

*Annual Report 2010
on the implementation of
the IPA Adriatic Cross-
Border Cooperation
Programme*

*according to Art. 112 of the EC Regulation n.
718/2008 as amended by EC Regulation n.
80/2010*



Let's grow up together

Adriatic IPA

Cross Border Cooperation 2007-2013



The Programme is co-financed by the European Union Instrument for Pre-Accession Assistance (IPA)

Indicative table of the Programme

Community Instrument	Instrument for Pre-Accession (IPA) Component II “Cross-Border Cooperation”
Area of intervention	<p>a) NUTS level 3 regions or, in the absence of NUTS classification, equivalent areas along land borders between the Community and the beneficiary countries;</p> <p>b) NUTS level 3 regions or, in the absence of NUTS classification, equivalent areas along maritime borders between the Community and the beneficiary countries separated, as a general rule, by a maximum of 150 kilometres, taking into account potential adjustments where needed to ensure the coherence and continuity of the cooperation action.</p>
Denomination of the Programme	IPA Adriatic Cross-Border Cooperation Programme
Period of Programming	2007-2013 (Reg. (EC) n. 718/2007)
Number CCI	2007CB 16 IPO 001
Decisions of Commission	Dec. EC n° C(2008)1073 of 25/03/2008 Dec. EC n° C(2010)3780 of 30.06.2010
Duration of Programme	01/01/2007 – 31/12/2013
Start of admissibility expenses	<p>For Final Beneficiaries from EU Countries from 01/01/2007.</p> <p>For Beneficiary from non-EU State from the date of signature of the Financing Agreement between the relevant Country and the European Commission, namely:</p> <ul style="list-style-type: none"> - Croatia 1st December 2008; - Bosnia Herzegovina 20th February 2009; - Serbia 16th April 2009; - Albania 18th June 2009; - Montenegro 22nd June 2009.
Period of assumption	25/03/2008
Period of payment closure	31/12/2016
Managing Authority:	Abruzzo Region – “ <i>Direzione Affari della Presidenza, Politiche Legislative e Comunitarie Programmazione, Parchi, Territorio, Valutazioni ambientali, Energia - Servizio Attività Internazionali</i> ”
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Funds involved	<i>IPA funds which include an ERDF contribution</i>
Costs of Programme:	
<i>Total cost:</i>	195,870,979
<i>Community contribution:</i>	166,490,332
<i>National contribution:</i>	29,380,647



Programme background

On the basis of long experience gained from three previous programming cycles, concerning Cross-Border Cooperation between Member States and neighbouring candidate/potential candidate countries, the new EU financial framework 2007-2013 provides for a single instrument approach through the new Instrument for Pre-Accession Assistance (IPA).

Council Regulation (EC) No. 1085/2006 which establishes an instrument of Pre-Accession Assistance - the IPA Regulation - replaces the previously existing legal basis in the pre-Accession area. As so it constitutes a framework regulation.

The IPA instrument seeks to provide targeted assistance to countries which are Candidates or Potential Candidates for membership of the EU rationalizing Pre-Accession Assistance by replacing the various instruments which previously existed for the assistance that are Phare/ISPA/SAPARD/CARDS/Turkey Instruments.

IPA prepares, *inter alia* Candidate for the implementation of Structural and Cohesion Funds and Rural Development on accession, by specifically supporting institution building and introducing procedures as close as possible to the Structural Funds.

The five IPA components are detailed in Art. 3 (a) of the IPA framework Regulation: (I) Transition Assistance and Institution Building, (II) Cross-Border Cooperation, (III) Regional Development, (IV) Human Resources Development, (V) Rural Development.

The first two components apply to all countries. Additionally, Candidate Countries also benefit from components III, IV and V. Cross-Border Cooperation along borders between Candidate Countries/Potential Candidate Countries and between them and the Member States is supported by the IPA Component II (the CBC component).

Thus, the IPA Adriatic CBC Programme 2007–2013 is supported by IPA Component II. It is financed by IPA funds which include an ERDF contribution (Art. 21 of the Structural Funds Regulation 1083/2006) and is governed by the IPA legal structure (IPA Framework Regulation No 1085/2006 and the IPA Implementing Regulation No 718/2007¹).

A series of meetings in various locations across the Programme area took place between April 2006 and July 2007. The Programme was gradually developed on the basis of these discussions. The process of preparing the Programme finished with its submission to the Commission by the end of August 2007.

The Ex-Ante Evaluation, SWOT and SEA was assigned the company Ecoter, selected through restricted procedure between consulting companies with experience in the sector. Following the meeting of the Programme Working Group held on January 9th 2008, it was decided to entrust, by extension, the writing of the Implementing Manual to the company Ecoter.

On 25 March 2008, with its Decision n. C(2008) 1073, the European Commission has adopted the Operational Programme "IPA Adriatic CBC".

¹ Commission Regulation (EC) No 718/2007 of 12/06/2007



Planned Programme budget

The financial budget of the Programme for the period 2007-2011 was established by the EC Decision n° C(2010)3780 of 30.06.2010 amending the EC Decision n. C(2008) 1073 adopting the IPA Adriatic CBC Programme, as indicated in the following tables.

Annual commitment of IPA in the Programme (in Euro):

<u>Years</u>	Total IPA CBC allocation
2007	19,764,156
2008	33,767,061
2009	36,909,920
2010	37,648,116
2011	38,401,079
Total 2007-2011	166,490,332

General considerations and modification of the Operational Programme

This is the second Annual Report for the IPA Adriatic Cross Border Cooperation Programme 2007-2013 and it provides details on the implementation of the Programme in 2010 and, in particular for the 12 months ending 31 December 2010.

Following the OP modification approved by the JMC on 1st December 2009 upon written procedure according to Art. 8 of its Rules of Procedures (prot. No. RA 142990), on 30th June 2010 the European Commission with the Decision n. C(2010)3780 of 30.06.2010 approved the new Operational Programme with the following substantial modifications:

1. chap. 1 § 1-3 "Programme Area": two new Provinces of Fermo and of Barletta-Andria-Trani for Italy has been included, since they fall into the eligible area of the IPA Adriatic CBC Programme;
2. chap. 6 "Financial Provision", the new financial allocation for 2010-2011 period of the IPA Adriatic CBC Programme has been included;
3. chap. 6 "Financial Provision", the national co-financing can be provided both with public and private co-financing.



Measures taken to provide information on and publicise the Cross-border Programme

Publicity and Communication, in accordance with art. 62 of the IPA Implementing Regulation, is subject to a comprehensive information and publicity strategy aimed at informing and obtaining participation to the widest possible degree of public and private actors, as well as the dissemination of the results.

This being said, on July 2008 the Joint Monitoring Committee approved the IPA Adriatic CBC Programme Communication Plan, which defines:

- the communication strategy;
- the strategic and specific objectives to be pursued during the implementation of the Communication Plan;
- the communication targets;
- the activities to be implemented for communicating the funding opportunities of IPA Programme, as well as to ensure the dissemination of results achieved by the single Projects;
- the tools to be activated for communicating the funding opportunities of IPA Programme, as well as to ensure the dissemination of results achieved by the single Projects;
- the implementation procedures and the responsible bodies for the Communication Plan;
- the reporting system of the communication activities and tools.

The planned Programme strategy uses then all available channels of communication to disseminate the information.

The general aim of this strategy is to highlight the role of the European Union and to ensure that assistance from Funds is transparent by actively disseminating information and furnishing platforms that stimulate exchange of experience in order to raise awareness of specific or general audiences of the reasons for the action and the EU support for the action in the Participating Countries, as well as the results and the impact of this support.

The specific objectives of the strategy are:

- (a) Spreading information about the opportunities created by the Programme and ensuring transparency for groups targeted by the Programme including relevant actors for specific Programme priorities.
- (b) Making the general public fully aware of the results and benefits achieved by cross-border projects.
- (c) Informing, correctly and punctually, potential beneficiaries of the rules and procedures to guarantee sound project implementation.

In this respect, during 2010 the **participation to public events** (7) has been intensified in order to increase the visibility of the Programme objectives, results and impacts, and visibility of the EU contribution to such actions. Some of these events were even organized at international level, thus having a higher impact in terms of visibility and diffusion.

Additionally, thanks to the ANSAMED network, a **wider diffusion of the EU co-financing of operations** has been given throughout the whole Mediterranean area (ANSAMED package consists of a news stream of about 200 stories and reports per day, in English, Italian and Arabic, that, focusing on the exchange of journalistic information, brings together political, economic, social and cultural situations).

Finally, all the materials produced (gadget, reports, calls...) incorporated the basic elements of the EU (the EU flag) and of the programme (Programme logo and slogan: "**Let's grow up together**") visual identity.



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Measures undertaken to assure the compatibility of the Community policies with the general coordination

In this respect, it can be assessed that the Participating Countries follow the Community policy orientations in their own activities, not only in the framework of the IPA fund Programmes or IPA Adriatic CBC Programme. To ensure the compatibility with the Community policies the following measures have been anyway undertaken.

Competition and public procurement

According to the Article 90.6 of the EC Regulation n. 718/2007, “for State aid in the meaning of Article 87 of the Treaty, public aid granted under cross-border programmes shall observe the ceilings on State aid”. It means that State aid rules must be applied under the IPA Adriatic CBC Programme both in Member States and non Member States.

Under the 1st Calls for proposals, the JMC has decided that the public assistance to final Beneficiaries constituted under public or private law and operating in the market would be granted by IPA Adriatic CBC Programme under the *de minimis* rule, according to the EC Regulation n. 1998/2006. This means that any Final Beneficiary of Programme funds acting as an undertaking - that is any entity engaged in an economic activity regardless its legal status (public or private) and the way in which it is financed – in the project, for that Beneficiary the *de minimis* discipline will apply. Each Beneficiary had to declare if the activities that it will carry out in the project are relevant for the application of the *de minimis* rules. In case the Beneficiary project activity is considered state aid relevant, it had to provide a declaration indicating the total amount of state aid received in the preceding three fiscal years, awarded explicitly as *de minimis* funding (“*The de minimis Declaration*”).

The JMC has also decided that, for the 1st Calls for proposals, if Beneficiaries’ project activities can be considered as State aid relevant, and thus the maximum grant will be calculated in compliance with the *de minimis* regime, the Beneficiary has to ensure 15% of its project budget with own resources.

In this respect, all projects financed under the 1st Call for Ordinary Projects have been subjected to a “*de minimis check*” in order to evaluate whether involved Final Beneficiaries were making economic activities potentially affecting competition among participating Countries or not. In case the result of the “*de minimis check*” highlighted that some Final Beneficiaries were acting as undertakings into the project, the maximum aid intensity granted is equal to 85% of the grant that would have been assigned if the Beneficiary was not acting in the project as an undertaking.

As concerns Public Procurement, according to Article 121 of Regulation (EC) n. 718/2007, all Final Beneficiaries (Member States and nont Member States; public and private as well) shall follow the procurement procedures for the award of service, supply and work contracts, foreseen by the EU “External aid rules”. This obligation has been ruled in the Subsidy Contract between the Managing Authority and the Lead Beneficiary and in the Partnership Agreement as well. Additionally, the JTS has produced a guide for Final Beneficiaries for the application of these rules for awarding of procurement contracts.

Environmental Protection

The Managing Authority, in parallel with drafting the Programme has decided – in accordance with Strategic Environmental Assessment (SEA) Directive 2001/42/CE – to develop procedures for the Programme’s Strategic Environmental Assessment.

Such procedures were applied with close cooperation between the programmer, the ex-ante evaluator and the environmental evaluator.

The SEA, as it is known, is formed by a set of activities listed here: drawing up the Environmental Report on the Programme content, environmental authority and public consultation, integration of the Environmental Report results in the Programme and monitoring environmental impact indicators.

The Environmental Report was prepared within SEA with:



- (a) verification of the coherence of the Programme strategy with EU environmental sustainability objectives;
- (b) analysis of the environmental context (anthropomorphic pressures and current environmental conditions) of the entire Adriatic area, in relation to aspects concerning the Programme's strategy;
- (c) analysis of the Adriatic's environmental situation. Summary of the principal problems and potentialities of the area;
- (d) assessment of potential effects that implementation of the Cross-Border Cooperation Programme might generate on the environment in the Adriatic area;
- (e) formulation of proposals to improve the Programme's environmental sustainability;
- (f) definition of actions and indicators for monitoring environmental effects which might be generated by the implementation of Programme interventions.

In line with the SEA Directive, the Programme Draft and the Environmental Report have been made available to Authorities with specific environmental tasks and to the wider public to allow them to make comments on environmental aspects of the Programme.

At project level instead, financed projects are required to be coherent with the objectives of protection and improvement of the environment foreseen in Article 11 of the Treaty for the EU Functioning. Whereas in the Application Form applicants are asked to describe the coherence of the planned project activities with the environmental objectives at EU, in the implementation stage, for activities that may have negative impacts on the environment (as investment), First Level Controllers have to verify that:

- evidence is provided by the Lead Beneficiary/Final Beneficiary that specific compulsory requirements by Community or national legislation are fulfilled (e.g. feasibility study, environmental impact assessment, building permission, etc. are available);
- self-declaration of the related Final Beneficiary is available stating the respect of all community and national laws in terms of environmental impact.

Equal Opportunities

The implementation of the Programme and of approved projects should be in line with the provisions concerning equal opportunities for men and women as well as combating discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation.

At **Programme level**, equal opportunities principles have been respected in the selection of the JTS's staff.

At **project level** instead, whereas the promotion of equal opportunities will be considered among other horizontal policies, as a positive factor in the selection of projects for funding, Final Beneficiaries are required to respect these principles and first level controllers have the task to control the respect of the provisions concerning equal opportunities.

For control purposes, self-declarations from the partners should be in principle sufficient in order to guarantee the respect of the principle of equal opportunities. These declarations include the following minimum confirmations:

- that staff recruitment processes carried out in the project adhere to the principles of equal opportunities;
- that equality is promoted in the project's committees and boards;
- that the events organised by the project do not represent any barrier to participation (e.g., location favouring accessibility);
- that there are no other barriers to participation;
- that all national rules on the issue of equal opportunities have been respected.



Nevertheless, in case of specific actions (e.g. trainings) foreseen in the project, the principles of equal opportunities should be particularly ensured. In this respect, further checks should be performed by the controllers by examining - for example - the list of participants.

