



IPA III

Cross Border Cooperation Programme

2021-2027

Republic of North Macedonia - Republic of Albania

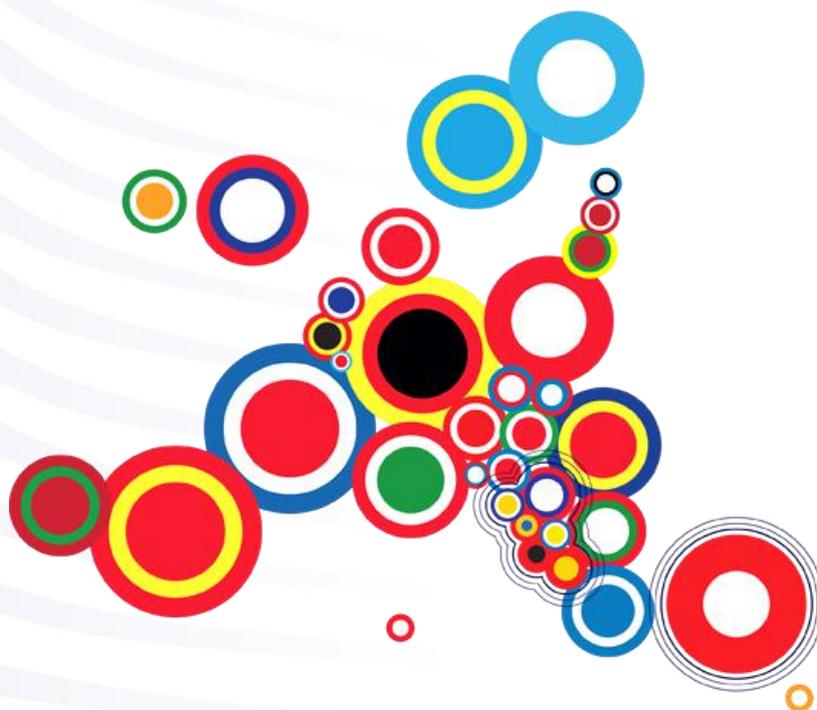




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Programme synopsis

Programme title	IPA-III Cross Border Cooperation Programme between Republic of North Macedonia and Republic of Albania 2021-2027
Programme area	Three regions in each of the beneficiary countries: <ul style="list-style-type: none"> • Pelagonia, Polog and Southwest in North Macedonia; • Dibër, Elbasan and Korçë in Albania.
Programme overall objective	To improve the quality of life and enhance the attractiveness of the border regions as better places to live and work in, through protecting their sensitive environment and utilising their endogenous potential for tourism development
Programme thematic clusters, thematic priorities and specific objectives per thematic priority	<p><u>TP0: Technical Assistance</u></p> <p><u>TC 2: Greener and Improved resource efficiency</u> TP2: Environment protection, climate change adaptation and mitigation, risk prevention and management</p> <p><u>TC 4: Improved business environment and competitiveness</u> TP5: Tourism and cultural and natural heritage;</p> <p><i>To be mainstreamed throughout the Programme:</i></p> <p><u>TC 5: Improved capacity of local and regional authorities to tackle local challenges</u> TP7: Governance, planning and administrative capacity building of local and regional authorities.</p>
Total EU financial allocation 2021-2027	
Management implementation mode	Direct Management
Contracting authority	Delegation of the European Union to the Republic of North Macedonia
Relevant authorities in the participating beneficiaries [operating structures]	<p>In the Republic of North Macedonia:</p> <ul style="list-style-type: none"> • Deputy Prime Minister for European Affairs, National IPA Coordinator (NIPAC) and Operating Structure established under the IPA III legal framework <p>In the Republic of Albania:</p> <ul style="list-style-type: none"> • National IPA Coordinator (NIPAC) and the Ministry for Europe and Foreign Affairs
Offices of the Joint Technical Secretariat (JTS)	The JTS is located in Struga, Republic of North Macedonia, with an Antenna in Elbasan, Republic of Albania.





List of acronyms

BRD	Bureau for Regional Development (North Macedonia)
CBC	Cross-Border Cooperation
CBIB+	Cross-border Institution Building Plus Phase III
CC	Consultative Council
CfP	Call for Proposals
CRD	Centre for Regional Development
CSF	Common Strategic Framework
ERP	Economic Reform Programme
EUSAIR	European Union Strategy for the Adriatic and Ionian Region
GDP	Gross Domestic Product
GfA	Guidelines for Applicants
GVA	Gross Value Added
INSTAT	Statistical Institute of the Republic of Albania
IPA	Instrument for Pre-accession Assistance
JMC	Joint Monitoring Committee
JTF	Joint Task Force
LP	Lead Partner (Lead Partner Principle)
MoU	Memorandum of Understanding
MoLSG	Ministry of Local Self-government
MFF	Multiannual Financial Framework
NIPAC	National IPA Co-ordinator
NGO	Non-Governmental Organisation
NUTS	Nomenclature of Territorial Units for Statistics
OS	Operating Structure
RDI	Research, development and innovation
SME	Small and medium enterprise
SWOT	Strengths, Weaknesses, Opportunities and Threats analysis
TC	Thematic Cluster
TP	Thematic Priority
WTTC	World Travel and Tourism Council





Section 1: Programme summary

This is the (draft) Programming Document of the IPA-III Cross Border Cooperation Programme between the Republic of North Macedonia and the Republic of Albania 2021-2027.

The programme will be implemented under the framework of the Instrument for Pre-accession Assistance (IPA III). IPA III supports cross-border cooperation with a view to promoting good neighbourly relations, fostering EU integration and promoting socio-economic development.

The legal provisions for its implementation are stipulated in the following pieces of legislation:



1.1 Summary of the programme

A detailed socio-economic situational analysis of the regions included in the Programme area has provided an accurate snapshot of the current realities on the ground, based on statistical data available, reports, national, regional and municipal strategies etc., and revealed a series of constraints that weigh heavily on their development:

- The wealth of **natural and environmental resources** and significant **biodiversity** are weighed down by **insufficient water supply systems, inadequate waste collection and disposal/management systems** and **substandard wastewater and sewage treatment**;
- The rich and varied **cultural and historical heritage**, abundant throughout the Programme area, do not benefit from proper **preservation and protection** on the one hand, and **promotion and sustainable valorisation** on the other;
- Despite such wealth of natural, historical and cultural heritage assets, **tourism development** across the Programme area is still in an early stage and leaves much to desire;
- The **entrepreneurship culture** in the Programme area, considering the high number of companies, fails to be reflected in the productivity and, consequently, in the GDP of the regions.

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

Therefore, the **SWOT analysis** is a product of aggregating the stakeholder views expressed in the questionnaires, prioritizing and integrating them with the key issues and challenges emerging from the socio-economic analysis. Furthermore, the SWOT analysis was consulted with the stakeholders via online workshops—two workshops for Albania and one for North Macedonia – during which both the overall planning approach and the SWOT analysis have been approved by the entirety of the participants.

The needs of the Programme area are significant and beyond any CBC Programme's capacity to provide financially; the remoteness and peripheral nature of the regions result in the identified problems and therefore affect heavily the quality of the life of their citizens.

Consequently, all thematic priorities were considered and individually ranked by all stakeholders in the CBC Programming process for their perceived importance. The resulting ranking represents a significant programming feedback that reflects on its bottom-up approach and is built on the **partnership** principle:





- Thematic priority 2 – **Environment protection, climate change adaptation and mitigation, risk prevention and management**
- Thematic priority 5 - **Tourism and cultural and natural heritage**

The proposed programme seeks to contribute to the IPA III general objective, aligned with the fifth specific objective **to support territorial and cross-border cooperation**.

It also **builds on lessons learnt from previous and current IPA CBC Programmes (Final Evaluation Report of IPA Cross Border Cooperation Programmes 2007-2013 – February 2017 and the Analysis of performance indicators Report June 30th, 2020 IPA II CBC programme North Macedonia – Albania)**:

- To have a strong objective focus that will succeed in creating an effective link of the CBC programme with the wider context of national/Balkans-wide development actions.
- To select a small number of thematic priorities, better focused on tackling the needs of the area; a difference in the programming for IPA III CBC is the mainstreaming of Cluster 5 (Improved capacity of local and regional authorities to tackle local challenges).
- To have better formulated overall, specific objectives and results in order to elaborate a stronger overall intervention logic.
- To choose SMART, appropriately focused indicators, which have more reliable baselines and are adequate for measuring programme performance effectively.
- To define activities and target groups which are better focused and have stronger links to the envisaged results.

1.2 Preparation of the programme and involvement of the partners

The process of programming of the IPA III CBC Programme 2021-2027 Republic of North Macedonia-Republic of Albania commenced in May 2020 and was based on common experiences from the process that had taken place for the IPA II period 2014-2020.

The development of this Programme Document was steered by the two Operating Structures¹ (OS) and NIPAC offices in both countries respectively: The Ministry of Local Self Government and Secretariat for European Affairs in North Macedonia and Ministry for Europe and Foreign Affairs in Albania.

The Delegation of the European Union to the Republic of North Macedonia played a very active role and guided the overall process of the Programme preparation and facilitated the interaction among programming experts with Operating Structures, EC representatives, and the Joint Technical Secretariat.

Extensive consultation and coordination meetings have been organised with the **CBIB+ Technical Assistance project** to ensure synergies with preparation of other CBC programmes and build on the existing good practices. The Programming Experts have followed the instructions of the programming advice document on the programming process of the 2021-2027 IPA III Cross-border Cooperation (CBC), prepared by CBIB+ for all Western Balkans Countries.

Three meetings were organised with the Joint Task Force (JTF) in each stage of the programme preparation to present and endorse the SWOT analyses and Strategic Interventions proposed by the programming experts. **The recommendations of the JTF representatives and their endorsements of the SWOT and Multi-sectoral Study paved the way for the final selection of the Thematic Priorities and finalisation of the Programming Document for the IPA III CBC North Macedonia-Albania.**

¹ Operating Structures under IPA II CBC





Several Working sessions of the Programming Experts with OSs and EU Delegations in North Macedonia and in Albania were held throughout the whole programming phase in order to ensure effective communication **leading to the identification of the Thematic Priorities to be addressed and the development of Strategic Interventions in the Programme Area.**

Consultations meetings are held with Government representatives of the North Macedonia and Albania at the structures of European Union Strategy for the Adriatic and Ionian Region (EUSAIR).The aim of these discussions has been to identify possible synergies and complementarities in programme areas interventions with the priorities of EU Macro-Regional Strategies.

The programming process was characterised by a **wide participatory process and extensive consultations with stakeholders in all Programme Area Regions**, involving line Ministries, public utility companies/other public entities, Local Government/municipalities, Associations of Local Government, local agencies, current beneficiaries of CBC projects,civil society organisations and other relevant partners.

Although the public health emergency has led to part of the consultation process to take place in an on-line format, it is noteworthy that – despite the strict restrictions and confinement measures imposed due to the COVID19 pandemic – the programming experts, with the support of OS and JTS offices in Struga and Antenna in Elbasan, have been able to organise also **site visits of three-days each and in person meetings in all regions of the Programme area** in the period of 16-18 September 2020, respectively:

- **8 meetings in North Macedonia with 10 Municipalities and three Regional Development Centres, with the participation of 36 representatives in total;**
- **10 Meetings in Albania, with 3 three Regional Councils and 14 Municipalities, with the participation of 42 representatives in total.**

Two stakeholder consultation workshops have been organised during the programming process **in each country (4 in total) involving around 40 participants/stakeholder representatives in each workshop.** The purpose of the stakeholder consultation workshops was three-fold:

1. To inform the wider community on the state of preparation of the cross-border cooperation programme, including presentation of the Review Report and findings of the Social, Economic and Environmental analyses in the eligible programme areas;
2. To contribute to the SWOT analysis and identification of priority needs/opportunities for CBC interventions; and
3. To provide the stakeholders and beneficiaries of the CBC programme with an opportunity to express their opinions and provide valuable inputs to the programming process.

The table overleaf depicts the main meetings organised and stakeholder consultation carried out:

Date/Location	Milestone
22 April 2020	A letter from the European Commission (EC) regarding IPA III and starting of programming process received by the NIPAC Office
6 May 2020	Kick off meeting between OS in Albania and CBIB+3 on the IPA III CBC programming process (required steps and draft working plan)
18 May 2020	Kick off meeting between OS in North Macedonia and CBIB+3 on the IPA III CBC programming process (required steps and draft working plan)
26 May 2020	Coordination meeting between OS in North Macedonia, DEU in Skopje and NIPAC office and CBIB+3 on the programming process, (responsibilities and work plan)





27 May 2020	Coordination meeting between OSs in North Macedonia and Albania, NIPAC office in Macedonia in the presence of EUD in North Macedonia and CBIB+3, on IPA III CBC Programming (work plan and questionnaires)
End June to end July	The process for the establishment of the Joint Task Force (JTF) took place
30 July 2020	1 st JTF meeting: Establishment of the JTF, adoption of its rules of procedure and the programming work plan
5 August 2020	JTS dispatched the questionnaires to the relevant CBC stakeholders
21/08/2020, Online	Kick-off meeting with the Delegation of the European Union to the Republic of North Macedonia and the programming team. The purpose of the meeting was to present and discuss the Inception Report, objectives and expected results, outputs and timetable of activities for entire period of Programme Preparation.
25 August 2020, online	Coordination meeting on programming process for the North Macedonia-Albania CBC Programme, between programming experts, EU Delegation in North Macedonia and CBIB+3
21/08/2020, Online	Operating Structures meeting: Introduction of the Programming Team of Experts, presenting the timetable of activities, key deliverables, approach of the experts and agreement on the key milestones for the process ahead. Representatives of the EU Delegations in North Macedonia and Albania and CBIB+ experts participated and contributed to the preparation process.
Early September 2020	Collection of the completed questionnaires
16-17-18/09/2020 Pelagonia, Polog, Southwest Regions, North Macedonia	Site visits: Consultation meetings in three Programme Regions of North Macedonia with Local Government representatives: presenting the state of play of programming process, discussions on main challenges, priorities, local strategies and other management issues relevant for the CBC programme. Identification of needs and potential priorities to be included in the new CBC programme.
16-17-18/09/2020 Dibër, Elbasan, Korçë Regions, Albania	Site visits: Consultation meetings in three Programme Regions of Albania with Local Government representatives: presenting the state of play of programming process, discussions on main challenges, priorities, local strategies and other management issues relevant for the CBC programme. Identification of needs and potential priorities to be included in the new CBC programme.
22 September 2020	The aggregated answers from the collected questionnaires were delivered to the programming expert for further elaboration and analysis
30/09/2020, North Macedonia and Albania Workshops Online	Stakeholders Consultations Workshops: Online consultation workshops organised in both countries at the same time, with around 40 participants in each country, from Local Governments Units, Civil Society Organisations, Local Government Associations, beneficiaries of the CBC projects and other relevant institutions. Presentation of the SWOT analyses and gathering of the stakeholders' views and suggestions on the key challenges, potentials for development and risks accounts from the programme areas.
01/10/2020, Online	Technical meeting with Operating Structures representatives, Delegation of the European Union to the Republic of North Macedonia, Programming Team, JTS, CBIB+ experts. Discussing the Review Report comments, Multisectoral study and Strategic Project Concept Note to be send to Local government unit for receiving potential project ideas.
02/10/2020, Webinar Training organised by CBIB+	Strategy development and formulation training: 1st Joint Task Force Webinar - IPA III CBC programming: Representatives (OSs, JTF, JTS, CBIB+, programming experts): explanation of IPA III CBC, programming process, planning step by step (situation analysis, main findings (SWOT, needs), strategic choices – selecting/defining priorities, indicators and targets), checking of the intervention logic, horizontal and cross-cutting issues.





14/10/2020, Tirana	Technical meeting with DG REGIO, EUD, Programming Team and CBIB+: discussion on the status, challenges, and programming process. Issues. Several questions were addressed related to the stage of preparation timing of finalisation of the programme Regulation form EC.
28/10/2020, Online	Technical meeting with Delegation of the European Union to the Republic of North Macedonia, Programming Team and CBIB+ experts. Discussing the Multisectoral study and proposals for Strategic Intervention and selections of the Thematic Priorities for the preparation of the Programming Document.
30/10/2020, North Macedonia and Albania Online Workshops	Stakeholders Consultations Workshops: Online consultation workshops organised in each country at the same time, with 35 participants from each country, involving Local Governments Units, Civil Society Organisations, Local Government Associations, beneficiaries of the CBC projects and other relevant institutions. Presentation of the Multi-sectoral Study, strategic proposed interventions and getting stakeholders opinion on the selection of the Thematic Priorities to be included in the new Programming Document.
06/11/2020, Online	2 nd Joint Task Force meeting: Presentation of SWOT analysis and Multi-sectoral study, discussion on Thematic Priorities and intervention logic, initial selection of Activities steps to complete Programme document
20/11/2020	Technical meeting with the two Operating Structures, other central and local institutions and EUD in North Macedonia and Albania to discuss on the state of play and measures to be taken for maturing the two Strategic Projects submitted under IPA II in order to be financed under IPA III CBC Programme North Macedonia-Albania.
27/11/2020, Online	3 rd Joint Task Force meeting: discussion on Programme Intervention Strategy and Activities confirmation of Thematic Priorities and operations; discussion on indicators; financial allocations

The programming process evolved in three consecutive, closely interlinked phases and corresponding outputs prepared by the programming experts:

1. **Review Report.** A detailed comprehensive report containing a detailed socio-economic and environmental situation analysis of the eligible areas along with the respective SWOT analyses, based on the stakeholders' responses gathered through the questionnaire prepared by the CBIB+ for this purpose (The response of the stakeholders was exceptional, with 100% of the municipalities and regions responding; 98 questionnaires have been received from both countries, out of which 53 questionnaires from central level institutions and local Government and 45 questionnaires from Non-Governmental Organizations and others).
2. **Multi-sectoral study.** The Multi-sectoral study sums up the "common constraints for sustainable development within the potential eligible areas" "focusing on (regional/municipal) environmental and/or transport infrastructure needs, cultural and natural heritage prospects, and enterprise and tourism development". It proposes the strategic vision, as well as Thematic Priorities to be selected in the IPA III Cross-Border Cooperation Programme between Republic of North Macedonia and Republic of Albania 2021-2027. A concept-note for presenting the Strategic Ideas was sent to all Local Government Units of programme area to collect possible strategic projects to be included in the new programme.
3. **Programming Document.** Programming Document for the IPA III Cross-Border Cooperation Programme between Republic of North Macedonia and Republic of Albania 2021-2027, drafted on the basis on the Programming Template and EU Guidelines on the programming framework. The Programming Document surmises the strategic Vision, Thematic Priorities, concrete activities and interventions including financial indication per each thematic priority for the upcoming 7 years period of IPA III 2021-2027.



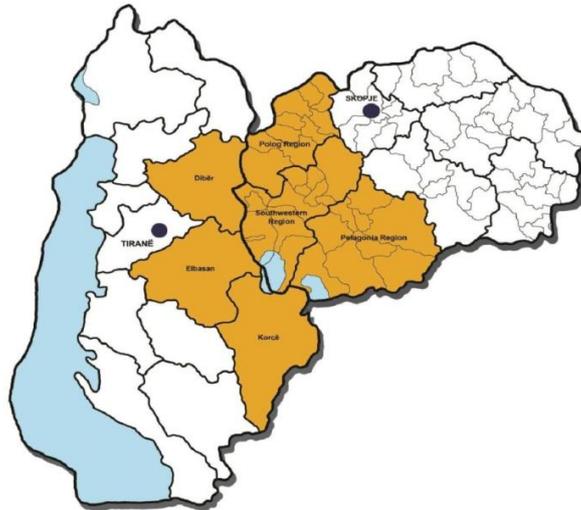


Section 2: Programme area

2.1 Situation Analysis

The eligible Programme Area remains unaltered – in terms of geographical/administrative coverage and population size – from the previous IPA CBC assistance for Republic of North Macedonia and Republic of Albania, covering three NUTS-3 regions in each of the beneficiary countries:

- **Pelagonia, Polog and Southwest** in North Macedonia, and
- **Dibër, Elbasan and Korçë** in Albania.



The programme area includes 27 municipalities in North Macedonia:

- **Pelagonia** region, consisting of the municipalities of Bitola, DemirHisar, Dolneni, Krivogastani, Krusevo, Mogila, Novaci, Prilep, and Resen;
- **Polog** region, consisting of the municipalities of Bogovinje, Brvenica, Gostivar, Jegunovce, Mavrovo and Rostusa, Tearce, Tetovo, Vrapciste and Zelino;
- **Southwest** region, consisting of the municipalities of CentarZupa, Debar, Debarca, Kicevo, MakedonskiBrod, Ohrid, Plasnica, Struga and Vevcani.

and 17 municipalities in Albania:

- **Dibër region**, consisting of the municipalities of Diber, Bulqiza, Mat and Klos;
- **Elbasan** region, consisting of the municipalities of Elbasan, Belsh, Cerrik, Gramsh, Librazhd, Peqin, Prrenjas;
- **Korçë** region, consisting of the municipalities of Korce, Devoll, Kolonje, Maliq, Pogradec, Pustec.

The six regions that comprise the Programme Area have a total population of 1,375,879 of which Republic of North Macedonia accounts for 56% and Republic of Albania for 44%.

The dimensions of the eligible regions of the Programme Area in terms of geographical extension and population are listed below.

Countries	Regions	Size (km ²)	% of Country	Population	% of Country
North Macedonia	Pelagonia	4,717	18.3%	228,448	11.0%
	Polog	2,416	9.4%	321,957	15.5%
	Southwest	3,340	13.0%	219,622	10.6%
	TOTAL	10,473	40.7%	770,027	37.1%





Albania	Diber	2,586	9.0%	119,963	4.2%
	Elbasan	3,199	11.1%	276,765	9.7%
	Korce	3,711	12.9%	209,124	7.3%
	TOTAL	9,496	33.0%	605,852	21.3%
PROGRAMME TOTAL		19,969 km²	36.7%²	1,375,879	28%³

The length of the countries' border covered by the Programme Area is 191 km (151 km over land, 12 km along the Drin River and 28 km in the Ohrid and Prespa lakes).

There are 5 border crossing points between the Republic of North Macedonia and the Republic of Albania:

- Káfasan (Struga) from North Macedonia through QafëThanë, leading to Pogradec, Librazhd and Elbasan in Albania;
- SvetiNaum (Ohrid) from North Macedonia through Tushemisht, leading to Pogradec at the south-eastern end of Lake Ohrid in Albania;
- Spas (Debar) from North Macedonia through Bllatë (Dibër), leading to Peshkopi, Bulqiza and Burrelin Albania;
- Stenje (Resen) from North Macedonia through Goricë (Pustec), leading to the northern shores of Lake Prespa in Albania.
- Džepište (Debar) from North Macedonia to Trebisht (Dibër) in Albania.

The border areas in the Republic of North Macedonia and the Republic of Albania feature different political and socio-economic legacies that define their current socio-economic, cultural, and administrative-political profiles and determine the rationale and potential for co-operation between institutions and people across the border for better integration and social and economic cohesion of the entire region. Good governance at national, regional and local levels is and will remain of vital importance in this context.

1. The Programme Area is characterised by **rich natural and environmental resources, ethnic diversity and similar culture** but different languages spoken. **Geographically**, the landscape is dominated by generously forested mountains and hilly areas intersected by rivers, valleys and by three big water reservoirs – the Ohrid, Prespa and Debar lakes, surrounded by a National Park – which create favourable conditions for the development of tourism, recreational activities and for the wood processing and mining industries as well as of hydro energy, in which the two countries had already invested. There are seven National Parks in the Programme area – three on the side of North Macedonia (Galichitsa, Mavrovo, Pelister) and four on the side of Albania (Prespa, Bredhi i Drenovës, Lura, Shebenik-Jabllanicë).
2. In regard to their **demography**, **five out of the six regions demonstrate a negative population growth** (with the exception of Polog, but even there the population is decreasing). This is **a negative development from the previous programming period (IPA II CBC)**, when only two of the regions of North Macedonia (Pelagonia, South West) were registering such trend, while all three regions of Albania were registering positive natural growth.

The main cause for this trend is migration (internal – from remote, peripheral mountainous areas to urban centres and abroad), which in turn is caused by lack of labour opportunities but also lack of appropriate transport infrastructure and low access to health and other basic services.

² Percentage of aggregated countries' sizes

³ Percentage of aggregated countries' population





3. **Politically**, the two countries feature similar levels of economic development and enjoy **continuous improvement in bilateral relations and increase in the exchange of goods and services**.

4. Importantly, both countries are now **candidate countries**. In March 2020, the EU decided to open accession negotiations with both Albania and North Macedonia. Shortly after the decision was followed by the presentation of draft negotiating framework laying out the guidelines and principles for their accession talks.

On October 6th, 2020, the European Commission adopted its '**Communication on EU enlargement policy and the 2020 Enlargement Package**' and a comprehensive '**Economic and Investment Plan for the Western Balkans**', which aims to spur the long-term recovery of the region, a green and digital transition, foster economic regional cooperation, boost economic growth and support reforms required to move forward on the EU path.

5. With regard to their **economic structure**, the two sides of the Programme area have rather different characteristics in terms of their economic development. Agriculture, exploitation of mineral resources and tourism represent the most important economic sectors in the Programme area.

In North Macedonia, the **regional disparities** tend to be significant, in favour of the Skopje Region, which registers the biggest share (42.8%) of the country's GDP in 2017. The three regions of the Programme area have a modest share of 27.8% in the country's GDP, while their population represents roughly 37% of the total population.

In Albania, however, regional disparities tend to be more severe. The share of the three regions of the Programme area in the country's GDP accounts for only 1.55%, while the population accounts for roughly 21% of the total population.

6. Despite the wealth of natural, historical and cultural heritage assets, **tourism development** across the Programme area is still in an early stage and leaves much to desire. The direct contribution of the entire tourism and travel sectors of both countries to their respective GDPs is rather meagre, albeit increasing over time.

Among the regions of the Programme area, in North Macedonia the Southwest region is the absolute leader with a 53.43% share of tourism activities due to the presence of Ohrid and Prespa lakes, whereas the Polog region is the least developed with a share as low as 2.86%. Pelagonia lies in between, with a tourist offer featuring its clean environment, historical urban areas and villages and its cultural legacy and capitalising on touristic attractions including glacial lakes, National Parks, several protected areas and archaeological sites.

In Albania, the three regions of the Programme area are very diverse in terms of tourism development. While Dibër Region is the least developed and still unexplored, Korçë has significantly increased capacities and ranks amongst the most preferred for tourism. Nevertheless, tourism offer is fragmented and generally oriented towards seasonal tourism in a single destination, in the absence of more comprehensive tourism packages and itineraries.

7. In terms of **employment**, in North Macedonia, Pelagonia registers the highest employment rate out of the three regions of the Programme area (55%). The other two regions, Southwest (with 39.4%) and Polog (35.8%), are only barely above the Northeast region, with the lowest employment rate in the country.

In Albania, the three regions are ranked among those with the lowest unemployment rate. Elbasan is the region with the highest rate of employment in agriculture (67.2%) and, at the same time, the lowest rate in services (23.4%).

8. Regarding **education**, in North Macedonia the programme regions have a number of educational institutions for lower and secondary education as well as Public Universities: St. Clement University of Bitola, State University of Tetovo, University





of Information Science and Technology in Ohrid, Public-Private non-profit South East European University Tetovo & Skopje.

In Albania as well, the programme regions count a high number of educational institutions including institutions of lower education, secondary education but also the existence of two Public Universities 'Fan S. Noli' in Korça and 'Aleksandër Moisiu' University in Elbasan as promoters of scientific research.

9. From the point of view of **transport infrastructure and connectivity**, the main road crossing the entire area is the **Pan-European Corridor VIII**, linking the Adriatic-Ionian region with the Southern Balkans and the Black Sea and expected to become – upon its completion – a multi-modal transport system comprising sea-, air-, road and rail routes extending from the Italian Adriatic coast into Bulgaria's Black Sea coast). Similarly, **branch D of the Pan-European Corridor X** (which links Northern Europe through Serbia and North Macedonia to the international port of Thessaloniki in Greece) is crossing the eastern part of the cross-border region in North Macedonia and is expected to run south into Greece, to meet the existing Via Egnatia motorway.

Inadequate transport infrastructure – at both the regional and local levels, as well as in regard to the connection roads with the aforementioned Pan-European Corridors VIII and X – and limited intra- and interregional connectivity represent major shared challenges across the Programme's cross-border regions. Adding to peripherality and insufficient levels of development, the lagging infrastructure and connectivity restrict the population's access to both key services and main markets and increase their sense of remoteness, hence intensifying depopulation through emigration and economic stagnation.

10. Whereas the sustainable use, protection and valorisation of the significant assets of the regions' **natural and environmental resources and significant biodiversity** are certainly among the key factors for the sustainable development of the regions, the current situation with regard to **environmental infrastructures** leaves much to desire. **High levels of environmental pollution and degradation of protected areas** are a real threat, present across the regions.

Insufficient water supply systems (with water supply systems existing and covering a rather high proportion of the population in some urban areas, but ranging from as low as 20% up to 80% in rural settlements, where the remaining population's needs for potable water are covered from wells and/or natural springs and with widely varying water quality).

The same applies to **inadequate waste collection and disposal/management systems** across all regions of the cross-border Programme Area, mostly characterised by solid waste disposal in local, so-called municipal landfills which are far from meeting the basic technical and sanitary safety standards – or, even worse, by illegal or informal landfills where industrial and municipal waste is dumped without control and it has a direct impact on environmental pollution, contamination of the soil and underground waters and indirect impact on the citizen's health. Notably, there are even urban centres which lack even such (e.g. Tetovo, the administrative centre of the Polog Region in North Macedonia, with 53.000 inhabitants).

Wastewater and sewage treatment represent another significant, shared challenge across the Programme's cross-border regions. The coverage of their population with wastewater processing and treatment plants and sewage networks is grim on both sides of the border, even far below the already very low national averages.

11. With regard to their **cultural and natural heritage**, the Programme's cross-border regions are characterised by a wealth of:
 - **Environmental resources and biodiversity** – among which the "Ohrid - Prespa" trans-boundary biosphere reserve, a Ramsar wetland of international importance





shared with neighbouring Greece, a large number of national parks and protected natural areas which contain rivers and glacial lakes, caves, and other monuments of nature, mountain landscapes and sceneries of extraordinary beauty etc.

- **Cultural and historical heritage areas** – notably among which Ohrid, included in the UNESCO World Heritage List – protected areas of special preservation interest, archaeological sites, traditional settlements of particular architectural value, numerous churches, mosques, monasteries, fortresses, bridges, fishing settlements and other urban and rural monuments.

These assets do not benefit from adequate preservation and protection on the one hand, and proper promotion and sustainable valorisation on the other.

2.2 Main findings

The border areas in the Republic of North Macedonia and the Republic of Albania feature different political and socio-economic legacies that define their current socio-economic, cultural, and administrative-political profiles and determine the rationale and potential for co-operation between institutions and people across the border for better integration and social and economic cohesion of the entire region. Good governance at national, regional and local levels is and will remain of vital importance in this context.

A detailed socio-economic situational analysis of the regions of the Programme area (as summarised in the section above) has provided an accurate snapshot of the current realities on the ground. On its basis, the main common constraints for sustainable development within the eligible regions of the IPA III Cross-Border Cooperation Programme between Republic of North Macedonia and Republic of Albania 2021-2027 in a number of key sectors have been identified as follows:

- The wealth of favourable climatic conditions, high presence of **natural and environmental resources** (mineral resources, ore, water, renewable energy sources and arable land) and significant **biodiversity** are weighed down by **insufficient water supply systems, inadequate waste collection and disposal/management systems, insufficient wastewater and sewage treatment, lack of risk assessment, disaster risk reduction strategies and civil emergency plans in the program area and insufficient natural disaster and other disasters management capacities;**
- Although there is a number of approved transport projects currently underway, funded by the European Union or other donors, the **transport infrastructure** is still **inadequate**, leading to **limited intra- and interregional connectivity;**
- The rich and varied cultural and historical heritage, abundant throughout the Programme area, in the form of historical and heritage areas do not benefit from proper **preservation and protection** on the one hand, and **promotion and sustainable valorisation** on the other;
- Despite the wealth of natural, historical and cultural heritage assets briefly described above, tourism development across the Programme area is still in an early stage and leaves much to desire;
- The entrepreneurship culture in the Programme area, reflected in the high number of companies, fails to reflect in the productivity and, consequently, in the GDP of the regions.

All thematic priorities were individually ranked by stakeholders in the CBC Programming process (municipalities, NGOs, line Ministries, public utility companies and other public entities, etc.) according to the perceived importance of the themes and topics. The ranking represents a significant programming feedback that reflects on bottom-up approach and is built on **partnership** principle. The selected priorities are:

Thematic priority 2 – **Environment protection, climate change adaptation and mitigation, risk prevention and management**





Thematic priority 5 – **Tourism and cultural and natural heritage**

Additionally, as a particularity of the IPA III CBC programming framework, Thematic Priority 7 Governance, planning and administrative capacity building of local and regional authorities will be mainstreamed throughout the Programme.





Section 3: Programme strategy

3.1 Rationale - Justification for the selected intervention strategy

For the first pillar of preparing this strategy, the statistical data pertaining to the six regions of the Programme area were examined, a large volume of strategic documents was reviewed and a variety of stakeholders were consulted, all in order to produce a review report to draw upon. The findings were subsequently presented and discussed with the CBC Operating Structures and Joint Task Force in charge of the programming effort in keeping with the **coordination** principle.

The other pillar of this strategy is the financial package that will be made available to finance a seven-year Cross-Border Cooperation Programme.

The needs of the Programme area are significant and beyond any CBC Programme's capacity to provide financially; the remoteness and peripheral nature of the regions make the infrastructure issues affect heavily the quality of the life of their citizens.

The third and most important pillar is ranking the thematic priorities, as they were selected as a result of the socio-economic and SWOT analysis in consultation with the stakeholders.

The overall objective of the Programme is **to improve the quality of life and enhance the attractiveness of the border regions as better places to live and work in, through protecting their sensitive environment and utilising their endogenous potential for tourism development.**

Justification of the selected intervention strategy

The Programme seeks to contribute to the IPA III general objective, *to support the beneficiaries listed in Annex I in adopting and implementing the political, institutional, legal, administrative, social and economic reforms required by those beneficiaries to comply with Union values and to progressively align to Union rules, standards, policies and practices with a view to Union membership, thereby contributing to their stability, security and prosperity* by aligning to the fifth specific objective of IPA III, which is *to support territorial and cross-border cooperation*.

The Programme seeks **coherence and compatibility with national, regional and local strategies**, reviewed for drafting strategy.

The selection of priorities follows the **coherence** principle, being selected from the Annex III of the IPA III Regulation.

Synthetic overview of the justification for selection of thematic priorities

Selected thematic priority	Justification for selection
Thematic priority 2 – Environment protection, climate change adaptation and mitigation, risk prevention and management	The wealth of favourable climatic conditions, high presence of natural and environmental resources (mineral resources, ore, water, renewable energy sources and arable land) and significant biodiversity are weighed down by insufficient water supply systems, inadequate waste collection and disposal/management systems, insufficient wastewater and sewage treatment, lack of risk assessment, disaster risk reduction strategies and civil emergency plans in the program area and insufficient natural disaster and other disasters management capacities
Thematic priority 5 - Tourism and cultural and natural heritage	The rich and varied cultural and historical heritage, abundant throughout the Programme area, in the form of historical and heritage areas do not benefit from proper preservation and protection on the





	one hand, and promotion and sustainable valorisation on the other; despite the wealth of natural, historical and cultural heritage assets briefly described above, tourism development across the Programme area is still in an early stage and leaves much to desire
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Technical Assistance will ensure sound Programme management throughout its entire lifecycle and capacity development of relevant Programme stakeholders. The financial allocation towards this Priority is 10% of the Programme budget.

The indicative budget allocation for thematic priorities take into consideration the **concentration** principle combined with balanced distribution of funds.

Thematic priority	Financial allocation
Thematic priority 2 – Environment protection, climate change adaptation and mitigation, risk prevention -and management	45%
Thematic priority 5 – Tourism and cultural and natural heritage	45%





3.2 Description of programme priorities

Thematic Priority 1: Environment protection, climate change adaptation and mitigation, risk prevention and management (TP 2)

All six regions that comprise the cross-border Programme Area are characterised by favourable climatic conditions and a high presence of **natural and environmental resources** (mineral resources, ore, water, renewable energy sources and arable land) and significant **biodiversity**.

Nature and environment are rich in mountains, hilly areas intersected with rivers, valleys and lakes. The region features three big water reservoirs in the region: Lake Ohrid, Prespa and Debar, surrounded by a National Park. Environmentally sensitive areas are endowed with tourism development opportunities and the region accounts for almost half the forests in both countries.

The "Ohrid - Prespa" trans-boundary biosphere reserve shared with neighbouring Greece, protected by UNESCO and designated as a wetland of international importance under the Ramsar Convention, covers a surface of 446.244 ha within the eligible Programme Area on both sides of the border. Its presence is combined with a large number of national parks and protected natural areas, historical and cultural heritage areas and areas of special preservation interest protected by law in the territory of the regions, as well as protected endemic flora and fauna species, that have a substantial potential for developing tourism and improving the regional economies.

Sustainable use, protection and valorisation of these assets are certainly among the key factors for the sustainable development of the regions. However, the current situation leaves much to desire. High levels of environmental pollution and degradation of protected areas are a real threat, present across the regions. Indicatively, in Albania, in the district of Dibra (Lura National Park), due to the impact of the construction and wood processing industries; in Elbasan, due to the significant presence of metallurgy. In North Macedonia, in the Polog region, poor waste management practices, paired with high intensity of mining activities, have led to the degradation of invaluable ecosystems, as well as to loss of precious natural resources and to potential health risks.

Specific objective 1.1.: Enhancing the protection of the regions' sensitive environment and increasing resilience to climate change

Focus of the specific objective:

- To promote investment to address specific risks
- To ensure disaster resilience by strengthening civil protection mechanisms
- To provide the region with better equipment for protection against wildfires, landslides etc.

Main beneficiaries:

- Local self-governments
- National and regional centres for disaster management and monitoring
- Local and regional development organisations/agencies
- Nature and environment protection institutions
- Institutions in the field of environment/natural heritage
- CSOs/NGOs active in nature, environment, and other relevant fields
- Educational, science and research institutions and organisations





Thematic Priority 2: Tourism and cultural and natural heritage (TP 5)

The programme area has a high potential for tourism based on its natural heritage, rich biodiversity and tangible and intangible cultural heritage.

The Programme's cross-border regions are characterised by a wealth of:

- **Environmental resources and biodiversity** – among which the "Ohrid - Prespa" trans-boundary biosphere reserve, a Ramsar wetland of international importance shared with neighbouring Greece, a large number of national parks and protected natural areas which contain rivers and glacial lakes, caves, and other monuments of nature, mountain landscapes and sceneries of extraordinary beauty etc.
- **Cultural and historical heritage areas** – notably among which Ohrid, included in the UNESCO World Heritage List – protected areas of special preservation interest, archaeological sites, traditional settlements of particular architectural value, numerous churches, mosques, monasteries, fortresses, bridges, fishing settlements and other urban and rural monuments.

Despite the wealth of natural, historical and cultural heritage assets, tourism development across the Programme area is still in an early stage and leaves much to desire. The direct contribution of the entire tourism and travel sectors of both counties to their respective GDPs is rather meagre, albeit increasing over time

Tourism is among the worst impacted sectors of the economy by the COVID-19 crisis. Depending on the severity of the pandemic, the decline in the international tourism industry in Western Balkan countries is projected to be between 45 to 70% in 2020 (OECD, 2020)⁴. Specific measures targeting the tourism sector will be required to mitigate the impact of the pandemic and accelerate the recovery of tourism in the region. The industry needs to prepare for COVID-19 recovery and adapt their offer to the new global tourism market, once the restrictions are lifted.

Specific objective 1.1.: Enhancing of the cross-border regions' development through tourism activities utilising their wealth of natural attractions and cultural heritage.

Focus of the specific objective:

- Promoting a common, sustainable approach to enhance and sustainably utilise the natural and cultural heritage for development of tourism in the programme area;
- Identifying and developing key underutilised resources of local population (women, youth) for creating complementary offers (handicrafts, preserves, local gastronomy products etc.) to the area's key natural, cultural and historical attractions;
- Raising awareness of the population and tourists/visitors on the wealth of natural and cultural heritage and the need to protect it and sustainably utilize it.

Main beneficiaries:

- Local and regional tourist organisations
- National tourism boards
- Local and regional 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
- Educational, science and research institutions and organisations
- Other formal and non-formal education and training organisations

⁴Source: World Travel and Tourism Council, World Bank (<https://data.worldbank.org/>)





Technical Assistance

The technical assistance allocation will be used to support the work of the national operating structures (OS) and of the joint monitoring committee (JMC) in ensuring the efficient set-up, implementation, monitoring and evaluation of the programmes as well as an optimal use of resources. This will be achieved through the establishment and operation of a Joint Technical Secretariat (JTS) based on the territory of the IPA III beneficiary in which the Contracting Authority is located and an Antenna Office established on the territory of the IPA III beneficiary in which the contracting authority is not located. The JTS will be in charge of the day-to-day management of the programme and will be reporting to the OS and the JMC.

The **specific objective** of the technical assistance is to ensure the efficient, effective, transparent and timely implementation of the cross-border cooperation programmes between IPA III beneficiaries financed under IPA III as well as to ensure awareness of the programmes amongst national, regional and local communities in the eligible programmes area. It also supports awareness-raising activities at IPA beneficiary level in order to inform citizens in both IPA III beneficiaries.

This priority will provide the necessary means for the preparation of the selected strategic projects. Also, in order to implement the strategic projects, this priority will secure the engagement of Experts to prepare and elaborate technical specifications, designs, bill of quantities, etc.

The selected strategic projects will be managed directly by the Contracting Authority.

Expected results:

1. Enhanced administrative support to the operating structures and the joint monitoring committee
2. Increased technical and administrative capacity for programme management and implementation
3. Guaranteed visibility and publicity of the CBC programmes and their outcomes

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





Overview of the intervention logic

Thematic Cluster (TC) 2: Greener and Improved resource efficiency						
Thematic Priority 1: Environment protection, climate change adaptation and mitigation, risk prevention and management (TP 2)			Indicators	Baseline value (year)	Target value (year)	Data source
Specific objective(s)	Results	Types of activities	Impact:			
			- Percentage of the cross-border population better safeguarded from specific risks thanks to the appropriate investments;	0	1%	AIR; Monitoring system
			- Percentage of the programme area benefiting from better enforcement of environmental protection standards;	0	5%	AIR; Monitoring system
1.1. Enhancing the protection of the regions' sensitive environment and increasing resilience to climate change	1.1.1. Enhanced capacities of public services dealing with disaster response	Promoting investment to address specific risks and ensuring disaster resilience <ul style="list-style-type: none"> Improving joint programming and planning for specific risks (wildfires, landslides etc.) Conducting risk assessment: development of inclusive local and national disaster risk reduction strategies and of improved civil emergencies plans Procuring equipment for specific types of risks Small scale investment in emergency centres facilities Organising training events for specific needs Building capacities for managing and tackling emergency situations (transfer of expertise, expert advice etc.) 	Outcome			
			- Number of local communities being beneficiaries of capacity building activities on prevention and mitigation of manmade hazards and natural disasters;	0	10	AIR; Monitoring system
			- Number of emergency services from both sides of the border with increased capacities through joint initiatives;	0	6	AIR; Monitoring system
			Output			
			- Number of joint risk assessments conducted;	0	6	Works contracts Monitoring system
			- Number of small-scale investments realised;	0	6	Works contracts Monitoring system
			- Number of disaster management systems developed for tackling forest fire;	0	4	Monitoring system
- Number of disaster management systems developed for tackling	0	4	Monitoring system			





Thematic Cluster (TC) 2: Greener and Improved resource efficiency						
Thematic Priority 1: Environment protection, climate change adaptation and mitigation, risk prevention and management (TP 2)			Indicators	Baseline value (year)	Target value (year)	Data source
		<ul style="list-style-type: none"> Mapping the target areas Awareness campaigns related to disaster response Publishing guidelines addressed to the target areas' population and visitors/tourists <p>(the list is non-exhaustive)</p>	landslides;			
			- Number of training events for the public administration bodies responsible to manage emergency situations related to natural and other disasters management;	0	10	Attendance lists Monitoring system
			- Number of persons trained to offer emergency support;	0	100	Attendance lists Monitoring system
			- Number of publications with guidelines on "What to do in case of" for the wider public produced and distributed;	0	4	Project reports Monitoring system
			- Number of joint risk management measures agreed;	0	8	Monitoring system
			- Number of joint risk management measures developed;	0	4	Monitoring system
			- Number of joint emergency centres established;	0	2	Monitoring system
			- Number of priority locations/areas of natural and cultural heritage and related hazard risks mapped;	0	6	Monitoring system
			- Number of protocols for joint interventions in border areas established;	0	4	Protocols Monitoring system
			- Number of awareness campaigns related to disaster response;	0	10	Attendance lists; Project reports; Monitoring system
			- Number of people in the CBC area made aware of risk prevention and management measures;	0	500	Monitoring system





Thematic Cluster (TC) 2: Greener and Improved resource efficiency					
Thematic Priority 1: Environment protection, climate change adaptation and mitigation, risk prevention and management (TP 2)		Indicators	Baseline value (year)	Target value (year)	Data source
1.1.2.Strengthened public services and enhanced capacities for countering degradation of natural resources	<p>Environmental protection by promoting resource efficiency and sustainable use of natural resources</p> <ul style="list-style-type: none"> Combating deforestation and soil erosion Combating illegal fishing activities Joint environmental monitoring system Mapping bio- and geo-diversity Improving cooperation between authorities and other stakeholders in the area of environmental protection Procuring and installing equipment for eco-system monitoring Cleaning sensitive/protected areas affected by solid waste deposits Organising training events targeting specific topics Building capacities for managing environmental protection (transfer of expertise, expert advice etc.) Raising environmental awareness among the target 	Outcome			
		- Percentage of the Programme area covered by joint management measures for environmental protection;	0	5%	AIR; Monitoring system
		- Percentage of the population of the programme area that has been target of environment awareness raising activities;	0	1%	AIR; Monitoring system
		Output			
		- Number of interventions on protecting biodiversity and soil;	0	2	Monitoring system
		- Number of ha of replanted forests;	0	TBD	Environmental agencies reports; Monitoring system
		- Number of systems for monitoring and exchange of monitoring data developed;	0	3	Monitoring system
		- Number of bio-diversity and geo-diversity maps developed;	2	6	Monitoring system
		- Number of sensitive eco-systems addressed by actions designed to protect them;	0	3	Monitoring system
		- Number of people directly taking part in awareness raising activities;	0	500	Attendance lists; Project reports Monitoring system
- Number of NGOs participating in capacity building and networking activities in relation to environmental and nature protection;	0	8	Attendance lists; Project reports;Monitoring system		
- Number of organisations and companies taking part in awareness raising activities;	0	20	Attendance lists; Project reports; Monitoring system		





Thematic Cluster (TC) 2: Greener and Improved resource efficiency						
Thematic Priority 1: Environment protection, climate change adaptation and mitigation, risk prevention and management (TP 2)		Indicators	Baseline value (year)	Target value (year)	Data source	
		areas' population and visitors/tourists (the list is non-exhaustive)	- Number of participants of capacity building activities in relation to management of nature protected areas;	0	100	Attendance lists; Monitoring system
			- Number of site cleaning actions implemented;	0	2	Monitoring system
			- Number of integrated environmental monitoring systems installed and functional;	0	3	Monitoring system
			- Number of stakeholders trained on the possibilities and usage of the integrated environmental monitoring system	0	30	Attendance lists; Monitoring system





Thematic Cluster (TC) 4: Improved business environment and competitiveness						
Thematic Priority 2: Tourism and cultural and natural heritage (TP 5)			Indicators	Baseline value (year)	Target value (2027)	Data source
Specific objective(s)	Results	Types of activities				
			<u>Impact</u>			
			Percentage of businesses still active after two years of their establishment	17	50%	Statistical Offices; Monitoring system
			Number of cross-border networks between cultural institutions formalized;	0	3	AIR; Monitoring system
			Number of cross-border networks for the sustainable valorisation of natural heritage;	0	3	AIR; Monitoring system
2.1 Enhancing of the cross-border regions' development through tourism activities utilising their wealth of natural attractions and cultural heritage	2.1.1. New business and employability opportunities for people and companies in the areas with tourism potential are created	<p>Encouraging entrepreneurship in the tourism sector</p> <ul style="list-style-type: none"> • Creating women associations to produce and promote local traditional products (handicrafts, preserves, local gastronomy products etc.); • Joint training initiatives for promoting the employability of youth in rural areas by learning traditional handicrafts, creating start-ups and producing goods for the tourism industry; • Identifying and developing new products for creating complementary offers for the sector • Grant schemes for tourism operators to increase accommodation and catering 	<u>Outcome</u>			
			Number of new employments in the sector;	0	40	Statistical Offices; Monitoring system
			Number of new businesses established as a result of the operation;	0	12	Statistical Offices; Monitoring system
			<u>Output</u>			
			Number of enterprises that received support;	0	5	Monitoring system
			Number of training sessions organised;	0		Attendance lists; Monitoring system
			Number of new products and services developed;	0	10	Monitoring system
Number of women associations created;	0	2	Monitoring system			





Thematic Cluster (TC) 4: Improved business environment and competitiveness						
Thematic Priority 2: Tourism and cultural and natural heritage (TP 5)			Indicators	Baseline value (year)	Target value (2027)	Data source
		capacities and quality of services; (the list is non-exhaustive)	Number of start-ups created;	0	10	Statistical offices; Monitoring system
			Number of unemployed who participated in capacity building events for (self)employment in the tourism sector;	0	100	Attendance lists; Monitoring system
			Number of unemployed who went through an internship in host tourism enterprises;	0	10	Internships contracts; Monitoring system
	2.1.2. Common cultural awareness and cooperation are strengthened	Cultural cooperation, protection and enhancement of cultural and natural heritage for tourism purposes Joint initiatives to restore, protect and promote cultural heritage locations <ul style="list-style-type: none"> Cross-border mapping of common cultural heritage, identification of good practices in the conservation, protection and valorisation Organising training for specific common cultural heritage preservation and management Investments in rehabilitation, accessibility and revitalisation of 	<u>Outcome</u>			
			Number of jobs related to the opening or upgrading of historical heritage sites;	0	20	Statistical Offices; Monitoring system
			Increase in the percentage of visitors after the opening or upgrading of historical heritage sites;	TBD ⁵	10%	National/Local Cultural & Tourism institutions/offices reports; Monitoring system
			Number of jobs related to the upgrading of natural heritage sites;	0	50	Statistical Offices; Monitoring system
			Number of visitors after the upgrading of natural heritage sites;	TBD	20%	National/Local Cultural & Tourism

⁵The relevant figures to measure baseline value shall be provided in application by applicant





Thematic Cluster (TC) 4: Improved business environment and competitiveness						
Thematic Priority 2: Tourism and cultural and natural heritage (TP 5)			Indicators	Baseline value (year)	Target value (2027)	Data source
		cultural heritage Joint initiatives to protect and promote natural heritage locations <ul style="list-style-type: none"> Investments in protection of natural heritage and value Development of complementary specific thematic products (e.g. hiking, biking, culture, nature) Integration of local offers and itineraries (the list is non-exhaustive)				institutions/offices reports; Monitoring system
			<u>Output</u>			
			Number of cultural heritage sites improved;	0	2	Monitoring system
			Number of cultural monuments rehabilitated and made accessible to visitors;	0	2	Monitoring system
			Number of natural heritage places received support;	0	2	Monitoring system
			Number of small-scale investments in tourist infrastructure;	0	4	Monitoring system
			Number of itineraries developed;	0	3	Monitoring system
			Number of kms of new or rehabilitated biking or hiking trails;	0	60	Monitoring system
			Number of touristic maps and integrated touristic offers introduced for the areas with tourism potential on both sides of the border;	0	5	Monitoring system





Technical assistance			Indicators	Baseline value (year)	Target value (year)	Data source
		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	0.1.1 The administrative capacity for CBC reinforced	<ul style="list-style-type: none"> - 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 – MoM)	0	90	AIR, MoM, Monitoring system
			Percentage of projects covered by monitoring missions			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 missions implemented			AIR, project reports, Monitoring system
	0.1.2. Potential applicants and grant beneficiaries supported	<ul style="list-style-type: none"> - 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





Technical assistance			Indicators	Baseline value (year)	Target value (year)	Data source	
			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	
	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.	<u>Outcome</u>				
			Number of people reached by information/promotion campaigns	0	...	AIR and other reports	
			<u>Output</u>				
			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	





List of indicative target groups

Eligible stakeholders as beneficiaries of the Programme in North Macedonia

<p>Local, regional and government institutions</p> <ul style="list-style-type: none"> • 27 Municipalities part of three Regions • Subordinate institutions/local offices • ZELS – Non-profit organization • Universities in the respective regions • Ministries and agencies operating at the national level 	<p>Business Operators and SME</p> <ul style="list-style-type: none"> • Local and regional government units • Tourist service providers • Networks/clusters of SMEs • Hospitality industry operators (SMEs) • Chambers of Commerce and Industry
<p>Local/Regional agencies</p> <ul style="list-style-type: none"> • BRD/CRD • Public Agencies • Formal and non-formal educational and training institutions • Cultural institutions (museums, libraries) • 3 National Parks Management Institutions • Environmental regional directorates 	<p>Civil Society</p> <ul style="list-style-type: none"> • Non-Governmental Organisation • Centre's as define by local laws • Residents and their organisations • Local Associations

Eligible stakeholders as beneficiary of the Programme in Albania

<p>Local, regional and government institutions</p> <ul style="list-style-type: none"> • 3 Regional Councils/Qarks (Diber, Elbasan, Korce) • 17 Municipalities, part of three Regions/Qarks • Subordinate institutions/local offices • Albanian Development Fund (playing the regional development function) • Universities in the respective regions • Ministries and agencies operating at the national level 	<p>Business Operators and SME</p> <ul style="list-style-type: none"> • Local and regional government units • Tourist service providers • Networks/clusters of SMEs • Hospitality industry operators (SMEs) • Chambers of Commerce and Industry
<p>Local/Regional agencies</p> <ul style="list-style-type: none"> • VET educational institutions (all levels) • Tertiary education institutions • Other formal and non-formal educational and training institutions • Cultural institutions (museums, libraries) • 3 Regional Administrations of Protected Areas • Environmental regional directorates 	<p>Civil Society</p> <ul style="list-style-type: none"> • Non-Governmental Organisation • Centre's as define by local laws • Residents and their organisations • Local Associations





3.3 Horizontal and cross-cutting issues

1. The Programme envisages the thematic priority 2 – **Environment protection, climate change adaptation and mitigation, risk prevention and management** one of the main pillars of the intervention; all other actions implemented under other thematic priorities should be designed in line with the principles of sustainable environment and environmental protection promotion and produce at least neutral or positive impact on the environment. Positive impact should be emphasized in the action and mentioned in the indicators.
2. Activities and operations cannot set up barriers in relation to sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation during the preparation; design and implementation of the cooperation programme and in particular in relation to access to funding taking account of the needs of the various target groups at risk of such discrimination and in particular the requirements of ensuring accessibility for disabled persons. Furthermore, specific types of activities are envisaged to promote and increase access to employment and entrepreneurship for people in vulnerable social groups; any positive impact on these groups should be emphasised in the indicators.
3. The promotion of equality between men and women should be made clear in all actions; specific types of activities are envisaged to contribute to tackling the gender gap. Whenever an action achieves positive impact, it should be emphasised at the indicators level (whenever appropriate, they should be disaggregated – e.g. “no of companies owned or managed by women”, “no of start-ups owned or managed by women” etc.)
4. Activities and operations must be in line with the principles of good governance applied to the management of the programme, the enhancement of civil society and cross-border cooperation. For this programming period, a thematic priority has been introduced, to be mainstreamed across the Programme, namely **TP7: Governance, planning and administrative capacity building of local and regional authorities.**

The focus of this thematic priority is to **strengthen local and regional governance by enhancing the institutional capacity of public authorities and to promote efficient public administration, with an aim to solve legal and other obstacles in border regions.**

All applications should include specific activities aimed at strengthening governance, planning and administrative capacity building in the context of the targeted thematic priority and in the broader context of CBC. In order to fulfill this requirement, the applicants may implement within their project proposals activities such as (indicatively):

- Creating new positions in the organigramme, complete with job descriptions, to tackle the specific thematic priority (i.e. environment and tourism) and the cross-border cooperation (developing and managing partnerships)
- Strengthening the cross-border partnerships, beyond the context of the project, with a focus on developing better strategies and plans for further common interventions in the specific sector
- Establishing partnerships with smaller, weaker, remote municipalities in order to:
 - Expose them to the experience of CBC projects in particular and EU funded projects in general
 - Mentor them on good governance related to the specific sector
 - Include their staff in training/coaching activities implemented under the CBC projects





- Proposing good governance measures for increasing the participation of citizens' associations in planning and decision making and including them in the rules and procedures of the institution
- Implementing sound financial management, ethics and anti-corruption measures
- Training/coaching/mentoring related to capacity building for the specific sectors
- Transfer of expertise with more experienced local self-government units, nationally or abroad
- Promoting legal and administrative cooperation and cooperation between citizens and institutions on the one hand, and institutions on both sides of the border on the other in order to tackle legal and other obstacles in border regions.

(...)% of the total budget of each project may be allocated for the implementation of this type of activities.

Horizontal and cross-cutting themes of this CBC Programme shall also be mainstreamed through the Technical Assistance Priority that aims at strengthening the efficiency and effectiveness of interventions.

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 are featured under its pillar five, and have a central place among the Green Deal's policy initiatives set by the European Commission to make Europe climate neutral by 2050. The Commission states 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 seen as preconditions for further sustainable infrastructure development.

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.**

ECRAN (Environment and Climate Regional Accession Network), financed by EU and managed by the European Commission, assists the beneficiaries in exchange of information and experience related to preparation for accession. ECRAN is **strengthening regional cooperation** between the EU candidate countries and potential candidates in the fields of environment and climate action and **assists their progress in the transposition and implementation of the EU environmental and climate acquis.**

The EU Strategy for the Adriatic and Ionian Region (EUSAIR), where North Macedonia is co-responsible for the coordination of the priority area "Connecting the region" ⁶- *Connectivity and Transport Infrastructure with focus on Intelligent Transport* and where Albania is co-responsible for the coordination of the priority area "Sustainable

⁶<https://www.adriatic-ionian.eu/about-eusair/pillars/yellow-pillar/>





Tourism⁷, with focus on diversified tourism offers (products and services), and sustainable and responsible tourism management (innovation and quality).

The EUSAIR identified "**Environmental quality**" pillar as essential for ensuring the economic and social well-being of the Region's inhabitants. This pillar will address environmental quality through cooperation at regional level.

Within the priority "**Sustainable Tourism**" the Strategy also identified developing the Region's potential in terms of sustainable tourism that can be accelerated by offering innovative and quality tourism products and services. Responsible tourism behaviour involving all actors in the sector is also identified as an important issue.

Section 4: Financial plan

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

Year	IPA III CBC PROGRAMME North Macedonia - Albania							Total (EUR)
	2021	2022	2023	2024	2025	2026	2027	2021-2027
CBC operations (all thematic priorities)		2,000,000	2,000,000	2,400,000	2,300,000	1,600,000	500,000	10,800,000
Technical assistance		500,000	-	-	500,000	-	200,000	1,200,000
Total (EUR)		2,500,000	2,000,000	2,400,000	2,800,000	1,600,000	700,000	12,000,000

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

Clusters	Priorities	IPA III CBC PROGRAMME North Macedonia - Albania			
		European Union funding	Co-financing	Total funding	Rate of Community contribution
		(a)	(b)	(c)=(a)+(b)	(d)=(a)/(c)
Thematic cluster 2	1 Thematic priority 2	5,400,000	952,941	6,352,941	85%
Thematic cluster 4	2 Thematic priority 5	5,400,000	952,941	6,352,941	85%
4. Technical assistance		1,200,000	211,765	1,411,765	85%
GRAND TOTAL		12,000,000	2,117,647	14,117,647	85%

⁷<http://www.adriatic-ionian.eu/about/pillars>





Section 5: Implementing provisions⁸

5.1 Financing agreement

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

Once every seven years, the European Union decides on its future long-term budget – the Multiannual Financial Framework. The next such budget, starting on 1 January 2021, will be the first for the European Union of 27.

The proposals of the Commission for the 2021-2027 Multiannual Financial Framework will help responding to a number of opportunities and challenges. They are the product of an open and inclusive debate.

The Commission is proposing a new, modern long-term budget, tightly geared to the political priorities of the Union at 27. The proposed budget combines new instruments with modernised programmes to deliver efficiently on the Union's priorities and to rise to new challenges.

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 **<84> 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

The Cross-Border Cooperation programme between Republic of North Macedonia and Republic of Albania 2021-2027 will be implemented under **Direct management**.

This programme shall be implemented by direct management by the Commission / by the Union Delegations in accordance with article 58(1)(a) of the Financial Regulation and the corresponding provisions of its Rules of Application. Procurement shall follow the provisions of Part Two, Title IV Chapter 3 of the Financial Regulation No 966/2012 and Part Two, Title II, Chapter 3 of its Rules of Application.

Grant award procedures shall follow the provisions of Part Two Title IV Chapter 4 of the Financial Regulation No 966/2012 and Part Two Title II Chapter 4 of its Rules of Application.

Under the Financial Regulation Parts One and Three of the Financial Regulation apply to external actions except as otherwise provided in Part Two, Title IV.

The Commission may also use services and supplies under its Framework Contracts concluded following Part One of the Financial Regulation.

All contract and payment issues are the responsibility of the Delegation of the European Union to the Republic of North Macedonia, as contracting authority (CA) of this programme.

⁸This section uses the provisions of IPA II Regulations





Moreover, the implementation of the programme is overseen by a joint monitoring committee (JMC) composed of representatives of both participating countries' institutions and civil society. The JMC will examine and provide an advisory opinion on the list of operations selected through this call for proposals before the strategic project award decision.

Responsibilities and tasks under section 5.4 below

5.4 Programme management structure

5.4.1. ORGANISATIONAL STRUCTURES AT NATIONAL LEVEL

In the **Republic of North Macedonia**, the Deputy Prime Minister for European Affairs is designated as the National IPA Coordinator, who acts as the representative of the Republic of North Macedonia vis-à-vis the European Commission.

In the **Republic of Albania** the structures are the National IPA Coordinator (NIPAC) and the Ministry for Europe and Foreign Affairs.

The National **IPA III Coordinator is the main contact point** between each beneficiary country and the Commission for all issues related to participation of the respective country in programmes under the IPA CBC.

The NIPACs of the participating countries are jointly responsible for ensuring that the objectives set out in the proposed cross-border cooperation programmes are consistent with the objectives in the IPA strategy papers.

5.4.2 OPERATING STRUCTURES

Operating structure(s) has been established within the administration of each participating country to prepare, implement and manage the cross-border cooperation programmes. Together with the Delegation of the European Union to the Republic of North Macedonia, they organized a consultation process with the purpose of gathering ideas for strategic projects under the Cross-Border Cooperation programme between Republic of North Macedonia and Republic of Albania in the framework of the instrument of pre-accession assistance IPA III 2021-2027.

5.4.3 Contracting Authority:

The Delegation of the European Union to the Republic of North Macedonia will be the Contracting Authority for the programme.

5.4.4 Joint Monitoring Committee

The Joint Monitoring Committee (JMC) is the cross-border programme's decision-making body which shall satisfy itself as to the effectiveness and quality of the implementation of the Programme. The JMC is made up of representatives at national, regional and local level of the beneficiary countries, including representatives of the NIPAC Offices, Operating Structures and of socio-economic stakeholders in the eligible area. The Commission shall participate in the work of the JMC in an advisory capacity.

The **Joint Monitoring Committee** shall:

- 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 Commission;
- examine and provide an advisory opinion on the list of operations selected through calls for proposals before the grant award decision. The contracting authority shall adopt the final decision on the award of grants;
- review the progress made in relation to achieving the specific objectives, expected results and targets per thematic priority as set out in the cross-border cooperation programme, on the basis of the information provided by the





operating structures of the participating countries. Progress shall be monitored against the indicators set up in the cross-border cooperation programme;

- examine relevant findings and conclusions as well as proposals for remedial follow-up actions stemming from the on-the-spot checks, monitoring and evaluations if available;
- approve any proposal to revise the cross-border cooperation programme. Whenever needed, it can make proposals to amend the cross-border cooperation programme, to ensure the achievement of the objectives of the cross-border cooperation programme and enhance the efficiency effectiveness, impact and sustainability of the IPA III assistance. The JMC can also make recommendations as to how to improve the implementation of the cross-border cooperation programme;
- examine and approve the communication and visibility plan for the cross-border cooperation programme;
- examine and approve the evaluation plan;
- examine and approve the annual and final reports on implementation;
- examine and approve the annual work plan of the Joint Technical Secretariat.

5.4.5 Joint Technical Secretariat/Antenna

The Joint Technical Secretariat –Struga (JTS) assists the JMC and the Operating Structures in carrying out their responsibilities. The JTS is located in Struga, Republic of North Macedonia, with an Antenna in Elbasan, Republic of Albania. The Joint Technical Secretariat is the administrative body of the programme responsible for day-to-day management. The costs of the Joint Technical Secretariat and its antenna are financed under the programme's Technical Assistance budget.

The JTS consists of employees from both sides of the border thus providing different language skills, and specific/targeted background knowledge. The staff has been contracted by the respective Operating Structures. Each year a work plan for the JTS shall be prepared by the Operating Structures and sent to the JMC for examination and approval.

The JTS is responsible, inter alia, for the following tasks:

- organise meetings of the JMC, including draft and distribute minutes;
- assist potential applicants in partner search and project development, organising information days and workshops; develop and maintain a network of stakeholders;
- advise grant beneficiaries in project implementation;
- prepare, conduct and report on monitoring visits to cross-border cooperation operations;
- establish a system for gathering reliable information on the cross-border cooperation programme implementation;
- provide inputs to annual and final implementation reports on the cross-border programme;
- plan and implement information campaigns and other activities related to raising public awareness on the cross-border cooperation programme including the publication of publicity material on the cross-border programme and maintenance of the cross-border cooperation programme website





5.5 Project development and selection and implementation

Calls for proposals:

The responsible authorities in the participating countries are planning to implement the majority of 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 public and non-public entities. The Joint Monitoring Committee 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 dynamics of publication of calls for proposals depends on a number of 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.

Before the publication of the calls for proposals (and the definition of the tendering documents) the responsible authorities will review the current needs/perspectives and realisation of indicators in previous CfPs. On this basis a list of TPs and specific objectives to be published in the CfPs will be proposed. The plan will be coordinated with other programmes/CfPs that could be eventually open/published at the same time, to avoid overlapping. For subsequent calls for proposals, those TPs and/or specific objectives which had not been previously published would be selected.

Strategic projects

Strategic projects are defined as those which have a significant cross-border impact throughout the programme area and which will, on their own or in combination with other strategic projects, achieve in particular a specific objective put forward in the CBC programme document. A strategic project aims to achieve, in an extraordinarily integrative way, a significant and long lasting impact by improving peoples' lives on the whole or large parts of the eligible programme area. It requires the involvement of those decision makers usually responsible for the type of policy or domain in which the project is contextualized. It is always beyond the scope of projects that could be funded under calls for proposals. A project may be considered "strategic" because, even though it affects a limited territory in the programme area, it rebuilds or completes networks or deals with matters of general interest to the entire area, thus encouraging overall cooperation among the communities.

Strategic projects can be selected through calls for strategic projects or outside calls for proposals. In the latter case the programme partners will jointly identify and agree on any strategic project(s). In both cases the received proposals will be evaluated on the basis of pre-defined and non-discriminatory selection criteria. Strategic projects shall deliver clear cross border impacts and benefits to the border area and its people. The following shall also be observed: relevance and contribution of the project for the programme specific objectives and expected results, maturity and feasibility of the project sustainability of results.

Moreover, the implementation of the programme is overseen by a Joint Monitoring Committee (JMC) composed of representatives of both participating countries' institutions and civil society. The JMC will examine and provide an advisory opinion on the list of proposals before the strategic project award decision. All contract and payment issues are the responsibility of the Delegation of the European Union to the Republic of North Macedonia, as contracting authority (CA) of this programme.

CBC Programmes proposed by IPA beneficiaries may allocate up to 35% of the overall CBC programme budget for strategic projects. Their implementation will be subject to prior assessment of their relevance and maturity by the Commission.

An initiative to select potential strategic projects was conducted under IPA II CBC technical assistance. This resulted in the collection and assessment of 19 projects undertaken in 2020. The projects submitted for examination were assessed and ranked, according to their level of maturity; only 4 of them were shortlisted for further





examination, with two of them being submitted to the decision of the Operating Structures.

The first strategic project idea is "Rehabilitation and reconstruction of Albania-North Macedonia Border Crossing Point: Bllatë (Dibër) - Spas (Debar)". The objective of the project is to rehabilitate the insufficient and outdated infrastructural conditions at Albania-North Macedonia Border Crossing Point: Bllatë (Dibër) - Spas (Debar). Bllatë (Dibër) - Spas (Debar) Border Crossing Point is one of five functioning border crossing points between Albania and North Macedonia. The rehabilitation and infrastructural interventions will contribute to: (i) Ensuring a sustainable socio-economic development and enhancement of border region's competitiveness; (ii) Increasing the efficiency and effectiveness of customs and police procedures at the border crossing point Bllatë-Spas, in line with Schengen standards; (iii) Improving the operational capacities of the Border Crossing Point and decrease bottlenecks on the whole Albania-North Macedonia border. The expected result is to double the capacity of the Border Crossing Point from the current value of 80,000 people per year to at least 150,000 visitors to pass through it, impacting the whole population of the regions and the two countries. The estimated cost for this project is 2,300,000 Euro. The categories of costs are procurement of equipment and small infrastructure works.

The second strategic project idea is "Ohrid lake – Bridging Two countries towards One destination". The objective of the project is to contribute towards economic development and social inclusion in the cross-border regions of the lake Ohrid watershed, Municipality of Ohrid, Struga and Debarca in North Macedonia as well as Municipality of Pogradec in Albania. Lake Ohrid is a trans-boundary lake and it presents an additional challenge for its sustainable management and development. Reconstruction of ports in Struga and Pogradec will lead towards better connectivity and touristic benefits (i) connection accesses through floating platforms for boats in Lin, Radozda and Debarca and (ii) acquiring two solar cruise ships that will be used for the international lake passenger lines will make the Lake Ohrid region as one destination for all. This project will have direct cross-border impact, by creating physical and non-physical bonds between the people living on the both sides of the border. This shall result into an increase in tourist spending and it will be of benefit for local population of the regions from both countries by generating more job opportunities and income. The estimated cost for this project is 2,000,000 Euro. The categories of costs are procurement of equipment and small infrastructure works.

Alternatively, should one or both of the proposed projects not reach enough maturity, should the budget allow it and the Programme authorities decide, a special call for project ideas may be launched, which could aim at either:

- The selection of one or more mature operations that can be funded given their relevance and readiness; OR
- The selection of operations that have to be further developed and/or operations whose supporting documents have to be completed.

5.6 Payments and financial control

5.7 Reporting, monitoring and evaluation

As part of its performance measurement framework, the Commission shall monitor and assess progress towards achievement of the specific objectives set out in the IPA III Regulation on the basis of pre-defined, clear, transparent measurable indicators.

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





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

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

Implementation will need to be accelerated, in particular in the early years, to prevent structural backlogs in contracting and implementation, and to progressively absorb current delays.

Monitoring will be done on the basis of the indicators set out in the proposal. *The relevant performance indicators will be defined and included in the IPA programming framework and proportionate reporting requirements imposed on recipients of EU funds.* The enlargement reports will be taken as a point of reference in assessing the results of IPA III assistance. The performance reporting system should ensure that data for monitoring implementation and results are collected efficiently, effectively and on time. The Commission will regularly monitor its actions and review progress made towards delivering results. In line with paragraphs 22 and 23 of the Inter-institutional Agreement of 13 April 2016, the Commission will carry out an interim and a final evaluation.

The evaluations will assess the Instrument's effects on the ground based on the relevant indicators and targets and a detailed analysis of the degree to which the Instrument can be deemed relevant, effective, efficient, provides enough EU added value and is coherent with other EU policies. The evaluations will include lessons learnt to identify any lacks/problems or any potential to further improve the actions or their results and to help maximise their exploitation/impact. The conclusions of the evaluations accompanied by observations will be communicated to the European Parliament and to the Council.⁹

5.8 Information and visibility

The programme will be implemented under legal obligations and the mandatory elements of the communication and visibility requirements stated in the EU Communication and Visibility requirements in EU-financed external actions. A variety of communication channels and publicity tools should be developed to ensure regular information between programme stakeholders and a wider audience. All communication and visibility (C&V) measures and products must be based on a communication and visibility plan built on sound analysis, proper sequencing and an appropriate budget.

Visibility and Communication Plan shall be produced in accordance with general IPA III requirements and best practice on transparency and equal treatment. The bodies involved in the implementation of the programme will be responsible for ensuring that final beneficiaries carry out the information and publicity measures on the IPA III co-financed activities in line with the EU visibility guidelines.

⁹Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing the Instrument for Pre-accession Assistance (IPA III)



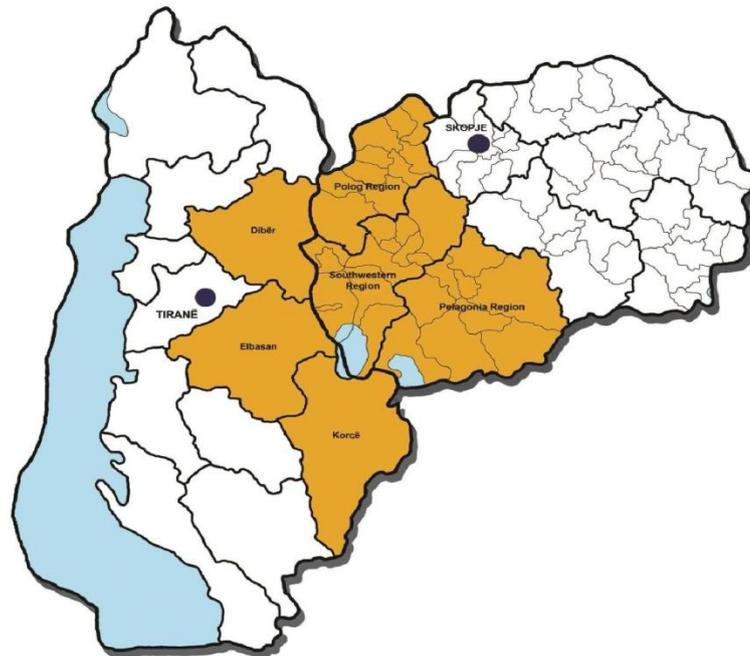


ANNEX 1: Description and analysis of the programme area

Situation Analysis

The eligible Programme Area remains unaltered – in terms of geographical/administrative coverage and population size – from the previous IPA CBC assistance for Republic of North Macedonia and Republic of Albania, covering three NUTS-3 regions in each of the beneficiary countries:

- **Pelagonia, Polog** and **Southwest** in North Macedonia, and
- **Dibër, Elbasan and Korçë** in Albania.



The programme area includes 27 municipalities in North Macedonia:

- **Pelagonia** region, consisting of the municipalities of Bitola, DemirHisar, Dolneni, Krivogastani, Krusevo, Mogila, Novaci, Prilep, and Resen;
- **Polog** region, consisting of the municipalities of Bogovinje, Brvenica, Gostivar, Jegunovce, Mavrovo and Rostuse, Tearce, Tetovo, Vrapciste and Zelino;
- **Southwest** region, consisting of the municipalities of CentarZupa, Debar, Debarca, Kicevo, MakedonskiBrod, Ohrid, Plasnica, Struga and Vevcani.

and 17 municipalities in Albania:

- **Dibër** region, consisting of the municipalities of Diber, Bulqiza, Mat and Klos;
- **Elbasan** region, consisting of the municipalities of Elbasan, Belsh, Cerrik, Gramsh, Librazhd, Peqin, Prrenjas;
- **Korçë** region, consisting of the municipalities of Korce, Devoll, Kolonje, Maliq, Pogradec, Pustec.

The six regions that comprise the Programme Area have a total population of 1,375,879 of which Republic of North Macedonia accounts for 56% and Republic of Albania for 44%.

The dimensions of the eligible regions of the Programme Area in terms of geographical extension and population are listed below.





Countries	Regions	Size (km ²)	% of Country	Population ¹⁰	% of Country
North Macedonia	Pelagonia	4,717	18.3%	228,448	11.0%
	Polog	2,416	9.4%	321,957	15.5%
	Southwest	3,340	13.0%	219,622	10.6%
	TOTAL	10,473	40.7%	770,027	37.1%
Albania	Diber	2,586	9.0%	119,963	4.2%
	Elbasan	3,199	11.1%	276,765	9.7%
	Korce	3,711	12.9%	209,124	7.3%
	TOTAL	9,496	33.0%	605,852	21.3%
PROGRAMME TOTAL		19,969 km²	36.7%¹¹	1,375,879	28%¹²

The length of the countries' border covered by the Programme Area is 191 km (151 km over land, 12 km along the Drim River and 28 km in the Ohrid and Prespa lakes).

There are 5 border crossing points between the Republic of North Macedonia and the Republic of Albania:

1. Káfasan (Struga) from North Macedonia through- QafëThanë leading to (Pogradec) –Librazhd, and Elbasan, Albania;
2. SvetiNaum (Ohrid) from North Macedonia through – Tushemisht leading to Pogradec at the south-eastern end of Lake Ohrid in Albania;
3. Spas (Debar) from North Macedonia through Bllatë (Dibër), leading to Peshkopi, Bulqiza and Burrel, Albania;
4. Stenje (Resen) from North Macedonia through Goricë (Pustec), leading to the northern shores of Lake Prespa in Albania.
5. Džepište (Debar) from North Macedonia to Trebisht (Dibër), Albania

The border areas in the Republic of North Macedonia and the Republic of Albania feature different political and socio-economic legacies that define their current socio-economic, cultural, and administrative-political profiles and determine the rationale and potential for co-operation between institutions and people across the border for better integration and social and economic cohesion of the entire region. Good governance at national, regional and local levels is and will remain of vital importance in this context.

Geography

The Programme Area is characterised by rich natural resources, ethnic diversity and similar culture but different languages spoken. Nature and environment are rich in mountains, hilly areas intersected with rivers, valleys and lakes. The region features three big water reservoirs in the region: Ohrid, Prespa and Debar lakes, surrounded by a National Park and creating favourable conditions for the development of hydro energy in which the two countries had already invested. There are three National parks in the programme area on the side of North Macedonia: Galichitsa, Mavrovo and Pelister¹³ and four National Parks on the side of Albania: Prespa, Bredhi i Drenovës, Lura, and Shebenik-Jabllanicë.

¹⁰2018 Population estimation of the both National Statistical Offices

¹¹ Percentage of aggregated countries' sizes

¹² Percentage of aggregated countries' population

¹³The geographical coordinates, surface area in ha and year of proclamation are: Galichitsa 40o 59'N/20o 52'E 22 750 (1958), Mavrovo 41o 40'N/20o 46'E 73 088 (1949), Pelister 40o 57'N/21o 14'E 12 500 (1948)





The climate in the cooperation area is diverse, from moderate-continental, transitional-continental and mountainous to Mediterranean along the river valleys. The mountains are generously forested with deciduous and evergreen trees that provide excellent opportunities for tourism, recreational activities and for the wood-processing industries. The region has great natural and artificial wealth and it is rich with mineral resources that are found throughout its territory.

All six regions that comprise the cross-border Programme Area are characterised by favourable climatic conditions and a high presence of **natural and environmental resources** (mineral resources, ore, water, renewable energy sources and arable land) and significant **biodiversity**.

Demography

	North Macedonia			Albania		
	Pelagonia	South-west	Polog	Dibër	Elbasan	Korçë
Total population	228,448	219,622	321,957	119,963	276,765	209,124
Age of population 0-14(%)	15.3%	14.6%	16.2%	20.6%	18.2%	17.5%
Age of population 65+ (%)	16.6%	12.2%	9.6%	13%	14%	13.2%
Density ¹⁴	48.4	65.8	133.3	46	87	56

Five out of the six regions record (with the exception of Polog, but even there the population is decreasing) a negative population growth. This is a negative development from the period when the programming document for IPA II CBC was drafted, when only two of the regions of North Macedonia (Pelagonia, South West) were registering such trend, while all three regions of Albania were registering positive natural growth. The Review Report shows that the main cause for this trend is migration (internal – from remote, peripheral mountainous areas to larger centres and abroad), which in turn is caused by lack of labour opportunities but also lack of appropriate transport infrastructure and low access to health and other basic services.

All regions of the Programme area are affected by migration – either outwards migration, to other parts of the country or even abroad, or from rural areas towards urban areas.

Political aspects

The accession of North Macedonia to the European Union (EU) has been on the agenda for future enlargement of the EU since 2005, when it became a candidate for accession. Albania received the candidate status in 2014. On 25 March 2020, the Council decided – and European leaders endorsed this decision on 26 March 2020 – **to open accession negotiations with the Republic of North Macedonia and the Republic of Albania and, shortly after, the decision was followed by the presentation of draft negotiating framework laying out the guidelines and principles for their accession talks.**

“Today marks another important step on Albania's and North Macedonia's paths to the European Union. Delivering on our commitment, we outline concrete frameworks for the conduct of accession negotiations. Our proposals build on the revised enlargement methodology we put forward in February to make the accession process more credible, with a stronger political steer, more dynamic and predictable. I look forward to the discussions with Member States and to holding as soon as possible the first inter-governmental conferences with the two countries. Their future lies clearly in the

¹⁴Population density is calculated on the basis of land area





European Union and I am confident they will continue to deliver on the reforms on their EU path, as they have done so far.”¹⁵

On 6th of October 2020, the Commission adopted its [Communication on EU enlargement policy and the 2020 Enlargement Package](#) and a comprehensive [Economic and Investment Plan for the Western Balkans](#), which aims to spur the long-term recovery of the region, a green and digital transition, foster economic regional cooperation, boost economic growth and support reforms required to move forward on the EU path.

The European Commission confirmed further progress in the implementation of reforms in Albania and North Macedonia and looks forward to the first intergovernmental conferences to be convened as soon as possible after the adoption of the negotiating frameworks by the Council.

Bilateral relations

Relations between North Macedonia and Albania have intensified. During 2019, the two sides agreed to establish a commission for joint management of natural and cultural heritage of the Ohrid region, and to improve the implementation of UNESCO recommendations. Frequent bilateral visits took place during the reporting period. In October 2019, President Pendarovski paid his first official visit to Albania in the context of the Southeast Europe Peace Summit. In November 2019, Albania opened an Honorary Consulate in Bitola. In the context of the COVID-19 crisis, the Presidents of both countries and the Ministers of Foreign Affairs also maintained close communication.

Infrastructure

With the Ohrid airport being the only air route for passengers in the Programme area, the main road crossing in the entire area is the **Pan-European Corridor VIII**, linking the Adriatic-Ionian region with the Southern Balkans and the Black Sea and expected to become – upon its completion – a multi-modal transport system comprising sea-, air-, road and rail routes.

Commencing via a ferry crossing from the Italian Adriatic coast at Bari or Brindisi, it is designed to link the Albanian Adriatic port of Durres with Tirana and Skopje, running towards Elbasan, crossing into North Macedonia in the southern part of the cross-border area at the Ohrid lake (Qafe Thane-Struga cross-border checkpoint) and then running north to Tetovo, on its way to Skopje. From there the routes cross via Kumanovo into Bulgaria (Pernik - Sofia - Plovdiv – Burgas, and thence to Varna on the Black Sea coast).

Similarly, **branch D of the Pan-European Corridor X** (which links Northern Europe through Serbia and North Macedonia to the international port of Thessaloniki in Greece) is crossing from Veles into the eastern part of the cross-border region in North Macedonia - to Bitola, then expected to run south into Greece via Florina and to meet the existing Via Egnatia motorway.

Inadequate transport infrastructure – at both the regional and local levels, as well as in regard to the connection roads with the aforementioned Pan-European Corridors VIII and X – and limited intra- and interregional connectivity represent major shared challenges across the Programme’s cross-border regions. Adding to peripherality and insufficient levels of development, the lagging infrastructure and connectivity restrict the population’s access to both key services and main markets and increase their sense of remoteness, hence intensifying depopulation through emigration and economic stagnation.

While the current state of the national and regional roads within the cross-border regions is far from optimal, there are a number of approved transport projects currently underway, funded by the European Union or other donors. However, the situation is much more acute in regard to local roads, in particular in rural areas. Out of a total of 3.292 km of local roads in the three regions in North Macedonia only 60% or 1.998 km

¹⁵ Commissioner for Neighbourhood and Enlargement OlivérVárhelyi commented on the draft negotiation frameworks for Albania and North Macedonia





are coated with asphalt. Similarly, lack of road infrastructure and accessibility are considered among the main factors behind the advancing depopulation and decline in parts of the Dibër and Korça regions in Albania, among the most problematic nationwide in terms of net internal migration and out-migration. Access from the municipalities of Bulqiza and Dibër to markets for their produce and to the rest of the country affects greatly the sustainability of the local economy. Access from the main villages of Korça district (Dardha, Voskopoja, Boboshtica, Vithkuqi, Prespa villages, Lini, Driloni, Tushemishti, Pusteci, Rehova and Borova - which together with the city of Korça and Pogradec constitute the network of settlements designated as tourist destinations) to the key services established in the city of Korça are lengthy and difficult.

Expectedly, inadequate transport infrastructure systems result in poor cross-border connectivity of the two transport systems.

In general, there are several road sections which considerably reduce the speed of transportation, and the overall travel time is significantly prolonged by the long customs procedures at the border checkpoints. Apart from improving the road infrastructure along these segments, rehabilitation of the premises of the border/customs posts and introducing measures to speed up border crossing will significantly enhance and facilitate cross-border connectivity.

North Macedonia has become the ninth participating country of the [EU Strategy for the Adriatic and Ionian Region](#) (EUSAIR) and the country has coordination role in Pillar 2 (Connecting the Region), together with Italy and Serbia. The aim of this pillar is to develop inter-linked sustainable transport and energy networks in the macro-region. Albania together with Croatia leads the Pillar 4 "Sustainable Tourism" (diversification of tourist offers, tourism management). In June 2021 Albania takes over the presidency of EUSAIR currently held by Slovenia.

The regional initiative "Green Corridors" enabled the smooth flow of goods in the most critical phase of the coronavirus pandemic (COVID-19) by stabilizing the flow of goods in the Western Balkans region, which significantly helped export-oriented companies, but also those whose production depends on imports.

Economy

Gross domestic product, by regions, 2017 - North Macedonia

	GDP (in million EUR)	GDP per capita (in EUR)
Pelagonia	1076.48	4690.73
Southwest	851.59	3876.07
Polog	733.16	2282.58
North Macedonia (total)	10028.78	7834.31

Source: Statistical office

Gross domestic product, by regions, 2017 - Albania

REGION	GDP (in million EUR)	GDP per capita (in EUR)
Dibër	376.5	3054.2
Elbasan	800.5	2846.9
Korcë	644.9	3038.7
Albania (total)	11708.7	4074.7

Source: INSTAT Gross domestic product, by regions





The most important economic sectors in the Programme area are agriculture (especially in Pelagonia and Elbasan), exploitation of mineral resources and tourism (especially the Southwest region, with the highest share of accommodation facilities at national level – 61.87% and Korçë, the second preferred destination of domestic trips for personal or business purposes at national level is with 15.1 %).

Entrepreneurship and SME development

The two sides of the Programme area have rather different characteristics in terms of their economic development.

In North Macedonia, the regional disparities tend to be significant, in favour of the Skopje Region, which registers the biggest share (42.8%) of the country's GDP in 2017. As regards the cooperation regions, the share in the gross domestic product is the following: Pelagonia 10.7%, Polog 7.3% and Southwest region 9.8%. This accounts for a total of 27.8% of the GDP, while the population accounts for roughly 37% of the total population.

An analysis of the number of companies shows that the regions in the Programme area account (in 2017) for 33.33% (as compared to 37.69% for the single region of Skopje) of the total number of companies in North Macedonia. A more in-depth analysis shows, however, that the biggest percentage of companies consists of those that hire fewer than 10 employees, with only a small number of companies with a number of employees in excess of 250¹⁶.

When comparing the share of the GDP generated in the area with the share of companies it is obvious that the productivity of the companies is rather low.

In Albania, the regional disparities tend to be more severe. The share of the regions in the gross domestic product is the following: Dibër 0.32%, Elbasan 0.68% and Korçë region 0.55%. This accounts for a total of 1.55% of the GDP, while the population accounts for roughly 21% of the total population.

An analysis of the number of companies shows that the regions in the Programme area account (in 2017) for 18.42% of the total number of companies in Albania. A more in-depth analysis shows, however, that the biggest percentage of companies consists of those that hire fewer than 10 employees, with only a small number of companies with a number of employees in excess of 250¹⁷.

There is a noticeable upward trend in the number of companies from 2013 to 2017, with more than double in Korçë and almost double in Elbasan. The numbers show that the entrepreneurial culture in the regions is dynamic, with a significant growth rate in recent years.

As shown in the economy section above, there are disparities in terms of GDP between the 6 regions in the Programme area, with Polog lagging significantly behind, while Pelagonia is significantly ahead. However, all six regions are lagging behind their national averages.

The most important economic sectors in the Programme area are agriculture (especially Pelagonia and Elbasan), exploitation of mineral resources and tourism (especially the Southwest region, with the highest share of accommodation facilities at national level – 61.87% and Korçë, the second preferred destination of domestic trips for personal or business purposes at national level is with 15.1 %).

The main constraints that could be addressed in order to improve competitiveness are:

- Low productivity
- Low value added (e.g. primary agricultural produce)

¹⁶Source: State Statistical Office of North Macedonia

¹⁷Source: Albania's Institute of Statistics (INSTAT).





- Low investments in highly promising sectors (e.g. tourism)
- Lack of recognition of local products and tourism destination

By capitalising on the strengths, such as dynamic entrepreneurial culture, investment in sectors that are highly sought after but not exploited at their real potential, a targeted intervention in competitiveness could bring about an increase in revenue, employment and, eventually, GDP.

Tourism development

Tourism industry, as widely seen, refers to a supposedly single 'entity' operating across all places where tourism activities occur. Until recently, i.e. notwithstanding disruption from the current Covid-19 pandemic, it has been one of the largest and fastest growing industries in the world and a key driver that can contribute to sustainable development and growth, exerting considerable economic, political, social and cultural impact to the overall economy and society, thus securing itself a prominent position in the overall development effort.

Despite the wealth of natural, historical and cultural heritage assets briefly described above, tourism development across the Programme area is still in an early stage and leaves much to desire. According to data the World Travel & Tourism Council (WTTC), the direct contribution of the entire tourism and travel sectors of both counties to their respective gross domestic products (GDP) was rather meagre, at least when compared to the sector's performance in the neighbouring countries, albeit increasing over time.

Among the regions of the Programme area, in North Macedonia the Southwest region is the absolute leader with a 53.43% share of tourism activities due to the presence of Ohrid and Prespa lakes, whereas the Polog region is the least developed with a share as low as 2.86%. Pelagonia lies in between, with a tourist offer featuring its clean environment, historical urban areas (Bitola, Krusevo) and villages and its cultural legacy and capitalising on touristic attractions such as the Pelisterski Ochi glacial lakes, the Pelister and Galichica National Parks, several protected areas, the archaeological sites of Heraclea and Stibera etc.

In Albania, activities related directly with tourism had a contribution by 2.8 % in GDP. Taking in consideration the indirect effect of those expenditures in other activities, this contribution is higher. Meanwhile, the three regions of the Programme area are very diverse, alternating with natural lake, mountainous and plain landscapes and related tourist development potentials. Dibër Region is the least developed and still unexplored in this context. The situation is very different in Korçë, ranking amongst the most preferred by local and foreign tourists and with significantly increased capacities for tourism. Nevertheless, tourism offer is fragmented and generally oriented towards seasonal tourism in one destination in the absence of more comprehensive packages and tourist itineraries.

Given the significant potential across the regions of the Programme area, **stimulation of investments in tourism, and related infrastructures, development of suitable accommodation and catering capacities and differentiated tourism packages extending along all seasons of the year, compilation of tourist maps and itineraries tailored to – and combining accordingly – the regions' diversity and respective tourist product offer** (classical and alternative forms of tourism activities), remain another key **common challenge for the Programme's cross-border regions** and may also represent a **key component** of the upcoming IPA III Cross-Border Cooperation Programme between Republic of North Macedonia and Republic of Albania for 2021-2027.

Tourism is among the worst impacted sectors of the economy by the COVID-19 crisis. Depending on the severity of the pandemic, the decline in the international tourism industry in Western Balkan countries is projected to be between 45 to 70% in 2020 (OECD, 2020)¹⁸. Specific measures targeting the tourism sector will be required to

¹⁸Source: World Travel and Tourism Council, World Bank (<https://data.worldbank.org/>)





mitigate the impact of the pandemic and accelerate the recovery of tourism in the region. The industry needs to prepare for COVID-19 recovery and adapt their offer to the new global tourism market, once the restrictions are lifted.

Employment

In North Macedonia, out of the three regions, Pelagonia registers the highest employment rate, 55%, second in the country. The other two regions, Southwest (39.4%) and Polog (35.8%), are only barely above the Northeast region, with the lowest employment rate in the country.

In Albania, Elbasan registers the highest employment rates of the country, for people 15 years and over (61.5 %), followed by Korçë (59.5 %) and Dibër (59.0 %) ¹⁹. The three regions Dibër, Korçë and Elbasan are ranked among the prefectures with the lowest unemployment rate. The employment rate registered an increase in Korçë and Elbasan while Dibër shows slight decrease in 2018 compared to 2017. Elbasan is the Region with the highest rate of employment in agriculture (67.2%) and that, at the same time, the lowest rate in services (23.4%).

Education

In North Macedonia the programme regions have a number of educational institutions for lower and secondary education as well as Public Universities: St. Clement University of Bitola, State University of Tetovo, University of Information Science and Technology in Ohrid, Public-Private non-profit South East European University Tetovo & Skopje.

In Albania as well, the programme regions count a high number of educational institutions including institutions of lower education, secondary education but also the existence of two Public Universities 'Fan S. Noli' in Korça and 'Aleksandër Moisiu' University in Elbasan as promoters of scientific research.

Environment

All six regions that comprise the cross-border Programme Area are characterised by favourable climatic conditions and a high presence of **natural and environmental resources** (mineral resources, ore, water, renewable energy sources and arable land) and significant **biodiversity**.

Nature and environment are rich in mountains, hilly areas intersected with rivers, valleys and lakes. The region features three big water reservoirs in the region: Lake Ohrid, Prespa and Debar, surrounded by a National Park and creating favorable conditions for the development of hydro energy in which the two countries had already invested. Environmentally sensitive areas are endowed with tourism development opportunities and the region accounts for almost half the forests in both countries.

The "Ohrid - Prespa" trans-boundary biosphere reserve shared with neighbouring Greece, protected by UNESCO and designated as a wetland of international importance under the Ramsar Convention, covers a surface of 446.244 ha within the eligible Programme Area on both sides of the border. Its presence is combined with a large number of national parks and protected natural areas, historical and cultural heritage areas and areas of special preservation interest protected by law in the territory of the regions, as well as protected endemic flora and fauna species, that have a substantial potential for developing tourism and improving the regional economies.

Sustainable use, protection and valorisation of these assets are certainly among the key factors for the sustainable development of the regions. However, the current situation leaves much to desire. High levels of environmental pollution and degradation of protected areas are a real threat, present across the regions. Indicatively, in Albania, in the district of Dibra (Lura National Park), due to the impact of the construction and wood processing industries; in Elbasan, due to the significant presence of metallurgy. In North Macedonia, in the Polog region, poor waste management practices, paired with high

¹⁹Source: INSTAT, Labour Force Survey, 2018





intensity of mining activities, have led to the degradation of invaluable ecosystems, as well as to loss of precious natural resources and to potential health risks.

Insufficient water supply systems are a commonly shared constraint, with water supply systems existing and covering a rather high proportion of the population in some urban areas, but ranging from as low as 20% up to 80% in rural settlements, where the remaining population's needs for potable water are covered from wells and/or natural springs and with widely varying water quality. Indicatively, in North Macedonia, there are numerous villages in Debar municipality where water supply has not been resolved; the town of Debar itself faces significant problems with water supply. On the side of Albania, the municipalities of Korça and Pogradec (both in Korca region) are the only ones that have secured supply of drinking water to their citizens, having invested in their water purification plants and water supply networks.

The same applies to **inadequate waste collection and disposal/management systems** across all regions of the cross-border Programme Area, mostly characterised by solid waste disposal in local, so-called municipal landfills which are far from meeting the basic technical and sanitary safety standards. Notably, there are even urban centres which lack even such (e.g. Tetovo, the administrative centre of the Polog Region in North Macedonia, with 53.000 inhabitants). Therefore, an even greatest danger is represented by illegal or informal landfills where industrial and municipal waste is dumped without control and it has a direct impact on environmental pollution, contamination of the soil and underground waters and indirect impact on the citizen's health.

Wastewater and sewage treatment represent another significant, shared challenge across the Programme's cross-border regions. The coverage of their population with wastewater processing and treatment plants and sewage networks is grim on both sides of the border, even far below the already very low national averages. A small number of wastewater processing stations and sewage networks cover certain urban areas, but in the rural areas the situation is rather dismal and, in most cases, wastewater is merely collected in overflowing cesspits and/or directly released in dry gulches and streams. Wastewater pollution has an impact both on pollution of both soil and underground waters, which then leads to contamination of potable water and agriculture crops.

The additional investments in environmental infrastructure which are needed across the cross-border regions will be significant, far beyond the grasp and budgetary resources of any individual Cross-Border Cooperation Programme, and will have to be carefully planned and implemented overtime, along with a substantial increase in environmental awareness and a much-required enhancement of **environmental governance and resources management**.

Cultural and natural heritage prospects

There is a wealth of environmental resources and biodiversity in the Programme's cross-border regions. They comprise the "Ohrid - Prespa" trans-boundary biosphere reserve, a Ramsar wetland of international importance shared with neighbouring Greece, a large number of national parks and protected natural areas which contain rivers and glacial lakes, caves, and other monuments of nature, mountain landscapes and sceneries of extraordinary beauty etc.

A rich and varied cultural and historical heritage is also abundant throughout the Programme area, in the form of historical and heritage areas – notably among which Ohrid, included in the UNESCO World Heritage List – protected areas of special preservation interest, archaeological sites, traditional settlements of particular architectural value, numerous churches, mosques, monasteries, fortresses, bridges, fishing settlements and other urban and rural monuments.

Preservation and protection on the one hand, and **promotion and sustainable valorisation** on the other, **of these significant natural and cultural heritage assets** together with all other ingredients of cultural offer such as museums, memorial houses, festivals and events, will certainly be of paramount importance in the overall development efforts, to be undertaken in partnership of the public administrative





authorities at all levels with the local cultural institutions and in conjunction with the society as a whole.

This, despite various targeted initiatives to this purpose in certain areas in recent years, remains another significant, **common challenge across the Programme’s cross-border regions** and may represent a **key component** of the upcoming IPA III Cross-Border Cooperation Programme between Republic of North Macedonia and Republic of Albania for 2021-2027.

SWOT/PESTLE analysis

THEMATIC CLUSTER 2: GREENER AND IMPROVED RESOURCE EFFICIENCY

TP2: ENVIRONMENT PROTECTION, CLIMATE CHANGE ADAPTATION AND MITIGATION, RISK PREVENTION AND MANAGEMENT

SWOT Analysis	
STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> Diversified natural resources (water, forests, flora and fauna, climate) and lack of major industrial pollution Administration reforms strategies and legislation with a view to improve governance, planning and administrative capacity at local level 	<ul style="list-style-type: none"> Lack of integrated environment protection, monitoring and risk preparedness and prevention systems Lack of waste management systems (dumps/landfills, separation, recycling) Lack of sewerage and waste water treatment systems Poor road access in remote areas
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> Design/formulation of joint programs/initiatives for waste collection and disposal systems, including recycling and green agenda principles Design/formulation of joint programs/initiatives for integrated environment protection, monitoring and risk prevention systems (fire protection, disaster response, water pollution etc.) Development of alternative sources of energy 	<ul style="list-style-type: none"> Public budgets lack financial resources for addressing the infrastructure shortages (transport, water, energy and other environmental issues) Degradation of environment and danger of various natural disasters in certain areas Lack of regional mid- and long-term strategies on environment

THEMATIC CLUSTER 4: IMPROVED BUSINESS ENVIRONMENT AND COMPETITIVENESS

TP5: TOURISM AND CULTURAL AND NATURAL HERITAGE

SWOT Analysis	
STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> Rich tourist offer based on exploitation of natural resources, cultural heritage, sport and leisure Diversified natural resources (water, forests, flora and fauna, climate) and lack of major industrial pollution 	<ul style="list-style-type: none"> Potentially attractive tourism areas lack international awareness Lack of waste management systems (dumps/landfills, separation, recycling) Lack of sewerage and waste water treatment systems Lack of proper water supply systems Poor road access in remote areas Lack of facilities for leisure/sports/culture
OPPORTUNITIES	THREATS





- | | |
|--|---|
| <ul style="list-style-type: none">• <i>Integrated tourism offer based on culture, sport, leisure, adventure, spa</i> | <ul style="list-style-type: none">• <i>Lack of regional mid- and long-term strategies on tourism</i>• <i>Public budgets lack financial resources for addressing the infrastructure shortages (transport, water, energy and other environmental issues)</i> |
|--|---|

