

Factsheet

Interreg IPA CBC Italy–Albania–Montenegro Programme 1st Call for Proposals for Standard Projects

Please note that this factsheet is provided **only for information purposes**, while the legally binding version of the first Call for Project Proposals of the Interreg IPA CBC Italy-Albania-Montenegro Programme shall be published in the official journal of the Managing Authority.

The call will be **launched in March 2017 and will be open for 60 calendar days from its official publication**. The official publication at <http://beta.regione.puglia.it/bollettino-ufficiale> will be also announced at www.italy-albania-montenegro.eu, <http://www.europuglia.it/cte-2014-2020/it-al-me/bandi>, www.integrimi.gov.al and www.mep.gov.me/.

THE INTERREG IPA CBC ITALY–ALBANIA–MONTENEGRO PROGRAMME

The Programme is co-financed by the European Union through the Instrument for Pre-accession (IPA). It is designed in the framework of the European strategy for a smart, inclusive and sustainable growth¹ and the relevant national strategic documents of the involved Countries².

The Cooperation Programme (CP)³ describes the context and priorities for cross-border cooperation (CBC) among Italy, Albania and Montenegro, aiming to enable regional and local stakeholders from the three countries to exchange knowledge and experiences, to develop and implement pilot actions, to test the feasibility of new policies, products and services, and to support investments.

The Programme aims to strengthen cross-border cooperation among Italy, Albania and Montenegro for a smart and sustainable development of the involved area, tackling common challenges in order to boost the integrated territorial development.

The project proposals for the first call must be focused on one of the Programme priority axes and one of its related specific objectives:

PRIORITY AXIS 1: Strengthening the cross-border cooperation and competitiveness of SMEs

- *Specific Objective 1.1:* Enhance the framework conditions for the development of SME's cross-border market

¹ Among others, see Europe 2020 Strategy and EU Strategy for the Adriatic and Ionian Region (EUSAIR)

² See Italian partnership agreement, Country Strategic Paper for Albania and Montenegro

³ Please carefully check the CP at <http://www.europuglia.it/cte-2014-2020/it-al-me/documenti>



PRIORITY AXIS 2: Smart management of natural and cultural heritage for the exploitation of cross border sustainable tourism and territorial attractiveness

- *Specific Objective 2.1:* Boost attractiveness of natural and cultural assets to improve a smart and sustainable economic development;
- *Specific Objective 2.2:* Increase the cooperation of the key actors of the area for the delivery of innovative cultural and creative products.

PRIORITY AXIS 3: Environment protection, risk management and low carbon strategy

- *Specific Objective 3.1:* Increase cross-border cooperation strategies on water landscapes;
- *Specific Objective 3.2:* Promoting innovative practices and tools to reduce carbon emissions and to improve energy efficiency in the public sector.

PRIORITY AXIS 4: Increasing cross border accessibility, promoting sustainable transport service and facilities and improving public infrastructures

- *Specific Objective 4.1:* Increase coordination among relevant stakeholders to promote sustainable cross border connections in the cooperation area

The programme strategy addresses also two cross-cutting issues:

- “strengthening research, technological development, innovation and information and communication technologies through, inter alia, promoting the sharing of human resources and facilities for research and technology development” as a condition leading to any kind of economic development;
- “promoting local and regional governance and enhancing the planning and administrative capacity of local and regional authorities” (hereinafter Governance) as a prerequisite for attaining the Strategy objectives and for the efficient implementation of the Strategy policy measures and instruments across all thematic priorities.

In addition to the thematic orientation, the IT-AL-ME Programme incorporates horizontal aspects highlighted in Articles 5, 7 and 8 Regulation (EU) No. 1303/2013, as well as Article 8(7) of Regulation (EU) No 1299/2013, namely, sustainable development and equal opportunities and non-discrimination.

AVAILABLE BUDGET

The overall Programme budget amounts to EUR 92.707.558,00, out of which EUR 78.801.422,00 of EU public resources.

The budget allocated to the First Call for Proposals amounts to EUR 25 million (including 15% national co-financing), spread over four priority axes:

First call	European Union Contribution (€)	National co-financing (€)	European Union contribution + National co-financing (€)
Priority Axis 1	4.722.221,75	833.333,25	5.555.555,00
Priority Axis 2	6.611.111,30	1.166.666,70	7.777.778,00
Priority Axis 3	5.902.778,25	1.041.666,75	6.944.445,00
Priority Axis 4	4.013.888,70	708.333,30	4.722.222,00
TOTAL	21.250.000,00	3.750.000,00	25.000.000,00

The EU contribution to projects shall be up to 85% of eligible expenditure, while 15% shall be provided according to the national systems. Concerning Italy, the national co-financing is guaranteed to public partners by CIPE Resolution n. 10 of 28 of January. The national co-financing is not provided to eligible private partners, which have to contribute to projects' proposals with their own resources. For Albania and Montenegro, each partner is obliged to provide co-financing at project's level.

A **pre-financing of 20%** of the total EU contribution may be provided.

PROGRAMME ELIGIBLE AREA

ITALY

- *Puglia Region*: provinces of Bari, BAT Barletta-Andria-Trani, Brindisi, Foggia, Lecce, Taranto
- *Molise Region*: provinces of Campobasso and Isernia

ALBANIA

- the entire country

MONTENEGRO

- the entire country

All the project activities have to be located in the Programme eligible area. In compliance with art. 44 of the Commission Implementing Regulation no. (EU) No 447/2014 (IPA IR), a derogation to this rule may be exceptionally accepted upon decision of the JMC.

PROJECT PARTNERS

Lead Applicants and partners must be established in the eligible territories of the Countries participating in the Programme. Partners having the registered office outside the Programme area, but the branch office established in the Programme area, will be eligible for funding, provided that the branch office has full legal capacity, as well as financial and administrative power to undertake commitments. The following types of partners, according to their legal status, are eligible for funding:

- Public bodies;
- Bodies governed by public law⁴;
- Non-profit organisations, established according to the applicable legal framework/law in the respective country⁵.

Partners shall not fulfill exclusion criteria set in art. 106 and 107 of Regulation (EU) No 966/2012. Non-profit organizations must be operational for at least 12 months before the launch of the call for proposals.

The minimum eligible partnership must involve at least one partner from each participating Country:

- at least 1 partner from a EU Member State (eligible territories of Italy)
- at least 1 partner from each IPA Country (1 partner from Albania and 1 partner from Montenegro).

⁴ (a) They are established for the specific purpose of meeting needs in the general interest (not having an industrial or commercial character); (b) They are financed, for the most part, by the State, regional or local authorities, or by other bodies governed by public law; or are subject to management supervision by those authorities or bodies; or have an administrative, managerial or supervisory board, more than half of whose members are appointed by the State, regional or local authorities, or by other bodies governed by public law

⁵ (a) They are not established with the goal to obtain profit, (c) do not distribute profits to the shareholders, (b) They do not have the organizational structure of an undertaking or a regular presence on the market; (c) They have legal personality. For the purposes of this point (d), for Italian partners grant applications may be eligible if submitted by entities which do not have legal personality under the applicable national law, provided that their representatives have the capacity to undertake legal obligations on behalf of the entity and offer guarantees for the protection of the Union's financial interests equivalent to those offered by legal persons according to art. 131 of Regulation (EU, Euratom) 966/2012.

The total number of partners must not exceed six (6) including the Lead Partner. Projects can also have associated partners, taking part to the activities without receiving financing, for a maximum of one per partner.

The partnership has to appoint a Lead Partner, who is responsible for the preparation and submission of the application form⁶. In case of approval of the project, the Lead Partner takes over the responsibility for management, communication, implementation, and coordination of activities among the involved partners.

Coordination of activities of all project proposals submitted within the current and future calls by the same applicant will be carefully assessed by the representatives of the participating countries. In particular, the lead applicant and the project partners are required to demonstrate how the activities of all project proposals submitted by the same legal entity (public administration, university, research centre, etc.) are going to be efficiently coordinated. Coordination of activities shall apply both within the same and different administrative units of the same legal entity, as to exploit potential synergies, avoid overlapping and risk of double funding. The coordination among numerous projects for the same partner and lack thereof will be subject to assessment. In order to ensure sufficient management capacity, it is advisable for all lead partners to not submit more than 5 project proposals, per legal body as well as per administrative unit of the same legal entity (department, service, etc.).

In compliance with art. 11 (4) of Reg. EU No. 1299/2013, partners shall cooperate in the development and implementation of projects. In addition, they shall cooperate in the staffing or the financing of projects, or in both.

PROJECT SIZE

The total budget of the projects must respect the following financial thresholds (including EU + national public or private co-financing):

- Minimum budget (EU contribution + national co-financing) = EUR 500.000;
- Maximum budget (EU contribution + national co-financing) = EUR 1.500.000 (except for PA 4, which is 2.000.000)

The minimum budget for each partner cannot be lower than 10% of the overall budget.

PROJECT DURATION

The project implementation shall not be longer than 24 months, starting from the signature of the Subsidy Contract.

Expenditures incurred to develop the project (**project preparation**) before the signature of the subsidy contract will not be reimbursed, but are covered by a lump sum of 10.000,00 EUR to the lead partner. According to the same principle, all expenditures incurred to close the project (**project closure**) after the project end date will be covered by a lump sum of 5.000,00 EUR to the lead partner.

ELIBILITY OF EXPENDITURES

General timeframe for eligibility of expenditures is from 01.01.2014 (for Italian partners) and 15.12.2015 (for Albanian and Montenegrin partners) to 31.12.2023.

⁶ The tasks of the Lead Partner are specified in article 40 of IPA II Implementing Regulation, No. 447/2014

According to the general eligibility rules, expenditure shall:

- comply with the principles of economy/efficiency/effectiveness;
- be necessary for activities(AF)/reasonable;
- be actually incurred and paid in eligible period/area/partner;
- be verifiable and documented or simplified cost options;
- identified in separate accounts;
- neither include items already financed (double financing), nor ineligible items (69 CPR,43 IPA IR);
- be converted into Euro exchange rate of the month of submission to FLC;
- comply with EU, Programme and national rules.

The ETC eligibility rules set in the Commission Delegated Regulation no. 481/2014 applies for following cost categories:

- Staff
- Office and administration
- Travel and accommodation
- External experts and services
- Equipment
- Infrastructure and works

Staff

Staff costs may be calculated according to real costs or flat rate (up to 20% of direct costs) both for full or part time staff. Part time staff can be calculated according to a fixed percentage, a flexible number of hours or a hourly rate. Special attention shall be paid to the calculation methods, the required audit trail (i.e. contract/assignment, pay slip, timesheet/report) and the contract nature (e.g. internal staff equivalent).

Office and administration

Office and administration costs can be reimbursed based on real costs or calculated according to a flat rate of 15% of the eligible staff costs. They shall only include the items of the exhaustive list of art. 4 ETC eligibility rules, which therefore shall not be included in other budget lines.

Travel and accommodation

Travel and accommodation are real costs occurred by the staff involved in the project, according to the principle of efficiency and effectiveness. They cover travel costs (e.g. tickets), accommodation costs, visa costs, as well as daily allowances according to the national or institutional rules applicable. Costs of external experts shall not be covered in this cost category.

External experts and services

This cost category covers all specific expertise/services needed to implement the project activities. It can include e.g. software, external First Level Control costs for Italian partners, travel costs of experts, costs for financial guarantees for private partners etc. In the purchase of external services, public procurement rules set by the IPA IR, as well as EU and national rules shall apply.

Infrastructures and works

Infrastructure and works are eligible only if they are necessary in the scope of and to achieve the project objectives, and complying with the public procurement rules set by the IPA IR, as well as EU and national legislation.

FINANCIAL MANAGEMENT RULES

For a sound financial management of the project following key rules shall apply:

- **VAT** is eligible only if it cannot be recovered by the partner, according to national rules;
- After the signature of the subsidy contract, the project budget can be **modified** only according to the rules set in the subsidy contract, providing for a certain flexibility for modifications below 25% of the total budget;
- According to the **durability rule** of Article 71(1) of Reg. EU no. 1303/2013, expenditures paid for infrastructural or productive investments shall be recovered if this is subject to relocation or cessation of activities, substantial change in nature or ownership before 5 years after the final payment to the project;
- **Revenues** shall be planned, reported and deducted according to the rules set in article 61, 7 (b) of the CPR EU Regulation no. 1303/2013;
- In case private bodies are involved as lead partners, they shall provide the MA a **financial guarantee** according to EU standards⁷ for an amount corresponding to the whole EU pre-financing amount for the duration specified in the subsidy contract, as a pre-condition for the MA to sign the Subsidy Contract. The purpose of the guarantee is to make a bank or a financial institution as irrevocable collateral security for, or first-call guarantor of, the grant beneficiary/project partner's obligations. This financial guarantee shall be provided by an approved bank or by a financial institution⁸ legally established in one of the Partner States.
- According to Article 140 of Reg. EU no. 1303/2013, each LP/PP shall **retain all supporting documents** relating to expenditures for a three year period from 31st December following the submission of the accounts, in which the final expenditure of the completed project is included.
- According to Article 45 of IPA IR for the award of service, supply and work contracts, the **procurement procedures** by partners shall follow the provisions of Chapter 3 of Title IV of Part Two of the Financial Regulation and of Chapter 3 of Title II of Part Two of Delegated Regulation (EU) No 1268/2012 and shall apply in the whole Programme area. This means that Italian partners shall apply the rules of the Italian Procurement Code (DLgs 50/2016) and all related annexes and guidelines, as this adopts the EU Directives No. 2014/24/EU and 2014/25/EU and 2014/23/EU and it fulfills the requirements of Article 45 of IPA IR in the most restrictive way. For Albanian and Montenegrin partners, PRAG guidelines may be used to practically apply the rules set in article 45 of IPA IR, as well as national guidance, which must comply with these rules in a more restrictive way.
- According to the **reporting deadlines** set in the subsidy contract and partnership agreement, each LP/PP shall prepare a Partner Progress Report and Statement of Expenditure reporting on the activities and the costs during the implementation period and submit it to the national controller in order to obtain a validation of eligible expenditure (FLC Certificate).

⁷ In case of private partners located in IPA Partner States, the identified private bank or public financial institution can provide the guarantee if it offers equivalent security and characteristics as those offered by a bank or financial institution established in an EU Member State. The MA reserves the right to require a certification by a bank or financial institution legally established in the EU Member State.

⁸ For private non-profit partners located in Albania, the national body legally responsible to act as guarantor may be the Ministry of European Integration, which guarantees for any amounts of Union pre-financing received by partners, by confirming in writing to the MA to undertake the liability towards the MA/CA, i.e. to reimburse any unduly paid amounts of pre-financing received by private non-profit partners located in Albania, if not yet repaid to the MA/CA by the partner. Further guidance will be provided with the implementation manual.

The LP is responsible for collecting FLC Certificates from the PPs and for preparing and submitting Project Progress Report/Final Report and Payment Claim to JS.

- As stated in the CP, while expenditures of Albanian and Montenegrin will be subject to **centralised control systems, in the Italian de-centralised system** expenditures may be verified through qualified external experts. In this case, partners are advised to include in the project budget an adequate amount of money for expenses relating to the validation process (up to 3% of activities).
- **STATE AID:** Any public support granted by public funds must respect the State Aid discipline applicable at the point of time when the public support is granted. According to Article 107 (ex. Article 87) of the Treaty on the Functioning of the European Union, State Aid is defined as any aid granted by a Member State or through State resources in any form whatsoever which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods⁹. State aid relevant activities are financed only if they are in compliance with Article 20 of the General Block Exemption Regulation (GBER)¹⁰ or in compliance with the de minimis Regulation¹¹.

APPLICATION PROCEDURE

The project proposals have to be submitted in one step electronic procedure through the Electronic Monitoring System of the Programme (eMS). The address of the eMS will be published on the Programme website very soon.

The project lead partner shall submit it on behalf of the partnership. All the compulsory documents to be filled in for submitting a project proposal are included in the Application Package available at <http://www.europuglia.it/cte-2014-2020/it-al-me/bandi> and at the Programme official website www.italy-albania-montenegro.eu, which will be available soon.

The Application Package includes the following documents:

- a) Application Form
- b) LP/PP Statements duly stamped and signed by all participating partners (standard form provided) and for associated partners a declaration;
- c) Statute and/or legal Act which sets up the applicant institution/organization involved in the proposal, in which its legal representation is specified. Statute and/or legal act can be submitted also in the national language. A translation into English is preferable.
- d) For private partners, the balance sheets of the last two accounting years, or of the last accounting year in case of organization established only in the last 12 months, issued according to national legislation.

The Application Form and LP/PP Statement must be filled in English in all their parts and the Lead Applicants and partners must not modify the templates provided by the Programme. The Lead Applicant is responsible for submitting the project proposal.

⁹ The presence of State Aid can be confirmed only if all the following 5 cumulative criteria are fulfilled 1) The measure must confer a benefit or advantage on the recipient which it would not otherwise have received (which is always the case for any Interreg Programme); 2) It must be granted by a EU Member State or through State resources (which is always the case for any Interreg Programme); 3) It must selectively favour certain undertakings or the production of certain goods; 4) It must distort or threaten to distort competition; 5) It must affect trade between EU Member States.

¹⁰ Commission Regulation (EU) No 651/2014

¹¹ Commission Regulation (EU) No 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid. The threshold is EUR 200 000 (cash grant equivalent) over any three tax year period.

It means that the Lead Applicant has to collect the required documents from all involved partners and submit the project proposal according to the application procedures. Before the submission of the Application Form, the Lead Applicant needs to register in the eMS. The Lead Applicant must fill in and submit the Project Application Form ONLY online at the electronic Monitoring system (eMS).

APPLICATION FORM

The Application Form is structured according to the following chapters:

- Project summary;
- Partnership;
- Project description;
- Work plan, structured according to work packages;
- Project budget overview;
- Partners' budget;
- Attachments.

The submitted project proposal needs to demonstrate:

- What it wants to change and why;
- What it needs to deliver to obtain the change;
- How it will do it and what resources it needs for it.

The submitted project proposal must show a direct link to the Programme intervention logic and its contribution to the Programme objectives achievement. The project main overall objective contributes to the Programme priority specific objective; the project overall objective describes the general, strategic and long term change the project intends to support for the benefit of the identified target group(s). The project specific objective describes the specific and immediate effects of the project that can be realistically achieved within the project life-time; the project result contributes to the Programme result, even if project results will not be directly aggregated on Programme level, as Programme result indicators measure changes in the whole Programme area.

The project outputs contribute to the achievement of Programme outputs so they can be aggregated at Programme level.

Project activities within the frame of the IT-AL-ME Programme shall be organised around work packages, i.e. a group of related project activities necessary to produce project deliverables and outputs. Each work package, structured in activities, shall provide information on the partners involved, the description of the related deliverables and expected outputs, and the related budget.

The partnership can structure its project proposal according to a maximum number of work packages, keeping in mind that THREE of them are compulsory:

- 1) Project Management, describing how management on strategic and operational level will be carried out in the project;
- 2) Communication, including the strategic planning of communication activities and a clear indication of the target group(s) to address. A web space will be made available in the Programme website to all selected projects, to be used as project website. A logo will also be provided to all selected projects. In the implementation manual more guidance will be given;
- 3) Project implementation – which can consist of 3 further work packages or more, which describe what the partnership intends to implement to reach the foreseen goals. Each project proposal shall contribute to the realization of at least 2 Programme outputs as set in the cooperation Programme; project partners have to explain how project outputs feed Programme output indicators.

4) Non-compulsory work package: preparation and closure (covering all costs before and after the project duration on a lump sum basis).

SELECTION PROCEDURE

Following the submission of the project proposals, each of them will be subject to a formal assessment on:

ELIGIBILITY CHECK: the project proposals are checked against following technical criteria:

- Submission in time
- Submission through the eMS
- Application form fully and properly filled in English
- Obligatory annexes correct and submitted
- Supporting documents duly filled, signed and stamped
- Geographical coverage of activities and partners
- Eligibility of Lead Partner
- Eligibility of Project Partners
- Requirements regarding the minimum and maximum number of partners
- Maximum co-financing rate respected
- Minimum and maximum amounts per project respected
- “Non-profit organizations” Partners registered at least in the last 12 months.

The formal assessment will be performed by the Joint Secretariat with the support of the respective National Authorities, under the supervision of the Managing Authority as responsible for the procedure. Only the project proposals that fulfill the admissibility and eligibility criteria are admitted to the further quality assessment, while the not eligible ones are rejected by the decision of the JMC.

QUALITY ASSESSMENT: the project proposals are checked against following set of quality criteria approved by the JMC:

1. Strategic criteria

A.1.1. The project addresses common territorial challenges, joint assets and opportunities in the Programme area - there is a real need for the project and it is in line with National and/or regional strategies of the participating Countries.

A.1.2. The project makes use of available knowledge and builds on existing results and practices.

A.1.3. The project clearly contributes to the EUSAIR Macro-regional Strategy, with specific reference to its Action Plan.

A.2.1. The project overall objective clearly links to a Programme priority objective.

A.2.2. The project results clearly link to at least one Programme result indicator.

A.2.3. Results and main outputs are specified (concretely defined and measurable) and realistic (it is possible to achieve them with given resources). Results and main outputs are in accordance with the selected target group's needs.

A.3.1. The importance of the cross-border approach to the topic addressed is clearly described; the project results and outputs cannot (or only to some extent) be achieved without cooperation.

A.3.2. There is a clear benefit from cooperating for the Project Partners, the target groups and/or for the Programme area.

A.3.3. The project involves relevant Project Partners from all participating countries and they prove the necessary experience and competence in the field concerned.

A.3.4. The coherence between the objectives of the project and the composition of the partnership is assured.

2. Operational criteria

B.1.1. The Lead Partner demonstrates competency in managing EU funded projects or other international projects or can ensure adequate measures for management support.

B.1.2. Project partners demonstrate that they efficiently coordinate activities with all other projects submitted by the same legal entities and that these activities are not redundant or overlapping

B.2.1. The communication approach/tactics chosen are appropriate to reach communication objectives. Communication activities and deliverables are appropriate to reach the relevant target groups and stakeholder.

B.3.1. Coherence of project activities with indicative types of actions and outputs, as per relevant Priority axes. Proposed activities are relevant and lead to the planned main outputs and results.

B.3.2. All partners play a defined and active role in the project partnership with clear responsibility (e.g. sharing of tasks is clear, logical, in line with partners' role in the projects and cross-border cooperation character).

B.3.3. Time plan is realistic (activities, deliverables and outputs are in a logical time sequence)

B.3.4. All activities demonstrate a clear benefit of the cross-border Programme area.

B.3.5. The project is mature, allowing its smooth realization (i.e. stage of completion of the administrative procedures, etc.)?

B.4.1. The overall budget is clear and realistic and reflects real partners' involvement (it is balanced). To what extent does the project budget demonstrate value for money?

B.4.2. Financial allocation per expenditure category is in line with the work plan of activities. To what extent is the budget coherent and proportionate?

B.4.3. To what extent is the budget of the proposed activities well-justified and explained?

3. Sustainability criteria

C.1.1. How will the project outputs be further used and how will sustainability be ensured once the project has been finalised? If applicable, how does the project envisage durability of relevant project outputs?

C.1.2. Project main outputs are applicable and replicable also outside of the current partnership (transferability) – if not, it is justified.

C.1.3. The project makes a positive contribution to sustainable development.

The project makes a positive contribution to equal opportunities and non-discrimination.

The JS will carry out the quality assessment of the project proposals and it will rely on the assistance of the NAs of the participating countries and/or on a group of external evaluators carrying out a technical evaluation, where needed. In addition, as specified in Article 39 of Regulation EU 447/2014, the JMC may set up a Steering Committee for the selection of operations. The JMC is responsible for the final decision, on the basis of outcomes of the quality assessment.

ADDITIONAL INFORMATION

More information about the content of the CP, the specific conditions for the submission of the project proposals, the assessment and selection procedure, the application package as well as other relevant information are available at www.italy-albania-montenegro.eu, www.integrimi.gov.al and www.mep.gov.me.

Contacts:

- The Interreg IPA CBC IT-AL-ME Joint Secretariat
 - js@italy-albania-montenegro.eu
- Albanian National Contact Point
 - ana.xhilaga@integrimi.gov.al;
 - gentian.xhaxhiu@integrimi.gov.al;
- Montenegrin National Contact Point
 - ivana.glisevic@mfa.gov.me;
 - miodrag.raceta@mfa.gov.me.