will be completed at a second stage*

1. Types of initiatives: Initiative is to be understood as a group of activities agreed and implemented in a coordinated manner to achieve a certain result. In majority of cases, there can be only 1 joint initiative aiming to achieve the same result under 1 CBC project [↑](#footnote-ref-1)
2. Legal entities that would be expected to implement the CBC operations under this thematic priority. [↑](#footnote-ref-2)
3. Commercialised meaning tourism products made visible and known to both national, cross-border, regional and international market and, above all, offered to these markets by tourism operators active in the area [↑](#footnote-ref-3)
4. “A tourism product is a combination of tangible and intangible elements, such as natural, cultural and man-made resources, attractions, facilities, services and activities around a specific center of interest which represents the core of the destination marketing mix and creates an overall visitor experience including emotional aspects for the potential customers. A tourism product is priced and sold through distribution channels and it has a life-cycle”, Source: UNWTO.

   In that respect as the new or improved CB tourist product should be considered any combination of tangible and intangible elements, such as natural, cultural and man-made resources, attractions, facilities, services and activities from the two sides of the border around a specific center of interest, developed or improved by beneficiaries of this programme and offered in the market. [↑](#footnote-ref-4)
5. Legal entities that would be expected to implement the CBC operations under this thematic priority. [↑](#footnote-ref-5)
6. Whether the ones which are licensed providers of practical VET education or as partnering institutions involved in school/out-of-school activites and school projects [↑](#footnote-ref-6)