

*Annual Report 2011
on the implementation of
the IPA Adriatic Cross-
Border Cooperation
Programme*

*according to Art. 112
of the EC Regulation n. 718/2008*



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Adriatic IPA

Cross Border Cooperation 2007-2013



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 of expenses	<p>For Final Beneficiaries from EU Countries from 01/01/2007. 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 – "Direzione Affari della Presidenza, Politiche Legislative e Comunitarie Programmazione, Parchi, Territorio, Valutazioni ambientali, Energia - Servizio Attività Internazionali"
<i>Responsible:</i>	Mrs. Giovanna Andreola ¹
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Certifying Authority:	Abruzzo Region – SERVIZIO AUTORITÀ DI CERTIFICAZIONE

¹ On 2/02/2012, Mrs. Loretta Zuffada was formally nominated new responsible for the Managing Authority.



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Audit Authority:	Abruzzo Region – STRUTTURA SPECIALE DI SUPPORTO "CONTROLLO ISPETTIVO-CONTABILE"
<i>Responsible:</i>	<i>Mrs. Giulia Marchetti</i>
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Funds involved	<i>IPA funds which include an ERDF contribution</i>
Costs of Programme³:	
<i>Total cost:</i>	195.870.979
<i>Community contribution:</i>	166.490.332
<i>National contribution:</i>	29.380.647

² On 10/05/2012, Mrs. Francesca Iezzi was formally nominated new responsible for the Certifying Authority.

³ The cost of the Programme refers to years 2007-2011.



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 718/2007⁴).

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”.

⁴ 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>	<u>Total IPA CBC allocation</u>
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 third Annual Report for the IPA Adriatic Cross Border Cooperation Programme 2007-2013 and it provides details on the implementation of the Programme in 2011 and, in particular for the 12 months ending 31 December 2011.

By the end of 2011 a new modification of the Operational Programme has been sent to the European Commission with the following amendments:

1. update of the status of Montenegro as Candidate Country;
2. § 1.3 the sentence related to the territorial derogation areas of Bosnia Herzegovina has been corrected by deleting "BiH" from "Central BiH Region" and in table 2, the Italian Provinces of Fermo and Barletta-Andria-Trani have been added (they were already included in the last approved version of the OP but not listed in the table);
3. Chapter 6: all the financial tables have been updated according to the JMC's decision taken in Opatija (18th November 2011) and to the financial resources planned for 2012 and 2013;
4. Chapter 7: update of references (name, address, email) of MA, JTS, CA and AA.



IMPLEMENTATION PROGRESS OF PRIORITY AXES AND MEASURES

Starting from the date of admissibility declaration (1st January 2007), until the date of definitive approval (25th March 2008) the main activities implemented within the Programme were concentrated on the phase of negotiation.

Instead, during 2009 the main activities implemented concerned Technical Assistance activities (as the set up of the JTS) and to the launch of the 1st Calls for Ordinary projects proposals.

All 2010 was instead mainly devoted to the submission of the “*Description of management and control systems under Commission Regulation (EC) no 718/2007 of 12 June 2007 Implementing Council Regulation (EC) no 1085/2006 establishing an Instrument for Pre-Accession Assistance (IPA), article 115*”, to the drafting of the “*Memorandum of Understanding*” between the Programme bodies (Managing Authority, Certifying Authority and Audit Authority) and the Participating Countries which defines the relationship between these bodies and the concerning tasks with the aim of ensuring the joint and effective implementation of the IPA Adriatic Cross-Border cooperation Programme, and to the *evaluation of the 282 project proposals* submitted under the 1st Calls for Ordinary projects proposals closed on the 29th October 2009. The evaluation process (formal and quality assessment) was closed on the 2nd December 2010, thus the carried out activities and the corresponding expenditures starting from the 1st January 2010 and until the 31st December 2010 were related exclusively to Priority 4 (Technical Assistance for realization of the Programme) and were not interested in specific projects of the first 3 Priorities.

During 2011 33 Ordinary Projects, finally selected under the 1st Calls for Ordinary projects (Annex I “**List of approved projects First Call for Proposals of the IPA Adriatic Cross-border Cooperation Programme 2007-2013**”), and the Strategic Project “AlterEnergy” were supported in the conclusion of the contracting phase and in the start of implementation of their project activities; the “Programme Management and Control Manual” was approved and published in August 2011, the 2nd Calls for Ordinary projects were launched and closed (3rd August – 2nd November 2011) and by the end of November 2011 the Formal Assessment of 240 proposals submitted under these 2nd Calls was started.

Previsions for 2012

By the end of 2012 it is expected that the 11 Ordinary Projects selected under the 1st Call for Proposals will implement at least 50% of their project activities.

By September 2012 it is expected that the Lead Beneficiaries of all the projects selected within the 2st Call for Ordinary Project Proposals sign the IPA Subsidy Contracts with the Managing Authority and that within the end of the same year they the relevant project activities will start.

Within 2012 it is also expected the launch of the Call for strategic projects.



Dispositions adopted by the Managing Authority and Joint Monitoring Committee for guaranteeing the quality and efficiency of implementation.

Initiatives taken by the Managing Authority

The Managing Authority, in respect of its tasks according to art. 103 of Commission Regulation (EC) no 718/2007, has **guided the work of the Joint Monitoring Committee** also providing it with the documents required to permit the quality of the implementation of the cross-border Programme.

As far as concerns the **sound implementation of projects** selected under the 1st Calls for Ordinary Projects, during 2011 the Managing Authority has coordinated the approval of the IPA Subsidy Contracts template by the Joint Monitoring Committee and has signed one Subsidy Contract with each Lead Beneficiary of the selected projects. Additionally, it monitored the drafting and approval of the **Programme Management and Control Manual** in order to provide to Final Beneficiaries a Vademecum for the good implementation of their projects in respect of the Community and Programme rules.

On August 2011, the MA has even launched the **2nd Calls for Ordinary Projects Proposals (Priority 1, 2 and 3)** in order to select operations in accordance with the selection criteria agreed by the Joint Monitoring Committee applicable to the cross-border programme and has even guided the work of the **Task Force** established by the Programme Participating Countries for the definition of the **strategic projects selections procedure and related documents for the Call for proposals**.

Additionally, in order to ensure that expenditure of each final beneficiary participating in an operation has been **validated by the controller referred in Article 108** of the IPA Implementing Regulation, the Managing Authority has monitored that each Country designated the controller/s, responsible for verifying the legality and regularity of the expenditure declared by the Final Beneficiaries established in their territory, independent from the projects' organization and competent in different fields related to finance and project management.

On June 2011 the MA has even submitted to the European Commission the **2nd Annual Report on implementation** (concerning 2010) approved by the JMC.

Finally on 1st June 2011, the **on-going evaluation** contract according to art. 109.3 of Reg. (EC) 718/2007 has been awarded to the selected provider.

For the sound implementation of the Programme, during 2011, the MA has launched the following written procedures, pursuant to Art. 8 of the Rules of Procedures of the Joint Monitoring Committee:

- **25th January 2011**, closure with positive result of the written procedure started up on 20.12.2010 for the approval of **Subsidy Contract pack**.
- **25th January 2011**, launch of the written procedure for the **amendments to the JTS staff cost** (Finance Management and Monitoring Unit: from two junior experts to one; Administrative – Legal Unit - senior legal expert: from part-time to full time) closed on the 3rd February with positive result.
- **22nd March 2011**, launch of the written procedure for the approval of the **ranking list of the I call for ordinary projects – Priority 1**, closed on 31.03.2011 with positive result
- **10th May 2011**, launch of the written procedure for the approval of the PMCM, closed with negative result on 11th July 2011.
- **20th May 2011**, launch of the written procedure for the approval of the **2nd Calls for ordinary project proposals and related documents** (Application Pack containing: Applicants' Manual; Project submission Receipt; Letter of intent; "de minimis" and Legal Status Declaration; Final Beneficiary Bank Account Identification Notice; Letter of Interest for Associates; Budget breakdown; Investment details) closed with negative result on 15th June 2011.
- **16th June 2011**, launch of the written procedure for the approval of the **Subsidy Contract IPA Technical Assistance**, closed with positive result on 1st September 2011.
- **17th June 2011**, launch of the written procedure for the approval of the **Annual Report 2010**, closed with positive result on 24th June 2011.



- **14th July 2011**, launch of the written procedure n. **01/2011** for the approval of the Application Pack for the 2nd Calls for proposals, closed with positive result on 27th July 2011.
- **15th July 2011**, launch of the written procedure n. **02/2011** for the approval of the Implementation Manual modifications, closed with positive result on 20th July 2011.
- **19th July 2011**, launch of the written procedure n. **03/2011** for the approval of the Programme Management and Control Manual, closed with positive result on 27th July 2011.
- **20th July 2011** launch of the written procedure n. **04/2011** for the approval of the Audit Authority budget increase, closed with negative result on 29th July 2011.
- **27th September 2011**, launch of the written procedure n. **05/2011** for the approval of the Sub questions to be annexed to the Applicants Manual of the 2nd Calls for proposals, closed with positive result on 10th October 2011.
- **14th November 2011**, launch of the written procedure n. **06/2011** for the approval of the modification to the Programme Management and Control Manual.

Actions taken by Joint Monitoring Committee

The functions and composition of the JMC are described in § 7.1.1 of the OP and its rules of functioning are established within the “Rules of Procedures” approved in L’Aquila on July 8th 2008.

This being said, in the first semester of 2011, the JMC has discussed and approved the eligibility and selection criteria of the **2nd Calls for Ordinary Projects Proposals** for all the three Priorities (1, 2 and 3), whilst during the whole year the JMC has monitored, through the periodical reports made by the JTS, the state of implementation of ordinary projects selected under **the 1st Calls for Ordinary projects proposals**.

On July 2011, through written procedure (n. 3/2011) the JMC has formally approved, after having discussed its contents, the **Programme Management and Control Manual**, developed both for Final Beneficiaries and for First Level Controllers, which provides the general and specific (community and Programme) rules that have to be respected for the eligibility of expenditure, as well as guidance for reporting and validation of expenditure. Additionally, during 2011 the JMC has worked with FLCO to the drafting of the Guidance for First Level Controllers.

Additionally, on September 2011 the JMC has approved the template of the IPA Subsidy Contract for the Technical Assistance projects developed for the establishment of the First Level Control Offices and of the Info Points in all the Participating Countries (with the exclusion of Italy).

Finally, it even formally approved the **Strategic Project “AlterEnergy”**, selected outside any call since already mentioned in the approved OP.

