CROSS BORDER COOPERATION WITHIN THE EUROPEAN NEIGHBOURHOOD INSTRUMENT (ENI)

MEDITERRANEAN SEA BASIN PROGRAMME

2014-2020

FINAL

Adopted by the European Commission on 17 December 2015

Decision No C(2015) 9133

Including the modified Annex B – Financial tables (approved on 26 July 2016)
# Table of contents

ACRONYMS ........................................................................................................................................ 5

INTRODUCTION........................................................................................................................................ 6

  Methodology and steps undertaken to design the Strategy ................................................................. 6
  Steps undertaken to define Programme Structures and implementation ......................................... 8

1. PROGRAMME AREA ......................................................................................................................... 9

  1.1 Core eligible area ....................................................................................................................... 9
  1.2 Adjoining regions and major social, economic and cultural centres ........................................ 10
      1.2.1 List of adjoining regions and Justification ................................................................. 10
      1.2.2 List of major social, economic and cultural centres and Justification ......................... 10
  1.3 Map of the Cooperation area .................................................................................................... 12

2. STRATEGY ....................................................................................................................................... 13

  2.1 The situation analysis: main socio-economic trends and environmental state ....................... 13
      2.1.1 Population trends ........................................................................................................... 13
      2.1.2 Socio-economic trends and challenges ......................................................................... 16
      2.1.3 Environmental state and key figures .............................................................................. 20
  2.2 Lessons learnt on Strategy ......................................................................................................... 22
  2.3 The General, Overarching and Thematic Objectives ................................................................. 24
  2.4 Programme Priorities, Expected Results and Relevant Indicators ............................................. 25
      Overview Overarching Objective A, Thematic Objectives and Priorities ................................ 26
      TO A.1 - Business and SME development .............................................................................. 27
      TO A.2 - Support to education, research, technological development and innovation .......... 33
      TO A.3 - Promotion of social inclusion and fight against poverty .......................................... 37
      Overview Overarching Objective B, Thematic Objective and Priorities .................................. 41
      TO B.4 - Environmental protection, climate change adaptation and mitigation .................... 41
  2.5 Risk analysis and mitigating measures ........................................................................................... 50
      TO A.1 - Business and SME development .............................................................................. 50
      TO A.2 - Support to education, research, technological development and innovation .......... 52
      TO A.3 - Promotion of social inclusion and fight against poverty .......................................... 54
      TO B.4 - Environmental protection, climate change adaptation and mitigation .................... 56
  2.6 Cross-cutting issues ....................................................................................................................... 58
  2.7 Coherence and complementarities ................................................................................................. 59
      2.7.1 Main policies, initiatives and relevant actors for the Programme’s intervention strategy .... 60
      2.7.2 Coherence and complementarities with new EU Programmes and other relevant initiatives 65
4.7.1 Indicative information and communication plan for the first year ........................................... 143

4.8 Rules on eligibility of expenditure .................................................................................................. 145

4.8.1 No profit principle ....................................................................................................................... 145

4.8.2 Forms of grants ............................................................................................................................ 145

4.8.3 Eligibility of costs ......................................................................................................................... 146

4.9 The apportionment of liabilities among the participating countries .............................................. 149

4.10 The rules of transfer, use and monitoring of co-financing ............................................................ 149

4.10.1 Co-financing principle .............................................................................................................. 149

4.10.2 Use and monitoring of co-financing ........................................................................................ 150

4.10.3 Transfer of Programme funds to projects .................................................................................. 150

4.11 IT systems for reporting and exchange of data between the MA and the EC ..................................... 151

4.12 Languages adopted by the Programme .......................................................................................... 151

4.13 Modification and Closure of the Programme ............................................................................... 152

ANNEXES ........................................................................................................................................ 153

A. SWMTNs SYNOPTIC TABLES PER TOs ......................................................................................... 154

B. FINANCIAL TABLES ....................................................................................................................... 165

C. CURRENT ORGANISATIONAL CHART OF THE PRESIDENCY OF THE AUTONOMOUS REGION OF SARDINIA ...... 168

D. ORGANISATIONAL AND FUNCTIONAL CHART OF THE MANAGING AUTHORITY ...................... 169

ANNEX 1 - Consultation Process ......................................................................................................... 171

ANNEX 2 - Indicative Monitoring and Evaluation Plan ........................................................................ 171

ANNEX 3 - Indicative Information and Communication Plan for the first year .................................... 171
ACRONYMS

CBC - Cross-border cooperation
CIR - Common Implementing Rules
DG DEVCO- Directorate-General for Development and Cooperation
DMCS – Description of the Management and Control Systems
IRs - ENI CBC Implementing Rules
EEAS - European External Action Service
EC - European Commission
ENI - European Neighbourhood Instrument
ENP - European Neighbourhood Policy
ENPI - European Neighbourhood and Partnership Instrument
EU - European Union
EUMC - European Union Mediterranean Countries
JOP - Joint Operational Programme
JPC - Joint Programming Committee
MA - Managing Authority
MCS - Management and control systems
MPC - Mediterranean Partner Countries
MIS - Management and information system
MSMEs - Micro, Small, Medium Enterprises
NGOs – Non Governmental Organisations
PD - ENI CBC Programming Document
SEA - Strategic Environmental Assessment
SWOT - Strengths, Weaknesses, Opportunities, and Threats analysis
TA - Technical Assistance
INTRODUCTION

The European Neighbourhood Policy (ENP) was established in 2004 with the objective of consolidating partnership, mutual interest and co-ownership between the enlarged European Union (EU) and its neighbours, on the basis of the values of democracy, rule of law and respect of human rights. The ENP aims to develop a special relationship between the EU and each of its partner countries, contributing to the development of an area of shared security, prosperity and good neighbourliness. To this end, the EU has been working hand in hand with its Mediterranean partners to design cooperation programmes that take into account each country’s specific needs and features.

The ENP is supported by substantial EU financial assistance. Nearly €12 billion in grants were provided under the 2007-2013 European Neighbourhood and Partnership Instrument (ENPI). For the period 2014-2020, a new European Neighbourhood Instrument (ENI) will succeed the ENPI. With a budget of €15.4 billion, the ENI will provide the bulk of funding to the 16 partner countries covered by the ENP.

Cross-border cooperation (CBC) has an essential role to play in the general ENP policy context. It is distinct from other forms of cooperation by virtue of operating for the benefit of both sides of the EU’s external borders, and it draws on funding from both external and internal headings of the EU budget. CBC programmes between EU member states and Neighbourhood partners are among the types of programmes supported by ENI, which builds on lessons learnt from the ENPI CBC Programmes.

In October 2014, the European Commission (EC) adopted the Programming document for EU support to ENI Cross-Border Cooperation, which defines the strategic framework for 2014-2020 ENI CBC. The Programming document also defines the types of programmes to be funded and lists the individual CBC programmes that will receive EU funding, delimiting geographic eligibility and financial allocations.

Within the general context set by the Programming document, the partners of the ENI Mediterranean Sea Basin CBC Programme 2014-2020 have prepared this Joint Operating Programme (JOP), which reflects the specific circumstances and requirements of their cooperation area.

METHODOLOGY AND STEPS UNDERTAKEN TO DESIGN THE STRATEGY

The preparation of the Mediterranean JOP for 2014-2020 has followed two parallel and intertwined tracks:

- the identification of the main thematic issues and medium-term needs (MTNs) and the selection of the objectives (overarching and thematic), on the basis of the strategy and its programme priorities, expected results and indicators;

- the definition of the operational procedures for programme implementation, including identification and definition of roles of the Managing Structures.

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2 The partner countries are: Algeria, Armenia, Azerbaijan, Belarus, Egypt, Georgia, Israel, Jordan, Lebanon, Libya, the Republic of Moldova, Morocco, Palestine, Syria, Tunisia, and Ukraine.
The Strategy of the Mediterranean Sea Basin Programme 2014-2020 was developed over two-and-a-half years, based on a methodology combining desk research and analysis of statistical data related to the Programme area with national consultations, including field visits to participating countries and discussions with a broad range of stakeholders. Indeed, in order to select the objectives of the Programme, and to identify the MTNs most relevant to the cooperation area and the related priorities, as well as expected results and their indicators, a methodology was applied combining top-down and bottom-up approaches. It was assumed that the two approaches would not be considered as alternative or opposed to each other, but rather that the combination of the two may lead to better results. The desk research and analysis as well as the consultation process were conducted with full consideration of the cross-border dimension and the aims of the Programme.

In December 2012, a Joint Programming Committee (JPC) composed of representatives from 14 participating countries was set up to meet during the programming phase. The JPC’s meetings were supplemented with restricted meetings of Heads of Delegations (HoD). Both JPC and HoD meetings represented platforms to prepare the JOP by launching consultations, sharing results and proposing methodologies.

Several rounds of national consultations were conducted, with the active involvement of all participating countries, in order to select the relevant sectors, objectives (overarching and thematic), MTNs and priorities. In particular, the Managing Authority (MA) launched five rounds\(^4\) of national consultations: each country had to fill in questionnaires with the involvement of competent authorities at national and local level, as well as other relevant stakeholders. The MA carried out several field visits to expedite consultations, combined with meetings of the JPC and HoD to consolidate positions and facilitate shared discussions among the participating countries.

Stakeholders’ consultation on the MTNs was extensive and wide-reaching, and included different typologies of stakeholders (public institutions, NGOs, academic and research institutions, private sector, etc.) at the national, regional and local levels, as deemed necessary by participating countries. It also included all actors participating in the 95 approved projects financed under the ENPI CBC MED Programme 2007-2013. Stakeholders who were consulted had an important role, not only in the definition of MTNs, but also in the identification of the priorities.

Moreover the JPC could make use of ad-hoc sector analyses and specific assessments of socio-economic trends and conditions and the environmental situation in the area to enhance the selection of two out of three Overarching Objectives and four out of ten Thematic Objectives\(^5\) proposed in the Programming Document.

The field experience of the project partners and stakeholders was gathered via three thematic events (Amman, Rome, Valencia) and channelled to the JPC members by including them in a round of consultations. The JPC was called to express its views on a number of shortlisted MTNs that both national delegations and project partners – and the institutions, civil society groups, universities, etc. that they represent – had indicated as the most relevant for future cooperation.

In addition, the Programme Strategy was published on the Programme website, to ensure the widest possible dissemination and to allow for any possible integration and input from qualified actors within the

\(^4\) The first round took place between March and April 2013, the second between September and November 2013, the third between December 2013 and April 2014, and the final one was conducted between June and July 2014.

\(^5\) *Ibidem.*
The consultation process and the methodological steps that have contributed to the Strategy definition are described extensively in Annex 1 to the present document.

**Steps undertaken to define Programme structures and implementation**

At the JPC meeting held in March 2013, the Autonomous Region of Sardinia (Italy) was confirmed as MA for the period 2014-2020, in competition with the Generalitat Valenciana (Spain). The decision on the two Branch Offices in Valencia and Aqaba, and the set up of a Joint Technical Secretariat, was taken at the JPC meeting in May 2014. The Audit Authority proposed by Italy was appointed by the JPC in January 2015.

A consultation on the structures and the Programme implementation was launched by the MA in summer 2013. In particular, the JMA submitted a questionnaire to Beneficiaries and Partners of the financed projects, requesting feedback concerning the 2007-2013 Programme bodies and suggestions for the future. The results of these questionnaires were presented during the JPC meeting held in September 2013 and taken into account when defining the new Programme structures. Moreover, throughout the programming process, the INTERACT ENPI, with the participation of the MA, has carried out technical briefings in all partner countries to inform about their responsibilities according to the Implementing Regulation (EU) No 897/2014.

The programme chapters on managing structures and implementation procedures have been drafted following a continuous and extensive consultation of the concerned national authorities, both on the occasion of the technical briefings and during the various meetings of the JPC and Heads of Delegation.
1. PROGRAMME AREA

1.1 CORE ELIGIBLE AREA

The eligible territories per country are:

**Algeria**: Tlemcen, Ain Temouchent, Oran, Mostaganem, Chlef, Tipaza, Alger, Boumerdes, Tizi Ouzou, Bejaia, Jijel, Skika, Annaba, El Tarf

**Cyprus**: the whole country

**Egypt**: Marsa Matruh, Al-Iskandanyah, Al Buhayrah, Kafr ash Shaykh, Ad Daqahliyah, Dumat, Ash Sharquiyah, Al Isma‘iliyyah, Bur Sa‘id

**France**: Corse, Languedoc-Roussillon, Provence-Alpes-Côte d’Azur

**Greece**: Anatoliki Makedonia - Thraki, Kentriki Makedonia, Thessalia, Ipeiros, Ionia Nisia, Dytiki Ellada, Sterea Ellada, Peloponnisos, Attiki, Voreio Aigaio, Notio Aigaio, Kriti

**Israel**: the whole of the country

**Italy**: Basilicata, Calabria, Campania, Lazio, Liguria, Puglia, Sardegna, Sicilia, Toscana

**Jordan**: Irbid, Al-Balga, Madaba, Al-Karak, Al-Tafihal, Al-Aqaba

**Lebanon**: the whole of the country

**Libya**: Nuquat Al Kharms, Al Zawia, Al Aziziyah, Tarabulus, Tarunah, Al Khons, Zeleitin, Misurata, Sawfajin, Surt, Ajdabiya, Banghazi, Al Fatah, Al Jabal Al Akhdar, Damah, Tubruq

**Malta**: the whole country

**Morocco**: Oriental, Taza-Al Hoceima-Taounate, Tanger-Tetouan

**Palestine**: the whole of the country

**Portugal**: Algarve

**Spain**: Andalucia, Catalunia, Comunidad Valenciana, Murcia, Islas Baleares, Ceuta, Melilla

**Syria**: Al Ladhiqiyan, Tartus

**Tunisia**: Medenine, Gabes, Sfax, Mahdia, Monastir, Sousse, Nabeul, Ben Arous, Tunis, Ariana, Bizerte, Beja, Jandouba

**Turkey**: TR21 (Tekirdağ, Edirne, Kirklareli), TR22 (Balikesir, Çanakkale), TR31 (İzmir), TR32 (Aydın, Denizli Muğla), TR61 (Antalya, Isparta, Burdur), TR62 (Adana,Mersin), TR63 (Hatay, Kahramanmaraş, Osmaniye)

**United Kingdom**: Gibraltar

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7 The French eligible territories may change due to the on-going administrative reform.

8 Due to an administrative reform, the list of Libya’s regions, corresponding to the one in the Programming Document, may differ from the map in par. 1.3.

9 At the time of approval of the Joint Operational Programme, CBC cooperation between the EU and Syria is suspended.
1.2 ADJOINING REGIONS AND MAJOR SOCIAL, ECONOMIC AND CULTURAL CENTRES

1.2.1 LIST OF ADJOINING REGIONS AND JUSTIFICATION

<table>
<thead>
<tr>
<th>Country</th>
<th>Region(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Egypt</td>
<td>Al Gharbiyah, Al Minufiyah, Al Qalyubiyah, As Suways</td>
</tr>
<tr>
<td>France</td>
<td>Rhône-Alpes, Auvergne, Midi-Pyrénées</td>
</tr>
<tr>
<td>Greece</td>
<td>Dytiki Makedonia</td>
</tr>
<tr>
<td>Italy</td>
<td>Molise, Abruzzo, Marche, Umbria, Emilia Romagna, Piemonte</td>
</tr>
<tr>
<td>Jordan</td>
<td>Al-Mafraq, Ma’an, Amman, Ajlun, Jarash, Az Zarqa’</td>
</tr>
<tr>
<td>Portugal</td>
<td>Alentejo</td>
</tr>
<tr>
<td>Spain</td>
<td>Extremadura, Castilla La Mancha, Aragon</td>
</tr>
<tr>
<td>Syria</td>
<td>Hama, Idlib, Homs</td>
</tr>
<tr>
<td>Tunisia</td>
<td>Tataouine, Kebili, Gasfa, Sidi Bouzid, Kairouan, Zaghouan, Manoubba, Le Kef, Siliana</td>
</tr>
</tbody>
</table>

In continuity with the 2007-2013 programming period, the participation in calls for proposals of beneficiaries located in the adjoining regions listed above may be allowed by the Joint Monitoring Committee on a case by case basis. In fact, this possibility may boost the achievement of the objectives of the Programme. This participation should however be based on specific justifications to be provided by the partnership in the project application.

Actors located in adjoining regions can participate only as co-applicants in project proposals (not as lead beneficiaries) and under the condition that there is a clear benefit for the project. In particular, the project proposal shall contain sufficient elements to demonstrate that organisations from adjoining regions:
- bring a substantial added value in achieving project objectives which could not be attained by involving actors coming only from the core eligible areas;
- are essential for achieving a CBC impact both for the areas covered by the project proposal and for the core eligible area.

Project beneficiaries may implement activities in the adjoining regions, provided that there is a benefit for the project as a whole.

The JMC may introduce other criteria for the participation of adjoining regions when defining the rules applicable to each call for proposals.

1.2.2 LIST OF MAJOR SOCIAL, ECONOMIC AND CULTURAL CENTRES AND JUSTIFICATION

<table>
<thead>
<tr>
<th>Country</th>
<th>Centre</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portugal</td>
<td>Lisbon</td>
</tr>
</tbody>
</table>

10 The French adjoining regions may change due to the on-going administrative reform.
The Lisbon Region is included in the Programme area as a major social, economic or cultural centre, according to article 8 par. 3 of Regulation (EU) No 232/2014 establishing a European Neighbourhood Instrument.

Article 8 par. 3 of Regulation (EU) No 232/2014 states that “In duly justified cases, major social, economic or cultural centres in the Member States or in other cross-border cooperation participating countries that do not adjoin eligible territorial units may be included on condition that such participation contributes to the objectives laid down in the programming document.”

The Portuguese delegation introduced the proposal for including the Lisbon Region as a major social, economic and cultural centre at the JPC in Aqaba in May 2014. Following a deeper analysis and discussion at the JPC in Rome in January 2015, the proposal was accepted under the overarching objective “Promote economic and social development”, based on the reasons reported below.

Firstly, Lisbon - as the capital region - plays a major role for the whole national territory. Its capacity for attracting domestic and foreign investment has led to a concentration of population and employment in fields of high research, development and innovation potential. Key stakeholders are mainly based in Lisbon and their experiences provide a valuable reference for participating countries facing the transition to post-industrialised economies.

Secondly, since 1988 Portugal has developed significant know-how in the management and implementation of cohesion policies and structural funds. Through its participation in European Territorial Cooperation Programmes, Portugal has reinforced its social, cultural and economic assets. It has contributed to the strategic priorities in joint interventions of EU Member States in integrated territorial development policies in cross-border, transnational and interregional cooperation.

In particular, Lisbon region is a decision-making centre, home-base for several creative industries clusters, technology parks, universities, head offices of the most important enterprises, innovation centres and national laboratories with regional productive specialization based on a diversified set of sectors and the presence of the most dynamic elements of the economic development. Diversified poles of research and development activities provide Lisbon with the largest volume of national expenditures in research and development activities.

These features will contribute to the creation of a critical mass for good practices exchanges and knowledge transfer within the Mediterranean Area.

The JPC has decided to limit the participation of the Lisbon Region to the Programme Overarching Objective 1. Promote economic and social development, including its three thematic objectives, namely: 1.A Business and SMEs development; 1.B Support to education, research, technological development and innovation; 1.C Promotion of social inclusion and fight against poverty.
1.3 MAP OF THE COOPERATION AREA

Eligible regions
Adjoining
Major centers
2. STRATEGY

The European Neighbourhood Instrument (ENI) and the European Neighbourhood Policy (ENP) have the objective\(^\text{11}\) of assisting progress towards “an area of shared prosperity and good neighbourliness” between EU Member States and their neighbours, as set out in the framework on which the Strategy of the Programme is founded.

The overarching and thematic objectives of the Strategy, the related priorities and expected results, are based on a participatory methodology, involving an extensive consultation process with an in-depth analysis and research of the socio-economic context and of the most relevant sectors of cooperation, as determined by the JPC participating countries. The analysis of the coherence and complementarities with EU and non-EU main programmes targeting the area provide further ground for JPC decisions.

The sections that follow offer an outline of the Strategy and the main outcomes of the analyses and consultation process. In particular, they include:

- a socio-economic analysis of the area, which outlines main trends in terms of demographic, economic growth and social cohesion, also reflecting strengths, weaknesses and medium-term needs;
- an analysis of the environmental state of the area, based on a number of environmental sectors (namely water management, energy, waste management and integrated coastal zone management), which are considered as most relevant for the area by participating countries;
- a wide consultation with participating countries and other stakeholders, in harmony with principles of ownership and partnership, as briefly outlined in the introductory section to the present Programme. This wide consultative process is the basis of the Strategy and has also oriented and focused the desk analysis on a number of key sectors for the area;
- a description of overarching and thematic objectives as well as of the related priorities;
- an analysis of the main EU and non-EU funded programmes in the area.

2.1 THE SITUATION ANALYSIS: MAIN SOCIO-ECONOMIC TRENDS AND ENVIRONMENTAL STATE

2.1.1 POPULATION TRENDS

The area covered by the ENI CBC MED Programme includes 19 eligible countries and is quite heterogeneous in terms of socio-economic backgrounds, natural resource endowments, climate, etc. Even though there are still imbalances between the countries participating in the Programme, some socio-economic indicators point to the fact that reversing trends are emerging and some of the gaps between the two shores of the Mediterranean are closing or narrowing.

With respect to demographic trends, the population of the eligible regions of the Programme totalled 158 million in 2012-2013, increasing by roughly 10% compared to the period of 2004-2005 (as recorded at the time of the elaboration of the JOP 2007-2013).

However, while in 2004-2005 the population was equally divided between European Union Partner Countries and Mediterranean Partner Countries (MPCs), in 2012-2013 the population of the Southern-rim Countries exceeded by 9 million that of the Northern-rim ones. Table 1 below shows population growth over a time span of 8 years, with the Mediterranean Partner Countries growing at a rate averaging three times that of the European Partner Countries (+16.7% and +4.2%, respectively). At one extreme stand Greece and Italy, while at the other are very high-fertility, southern-rim Countries: Israel and Palestine, followed by Egypt.

Moreover, population size in eligible regions is quite heterogeneous in the two groups of countries, with Egypt and Algeria accounting for more than 50% of the eligible population in the MPCs and, on the other shore, Italy and Spain representing around 72% of the eligible population.

Table 1

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Algeria</td>
<td>13186</td>
<td>14447</td>
<td>9.56</td>
<td>Cyprus</td>
<td>749</td>
<td>865</td>
</tr>
<tr>
<td>Egypt</td>
<td>23301</td>
<td>28285</td>
<td>21.39</td>
<td>France</td>
<td>7555</td>
<td>7986</td>
</tr>
<tr>
<td>Israel</td>
<td>6621</td>
<td>8134</td>
<td>22.85</td>
<td>Greece</td>
<td>10788</td>
<td>10777</td>
</tr>
<tr>
<td>Jordan</td>
<td>1885</td>
<td>2202</td>
<td>16.82</td>
<td>Italy</td>
<td>29586</td>
<td>29810</td>
</tr>
<tr>
<td>Lebanon</td>
<td>3940</td>
<td>4747</td>
<td>20.48</td>
<td>Malta</td>
<td>402</td>
<td>421</td>
</tr>
<tr>
<td>Libya</td>
<td>5017</td>
<td>5721</td>
<td>14.03</td>
<td>Portugal</td>
<td>411</td>
<td>444</td>
</tr>
<tr>
<td>Morocco</td>
<td>6172</td>
<td>6776</td>
<td>9.79</td>
<td>Spain</td>
<td>21369</td>
<td>23601</td>
</tr>
<tr>
<td>Palestine</td>
<td>3450</td>
<td>4420</td>
<td>28.12</td>
<td>UK</td>
<td>29,1</td>
<td>29,7</td>
</tr>
<tr>
<td>Syria</td>
<td>1625</td>
<td>1914</td>
<td>17.78</td>
<td>Total</td>
<td>72157</td>
<td>84290</td>
</tr>
<tr>
<td>Tunisia</td>
<td>6960</td>
<td>7644</td>
<td>8.83</td>
<td>Total</td>
<td>70889</td>
<td>73934</td>
</tr>
<tr>
<td><strong>TOTAL POP ENPI 2004-2005</strong></td>
<td>143487</td>
<td><strong>TOTAL POP ENPI 2012-2013</strong></td>
<td>158224</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL POP (ENPI+IPA) 2004-2005</strong></td>
<td>155176</td>
<td><strong>TOTAL POP (ENPI+IPA) 2012-2013</strong></td>
<td>170799</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

This data does not reflect the influx of the large number of Syrians fleeing the conflict in Syria to some of the countries participating in the Programme. Syrian refugees registered at UNHCR as of May 2014 are approximately 2.7 million (over 1 million in Lebanon, over 700,000 in Turkey, over 500,000 in Jordan and around 140,000 in Egypt) but this figure – considering also unofficial/unregistered flows – is estimated to be much higher.

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Given that socio-economic figures at sub-national level are not available for all participating countries, the following analysis relies on statistics at national level. Over the past 30 years, southern Mediterranean countries have had a higher fertility and a population growth rate nearly five times higher than that of the northern shore. However, among the MPCs there are countries that are already experiencing a demographic transition from high to low rates of population growth and are hovering at or near replacement level of fertility (e.g. Algeria, Tunisia), while others that continue to exhibit higher levels of fertility and growth (such as Palestine, Egypt, etc.). Overall, population growth in the MPCs is projected to continue decreasing, averaging 1.75% between 2000 and 2025 and 0.6% between 2025 and 2050, significantly lower than in the past.

On the other end, the population growth rate of the European Partner Countries – already quite low between 1975 and 2000 (with an annual increase of only 0.5%) – is expected to further decrease, falling to an average of 0.08% between 2025 and 2050, according to projections by the Department of Economic and Social Affairs of the United Nations (UNDESA).

If demographic gaps between European and Mediterranean Partner Countries – in terms of fertility and life expectancy – are decreasing, in terms of age structure they are still far apart. The Mediterranean Partner Countries have a significantly younger age structure than the European Partner Countries. The median age for MPCs is on average 25.2 (with the highest value of 30 recorded in Lebanon and Israel), significantly lower than in EU Mediterranean Countries (EUMCs), with 35-39 as the largest age group and an average median age of 39.6 (the lowest median value, 34 years, is recorded in Cyprus).

The area has a diverse population density. Malta is the most densely populated European Partner Country (1318 inhabitants per square meter) followed by Cyprus (119); while on the southern shore, Palestine (671), Lebanon (406) and Israel (335) have the highest densities. In Egypt, the relatively low density is misleading, since the country’s population is concentrated on only 5% of the land.

Density is particularly high in coastal areas: more than one-third of the total population of the area lives along the coastline, concentrated on a strip of land that accounts for less than 12% of the total surface area. Concentration in coastal zones is high in the southern Mediterranean countries, where population density varies greatly, ranging from more than 1000 people/sq. km in the Nile Delta to less than 20

---

Table 2

<table>
<thead>
<tr>
<th>Country</th>
<th>Population (,000)</th>
<th>% urban</th>
<th>% avg urban population growth</th>
<th>Total urban</th>
<th>Rural</th>
<th>2010-2015</th>
<th>% avg growth total population</th>
</tr>
</thead>
<tbody>
<tr>
<td>MPCs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Algeria</td>
<td>35.980</td>
<td>26.250</td>
<td>9.730</td>
<td>73.0</td>
<td></td>
<td>2.49</td>
<td>1.51</td>
</tr>
<tr>
<td>Egypt</td>
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UNDESA, World Population Prospects, 2011
people/sq km along the Libyan shoreline, and very high in the western Mediterranean and the eastern shore of the Aegean-Levantine region.

In general, as table 2 shows, urban population is growing at a faster pace than the total population.

Indeed, despite a decelerating tendency, urban population still represents around 75% of the total population in EU Countries, with 143 million people living in towns and with significant differences between countries. (For example, urban population represents 61% of the total in Greece and Portugal; whereas in Malta and France it accounts for 95% and 85% of the total, respectively.) The MPCs have undergone rapid urbanization since the 70s and are now highly urbanized (urban population accounts for 59% of the total). Even though growing at a slower pace from 1995 onward, MPCs urban population is projected to double between 2010 and 2050.

The MPCs have undergone rapid urbanization since the 70s and are now highly urbanized (urban population accounts for 59% of the total). Even though growing at a slower pace from 1995 onward, MPCs urban population is projected to double between 2010 and 2050.

2.1.2 SOCIO-ECONOMIC TRENDS AND CHALLENGES

Since the first ENPI CBC Med Programme was launched in 2007, the cooperation area has been shaken by an outbreak of events that is still challenging its economic stability and social cohesion.

The area is affected by a generalised economic slowdown. This has impacted all countries, but with a varying magnitude, and it is challenging macroeconomic stability in the near term. Economic difficulties have been further amplified by the recession in Europe, the area’s most important trading partner. The economic slowdown has been primarily driven by:

- weak exports, due to the recession in Europe;
- reduction in investments, due to political uncertainty;
- an increase in the import bill caused by high international oil and food prices;
- a drop in tourism receipts (which in 2010 accounted for over 20% of GDP in Lebanon, 12% in Jordan and between 5% and 8% in Morocco, Tunisia and Egypt).

<table>
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<th>2013 current prices, billions USD</th>
<th>PPP, billions constant prices (2013/2012)</th>
<th>% change, constant prices (2013/2012)</th>
<th>% of World GDP 2012</th>
<th>% of World GDP 2007</th>
<th>GDP per capita</th>
<th>2013 current prices, billions USD</th>
<th>PPP, current international dollar</th>
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| Data source: IMF, World Economic Outlook Database 2014 (latest data available for Syria: 2010); Palestinian Bureau.
Increased public spending to expand subsidies, transfers, and public-sector wages to meet higher social demands and sustain social cohesion resulted in current account deficits and a higher debt level. The outlook was worsened for many countries, which witnessed a decline in foreign reserves, mainly due to measures undertaken by central banks to prop up the exchange rate.

On the other shore of the Sea, Europe has been beleaguered by two crises, closely interrelated: a banking crisis, stemming from losses in capital market securities driven by the spread of new financial instruments and derivatives, and a sovereign debt crisis exacerbated by recession. Europe is still struggling to find its way out of the crisis: financial market conditions improved, but transmission of this improvement to the real economy is slow, growth remains weak and unemployment is at a record high. Risks associated with ultra-low inflation can be problematic for the euro area, as this implies higher real debt stocks and real interest rates, less relative price adjustment, and greater unemployment. Taking 2007 as a reference year (at the time of the JOP 2007-13 elaboration and before the crises broke out), the impact of the crises and the changed economic outlook is incontrovertible, with economies of Greece, Italy, Portugal, Spain and Cyprus having dramatically contracted since then (Table 3).

The whole area of the ENI CBC MED Programme faces serious job deficits. Table 4 shows the steady increase of unemployment starting from 2011 and its rapid growth until 2013, as labour market conditions showed no signs of improvement in the EUMCs. In the MPCs, the modest economic growth rate in 2013 (GDP at constant prices increased by over 4% in Morocco; 3.3% in Jordan, 2.7% in Algeria and Tunisia; 2.1% in Egypt) proved too low to generate sufficient employment opportunities for a fast growing population, and unemployment remained high. Despite small improvements in 2015, GDP growth estimation (Egypt +3.5%, Jordan +5%, Tunisia +3.7%, according to estimates by the International Monetary Fund), its effects on the labour market are expected to be slow and the jobs gap is projected to remain substantial in a number of Countries of the area. A breakdown of unemployment by education attainment shows that unemployment tends to increase with schooling in the MPCs, pointing to the fact that skill mismatches do exist between what is required in the labour market and the competencies gained while in the education and training systems.

Table 4

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Source: ILO. Global Employment Trends 2014

(*) Projections

13 Source: World Economic Forum - Addressing the 100 Million Youth Challenge. Perspectives on Youth Employment in the Arab World in 2012. Page 8
Consequently, poverty and social exclusion have become crucial issues in both EUMCs and MPCs. The percentage of the population at risk of poverty and social exclusion has increased in 2010 and 2011 in the EUMCs\(^{14}\) and regional inequalities are widening. In the MPCs, the incidence of poverty shows stark differences between rural areas – where there are problems like lack of access to clean water, poor education, inadequate health services and inadequate infrastructure – and coastal urban areas, which enjoy higher living standards. Women are often the most disadvantaged with limited access to education, health care and considerable restrictions on their personal mobility. Poverty is concentrated among vulnerable groups which are the last ones to benefit from growth. These groups – including the illiterate, rural dwellers and large families with many dependants – are generally impacted only by rapid economic growth. Meanwhile, inequality is steadily increasing in the MPCs.

Youth have been hit by the crises more than other age groups: the unemployed youth were around 10 million in 2013 in the area, showing an increase of almost 15% compared to 2009. A significant proportion of youth risk prolonged unemployment, a situation that can have serious consequences on their future and opportunities in terms of wage “scarring effects” and other social effects. At the end of 2013, the youth unemployment rate doubled or tripled in some of the EUMCs since 2009. Greece and Spain have a youth unemployment rate of well over 50%, and Italy, Cyprus and Portugal experience approximately 40% youth unemployment. Like the EUMCs, also the MPCs are witnessing an upsurge in youth unemployment rates.

Young women in particular face extremely high levels of unemployment. In many countries in the region, female unemployment rates are as high as 50% (World Bank, World Development Report 2012). Demographic factors, market rigidities, skill mismatches and inflated public sectors are among the key drivers of youth unemployment in the EUMCs and MPCs, according to the IMF (International Monetary Fund).

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\(^{14}\) The population at risk of poverty and social exclusion is the share of the population in at least one of the following three conditions: 1) **at risk of poverty**, meaning below the poverty threshold (measured at 60% of median income after social transfers), 2) in a **situation of severe material deprivation** (i.e. cannot afford at least four of the nine following items: 2.a) (arrears on) mortgage or rent payments, utility bills, hire purchase instalments or other loan payments; 2.b) one week’s annual holiday away from home; 2.c) a meal with meat, chicken, fish (or vegetarian equivalent) every second day; 2.d) unexpected financial expenses; 2.e) a telephone (including mobile phone); 2.f) a colour TV; 2.g) a washing machine; 2.h) a car and 2.i) heating to keep the home adequately warm); 3) living in a **household with very low work intensity** (the ratio between the number of months that household members of working age (aged 18-59, not being a student aged 18-24) worked during the income reference year, and the total number of months that could theoretically have been worked by the same household members).
The so-called NEETS, young people Not in Employment, Education and Training, represents a particularly vulnerable category. Table 5 shows the significant share of youth not in employment and education in some of the participating countries.

Young people represent a huge untapped potential, in which society ought to invest, as they can provide the human capital for future growth and be a major driver for development. Therefore, one of the most relevant challenges for the Programme area is to generate inclusive economic growth and create jobs, to reduce the high rates of unemployment and absorb the high number of new entrants, including women, into the work force, especially in the MPCs. Schemes to boost youth employment and investment in Micro, Small and Medium-sized Enterprises (MSMEs) are important drivers of change.

Supporting inclusive economic growth also entails boosting MSMEs as key drivers of development. Indeed, MSMEs play an essential role as they can generate jobs and stimulate innovation processes (both technological innovation and innovation in operations and management). On both shores of the Mediterranean, MSMEs represent more than 50% of the total workforce and more than 90% of the overall enterprises in the region and account for a significant portion of export and GDP. Almost 90% of total MSMEs are actually micro-enterprises, with fewer than 10 employees. Notwithstanding the economic downturn and the credit crunch, MSMEs continue representing the backbone of the economy; however, they face several difficulties related to their small size, that limit their possibility to compete and position themselves in a globalised economy. Tackling globalisation by strengthening the role of Mediterranean MSMEs in global, notably euro-Mediterranean, value chains and promoting MSMEs aggregation forms (consortia, clusters, value chains, partnership and networks), is of the utmost importance for this Programme, especially given its specific cross-border dimension.

Continuous technological, managerial and operational innovation is key for ensuring MSMEs’ competitiveness and it is among the most important challenges for the area. Key enabling technologies, including clean and environmental friendly technologies to preserve or restore environmental quality and ecosystems, may represent important drivers of SMEs growth and employment generation.

Innovation and technology (IT) is a major driver for competitiveness and productivity gains that can in turn stimulate long-run endogenous economic growth. Data on General Expenditure on Research and Development for participating Countries show that the R&D expenditure is less than 2% of the GDP. More specifically:

- in the EUMCs, the average R&D expenditure is 1.27% of the GDP (with the exception of France, with a value of 2.25%) far from the targets set by Europe 2020;

- in the MPCs, excluding Israel (whose expenditure accounts for 4.40% of its GDP), R&D accounts for less than 1% of GDP on average.

However, the concept of IT goes beyond theoretical/fundamental research and scientific publications to encompass social innovations and business model innovations as well\(^\text{15}\). The Global Innovation Index 2012\(^\text{16}\), a composite index developed by INSEAD and the World Intellectual Property Organization, takes into account different dimensions of innovation, also considering the business outcomes of innovation and

\(^{15}\) As the Oslo Manual, jointly developed by the EU and the OECD, states: *An innovation is the implementation of a new or significantly improved product (good or service), a new process, a new marketing method, or a new organizational method in business practices, workplace organization, or external relations, available to markets, governments and society.*

the government’s ability to encourage and support innovation through public policy. Participating countries’ ranking in the Index reveals quite a diverse scenario.

Developing the systemic dimension of innovation by improving the linkages between the various innovation players – notably the science system and higher education, the government and the private sector – with a view to facilitating technological transfer and commercialisation of research results, is dramatically relevant for the cooperation area.

Another important issue related to IT is access to capital (particularly venture capital) that is still very low. Firms, in particular MSMEs, face great difficulties in tapping external sources of funding to support their innovation investments.

The Mediterranean Sea is the “connective tissue” linking the various countries participating in the ENI CBC Programme. It represents a unique ecosystem, both in terms of habitats and biodiversity – as well as in its rich and diverse mix of humanity as far as cultural values and heritage – thanks to which the area has earned a reputation as the World Top Tourism Destination. **Tourism** is a major pillar of the economies of the area, as it accounts for an average of 6% of the GDP of the Programme area and contributes directly to 7.7 million jobs and indirectly to almost 20 million jobs (through ancillary sectors) and accounts for approximately one third (around 290 millions) of the total international tourist flow worldwide, and USD 235 billion of tourist receipts (2011). The most important challenge that Mediterranean tourism has to face is improving its competitiveness and adapting to new demand, now shifting towards other regions and alternative tourist products.

### 2.1.3 Environmental State and Key Figures

Mediterranean countries face a number of common environmental challenges and pressures. By addressing these pressures, countries in the cooperation area can preserve and valorise the unique natural and cultural heritage and take advantage of its untapped potential which is still not fully exploited. Greening the economy by realising its renewable energy potential and valorising the natural assets to help revitalise the tourism industry, can provide economic and environmental benefits.

Central to the idea of preserving the Mediterranean coastal zones is the ecosystem approach applied through **Integrated Coastal Zone Management (ICZM)**, a process that takes into account the complex set of interactions of different drivers and competing environmental, economic, social, cultural and recreational objectives that can affect ecosystems.

The main pressures on the environment of the Mediterranean include:

- high population densities, especially along coasts (which represent less than 12% of the available land surface but are home to more than one third of the total population of the Programme area) and the associated urban sprawl and uncontrolled expansion of both residential and service built areas;
- overfishing and excessive exploitation of natural resources (Mediterranean fish landings represent 1% of total world landing, but its surface is only 0.8% of the total oceans’ surface);
- the proliferation of marinas and tourist infrastructure;
• marine litter and untreated waste (69% of the Mediterranean coastal cities of more than 10,000 inhabitants are connected to wastewater treatment plants, while 40% of the cities with a population between 2,000-10,000 inhabitants are not connected to any wastewater treatment plants), which put enormous pressure on the Mediterranean coastal ecosystems, leading to eutrophication and biodiversity loss as well as habitat destruction.

To effectively tackle ICZM, with its complex set of interactions between different drivers and competing environmental, economic, social, cultural and recreational objectives, sectoral planning focusing on a single type of use is not enough. The situation requires a systemic and holistic approach to planning, in order to take into account how concurrent and cumulative uses can affect ecosystems and to establish a balance of the different interests represented by a multiplicity of institutional actors involved – including coastal planners, watershed management authorities, shipping authorities, ministries, local communities and many other stakeholders.

Key areas to address include waste management, water and renewable energy and energy efficiency.

**Waste management** represents a cornerstone in the effort to preserve Mediterranean cities and coastal areas and guarantee a healthy living environment for communities. Municipal waste management, which represents a big challenge for the area, is directly affected by population growth and concentration, urbanization and tourism. Municipal solid waste generation in Europe experienced a constant increase, along with GDP growth, from 1995 to 2002. After 2002, the growth in municipal solid waste began to slow down, stabilising at about 520 kg/capita/year, or an average rate of increase of 0.2%, even as economic growth in Europe continued at a much higher rate. In 2011, the growth in this type of waste was further reduced to 500 kg/capita/year, corresponding to 1.36 kg/capita/day. Indeed, Europe succeeded in decoupling, that is in breaking the link between the production of material wealth and the production of waste. And EUMCs have room to further reduce their waste generation to align with the EU average (500 kg/capita/year); this is particularly true of countries such as Malta, Cyprus Italy and Spain. In MPCs, estimations indicate a significant increase in the municipal waste generation rate from 1998 to 2010.

**Water** availability in the Mediterranean basin is limited – mainly dependent on runoff from mountain areas – and therefore the area is one of the most vulnerable to “water crisis”. Resources are unevenly distributed across countries: nearly two-thirds of the water resources – 1.2% of the world’s renewable water resources or approximately 550km³ per year – are concentrated in the northern rim countries. Meanwhile, most countries on the Southern and Eastern shores of the Mediterranean are in “water stress”17, with less than 1,000 m³/capita/year. The countries of Libya, Malta, Jordan, Palestine, Israel, Tunisia and Algeria, with a total population of around 80 million people, face a “structural shortage” of water, with less than 500 m³/capita/year. Climatic changes, population growth and human activities (agriculture, tourism and industrial development) directly affect water availability. Drinking water accounts for around 16% to 18% of total water withdrawals. The lion’s share of the water goes to irrigated agriculture, accounting for anywhere from 49% to around 78% of total withdrawals, in the north Mediterranean Countries and in the MPCs respectively. Water for industry and energy is the second most common use, with a share of around 10% in MPCs and 32% in EUMCs.

Despite some encouraging progress, current water-use efficiencies in the drinking water and irrigation sectors still represent a challenge for the area. Indeed, losses and leaks during conveyance and distribution,

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17 The Falkenmark water stress indicator is based on the calculation of water resources per capita per year, in Water Demand Management: The Mediterranean Experience, TECHNICAL FOCUS PAPER 1, Blue Plan and Global Water Partnership, 2012.
combined with inefficiency and waste in both irrigation and domestic use, are estimated at nearly 100 km$^3$ per annum, or 45% of total water demand for these two sectors (220 km$^3$ per year). As a matter of fact, improving water efficiency, with a particular focus on agriculture, as well as increasing water supply through non-conventional water resources, are among the utmost priorities for the ENI CBC-MED cooperation area.

**Renewable energies** represent a natural competitive advantage for the area and – together with energy efficiency improvements – they offer large potential for emission reductions. Greenhouse gas (GHG) emissions due to CO2 connected with energy use are over 70% in the Mediterranean (accounting for around 7% of the World’s total CO2 emissions). CO2 emissions increased in the MPCs at a rapid pace (+18.7%, over the period 2005-2010), while the EUMCs experienced a reduction in total emissions (-14%, over the same time span). EU and partner Mediterranean countries have put forward in the run up to United Nations Framework Convention on Climate Change (UNFCCC) COP 21 a variety of emission reduction, renewable energy and energy efficiency commitments.

Buildings are responsible for approximately one third of total energy consumption in MPCs and 40% of the European Union’s total energy consumption. In this respect, Europe has issued an ad-hoc Directive on the Energy Performance of Buildings, and some MPCs (Algeria, Egypt, Turkey, Tunisia, Jordan, Palestine, Syria and Lebanon) have recently adopted regulations in this area, to set parameters for energy efficiency in new buildings, and have launched pilot projects. Due to the common geographic, climatic and geological characteristics of these countries, they can benefit in the near future from exchange of experiences and transfer of innovation aimed at reducing the heating demand (in terms of annual energy balance) and minimising the cooling peak power, as well as supporting sector operators to identify cost-effective approaches to renovations relevant to the building type and climatic zone demand.

### 2.2 Lessons Learnt on Strategy

Based on the experience of the previous ENPI MED CBC Programme 2007-2013, the new JOP focuses on economic, social and environmental challenges of the utmost relevance for the cooperation area: revitalisation of the economy through innovation and euro-Mediterranean networks and value chains that have the ultimate goal of boosting job opportunities and social inclusion; and conservation of unique ecosystems of the Mediterranean. The new strategic framework is based on several lessons learnt during the implementation of the Programme and the approved projects in 2007-2013 and onwards.

As far as the strategic framework is concerned, the Programme for 2007-2013 included four priorities and ten measures covering broadly defined objectives such as: “Promotion of socio-economic development and enhancement of territories” (Priority 1); “Promotion of environmental sustainability at the basin level” (Priority 2); “Promotion of better condition and modalities for ensuring the mobility of persons, goods, and capital” (without the participation of Tunisia and Egypt) (Priority 3); “Promotion of cultural dialogue and local governance” (Priority 4). These priorities set the common reference for the implementation of all standard projects. In addition, six topics were identified as strategic, namely: agro-food industry, sustainable tourism and integrated coastal zone management, under Priority 1; and water management, waste treatment and recycling and solar energy, under Priority 2. Each type of project (standard and strategic) had a different set of generic indicators resulting in two different frameworks for monitoring their implementation.
The clear advantage of a wide range of objectives meant that standard project applicants could more effectively respond to relevant issues within a changing political and economic setting, but this flexibility also made it difficult to steer, orient and focus the number of proposals. Therefore, the new JOP seeks to balance the flexibility required by a multi-annual, multi-country programme with a more focused approach and targeted investment priorities. This choice entails greater effectiveness of project monitoring and a unique strategic framework for the JMC steering and coordination role. The 2014-2020 Programme deepens its thematic focus by selecting four Thematic Objectives (TOs) and detailing each priority at the level of expected results and an indicative list of outputs, including also their indicators. This more focused approach is expected to increase impact and efficiency, while reducing the currently high levels of failed applications for funding.

Indeed, in the previous Programme, three calls for proposals – instead of the five expected – were launched and a total of 95 projects were awarded a total of €185.1 million (€107 million for 76 standards projects and the remaining €74.1 million for 19 strategic projects). The number of applications submitted almost doubled, 599 applications in 2009 to 1,095 in 2013. Although this increase demonstrated a great interest in the programme, it has also resulted in many challenges in terms of managing administrative burdens and high expectations among applicants. The high competition resulted in very low success rates in the calls: less than 5% on average.

In addition to the high number of applications the ENPI CBC MED programme demonstrated a high level of participation, notably by local authorities, academia and civil society organisations of the countries in the approved projects. The cooperation at project level between a large number of institutions and organisations based on the two shores of the Mediterranean should be mentioned. As well as the balanced distribution of funds as a minimum of 50% of the overall project’s budget was allocated to activities implemented in MPCs.

Nonetheless, the role of lead beneficiaries was mostly played by EUMCs, which benefited from their experience under EU cooperation Programmes. For this reason, the new Programme will invest in capacity building specifically to support potential applicants from outside the EU as well as a better focus on the depth and quality of partnerships. Along with a simplification of the application and management process, these measures are expected to increase the participation of MPC applicants, allowing a greater and more coordinated effort in the governance challenges of involving multiple stakeholders. The ENI CBC MED will enhance cooperation with other Mediterranean Programmes and other relevant initiatives, also encouraging projects to exploit existing and/or potential synergies.

Overall, the ENPI CBC MED cooperation confirmed some major trends and weaknesses highlighted in the Programming Document and it is possible to build on the following lessons learnt:

- The thematic focus of the Programme priorities must take into consideration those relevant medium-term needs that can be effectively addressed at cross-border level.
- Project preparation efforts shall be better supported, in order to ensure high levels of partnership commitment, in particular in Southern Countries.
- Previous joint cooperation experiences / networks allow higher performance, either at the stage of the assessment or during their implementation.
- Projects dealing with mobility issues require a direct involvement of key national stakeholders and proved to be difficult to design and implement.
A higher level of coherence and complementarity between projects on each side of the border can ensure real cross-border added value.

Capitalisation activities – already started in the previous programme – can create new opportunities for the projects to be valorised and broaden their impact in the ENI CBC MED area.

Additional lessons learnt on the management and implementation of the Programme are listed under the dedicated paragraph concerning the management structures and procedures.

2.3 THE GENERAL, OVERARCHING AND THEMATIC OBJECTIVES

The General Objective of the ENI CBC MED 2014-2020 is to foster fair, equitable and sustainable economic, social and territorial development, which may advance cross-border integration and valorise participating countries’ territories and values.

The Overarching Objectives (OOs) of the Programme have been selected by the national delegations taking part in the Joint Programming Committee (JPC) of the ENI CBC MED, according to the methodological steps illustrated in the introduction from a common list of three overarching objectives. These objectives were further specified into ten TOs, proposed by the CBC Draft Programming Document 2014-2020, which set the overall framework for the ENI CBC 2014-2020 programmes.

The national delegations have first assessed the relevance and then discussed and agreed on the eight most relevant sectors on which the ENI CBC Programme could focus. The sectors identified were: Innovation and technology, renewable energy, water management, micro small and medium enterprises, waste treatment, tourism, integrated coastal zone management, social inclusion and poverty alleviation.

Through a new consultative process based on detailed sector analysis, two OOs – which are consistent with the needs of the territories of the Programmes – have been selected out of the three proposed by the Programming Document:

- **A - Promote economic and social development**

- **B - Address common challenges in the environment**

In line with the OOs of the Programme, four TOs have been singled out from the list of ten such objectives provided by the Programming Document to form the backbone of the ENI CBC Med Strategy. These four TOs are considered most relevant and appropriate to consolidate the cooperation initiated through the Programme 2007-2013. They are:

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18 Each delegation could score the relevance of each sector from 1 (not relevant) to 4 (very relevant). The other sectors included in the consultation but not considered for further analysis were: Rural development, cultural heritage, transport networks, fishing, public health and migration.

19 The Draft Programming Document includes the first and second Overarching Objectives as follows: “Promote economic and social development in regions on both sides of common borders” and “Address common challenges in environment public health and the prevention of and fight against crime”. The Thematic Objective 4 “Environmental protection, climate change adaptation” has been amended including “and mitigation”. All definitions of the Objectives included in this JOP have been agreed among the JPC members and notified to the European Commission.
A.1 - Business and SME development
A.2 - Support to education, research, technological development and innovation
A.3 - Promotion of social inclusion and the fight against poverty
B.4 - Environmental protection, climate change adaptation and mitigation

TO A.1, A.2 and A.3 directly addresses and contribute to achieving OO A; while TO B.4 is closely related to OO B. Particularly:

- Supporting the creation and strengthening the competitiveness of MSMEs, especially those innovative, and euro-Mediterranean value-chains that might have direct impacts in terms of potential new jobs and opportunities and trickle-down effects that might stimulate the socio-economic development of the area. Strengthening the role of the most disadvantaged in the economy, particularly youths and NEETS severely hit by the crises that have affected the area in recent years, may contribute to ensuring that the process is equitable and fair.

- Undertaking measures for anticipating and mitigating the adverse effects of climate change (such as improving water and energy efficiency) and enhancing environmental protection (through more sound management of wastes, and integrated ECAP-based planning for coastal areas) might serve the purpose of addressing common environmental challenges of the area.

A detailed description of the TOs and their priorities is provided in paragraph 2.4 below.

2.4 PROGRAMME PRIORITIES, EXPECTED RESULTS AND RELEVANT INDICATORS

The Programme priorities are elaborated on the basis of the most relevant medium-term needs (MTNs), which were identified through eight sectoral desk analyses – including analytical data and synoptic tables of MTNs and related strengths and weaknesses – and a wider consultation process of national relevant stakeholders for each of the thematic sectors identified above.

The JPC agreed on a final revision of these priorities, which were also streamlined and checked for consistency and approved for the Programme Strategy.

Along with following the selected Programme priorities, territories participating in the Programme are expected to focus their cooperation on the basis of two key orientations, a people-to-people approach and recognition of the need for institutional capacity building. These concepts can be summed up as follows:

**People-to-people.** In keeping with the ENI CBC Programming Document, the MED CBC considers “people-to-people” efforts as being essential for strengthening ownership and encouraging active participation of civil society across the countries bordering the Mediterranean. This approach is therefore a pre-requisite to successfully achieving the Programme objectives and is particularly relevant to those specific Programme priorities where societal challenges are to be tackled. As a matter of fact, many of the selected priorities, described in the coming paragraphs imply mobilising people’s creativity and cooperation to develop solutions and make use of limited resources.

**Institutional capacity building.** Local institutions have a key role in shaping local economies, not only in terms of making direct investment but also as catalysts for sustainable development. In Mediterranean countries local institutions function within different legislative and operational frameworks, yet the region’s
cities and other local bodies have to face common challenges, such as those linked with urban unregulated development, the proliferation of informal housing/slums on the peripheries of main cities, poverty and unemployment, pollution, etc. The most pressing needs of most cities in the region include: encouraging exchange of good practices and experiences among local institutions, strengthening capacities for quality public services delivery, improving capacities to engage in activities that can create job opportunities, generating income, and improving capacities to secure participation of local civil societies and socio-economic stakeholders in local planning processes.

Unemployment, job deficits and scarcity of opportunities represent some of the most important challenges for the whole area at present, impacting all populations, regardless of age and education. Some disadvantaged groups, such as women and young people, suffer particularly due to the difficulty of getting into the work cycle. This condition is exacerbated by the economic crisis that has hit the countries of the area. The current economic recovery is weak and has left many countries in recession or stagnation. Promoting self-employment, and supporting enterprises that by virtue of their intrinsic characteristics may lead to creation of new jobs and generate a spill-over effect in terms of new knowledge, could create the conditions for a way out of the economic crisis and boost economic growth.

**OVERVIEW OVERARCHING OBJECTIVE A, THEMATIC OBJECTIVES AND PRIORITIES**

**A. Promote economic and social development**

- **A.1 Business and SME development**
  - A.1.1 Support innovative start-up and recently established enterprises
  - A.1.2 Strengthen and support networks, clusters, consortia and value chains
  - A.1.3 Encourage sustainable tourism initiatives and actions

- **A.2 Support to education, research, technological development and innovation**
  - A.2.1 Support technological transfer and commercialisation of research results
  - A.2.2 Support SMEs in accessing research and innovation

- **A.3 Promotion of social inclusion and fight against poverty**
  - A.3.1 Provide young people, especially those belonging to the NEETS and women, with marketable skills
  - A.3.2 Support social and solidarity economic actors
TO A.1 - BUSINESS AND SME DEVELOPMENT

One of the biggest challenges of the Programme area is the creation of economic opportunities and jobs to reduce the high rates of unemployment, especially among youth, that the countries of the area are experiencing, and to absorb the high number of new entrants into the workforce, especially in the MPCs. The need to respond adequately to the job challenge is even more pressing in this phase of political transformation and economic crisis.

It is widely recognised that Micro, Small and Medium Enterprises (MSMEs) – over 90% of the total enterprises in the region – represent a significant economic and employment driver for the area, as they can generate jobs and play a leverage role in stimulating growth and innovation processes.

The sectoral analysis on MSMEs and the related strengths, weaknesses and MTNs (medium-term needs), clearly shows that Mediterranean MSMEs face a number of challenges that might undermine their competitiveness on domestic and foreign markets, as well as their overall sustainability. In order to support medium- to long-term competitiveness, the Programme is to focus on selected aspects that might contribute to improve the overall business framework.

One aspect is related to innovation, including upgrading both processes and products. In fact, continuous technological, managerial and operational innovation is a major driver for competitiveness and productivity gains and, therefore, for ensuring the sustainability and growth of MSMEs. It allows firms to adapt to changes in the end market and can stimulate long-run endogenous economic growth.

Another aspect is related to the globalisation challenge. Export is a strong precursor of growth. Establishing international linkages, clusters and other cooperation forms among MSMEs is crucial to overcome MSMEs’ intrinsic dimensional limits and to achieving economies of scale beyond the reach of individual firms. But this cooperation also has the indirect advantage of stimulating enterprises to learn from each other and exchange experiences, sharing access to research and testing facilities, etc.

A sector that deserves special attention, given its significance in the area, is tourism. Indeed, tourism is a major pillar of the economies of the area, both in terms of contribution to GDP and to employment. Tourism faces important challenges that the Programme will address and that are mainly related to the seasonality of tourism products in the Mediterranean.

In consideration of the above-mentioned challenges, three priorities have been selected under TO A.1: the first two are meant to be a targeted response to some of the main challenges MSMEs are called to face, while the third is thematically focused on a specific sector, critically important in the euro-Mediterranean context, i.e. tourism.

**PRIORITY A.1.1**

**Support innovative start-ups and recently established enterprises, with a particular focus on young and women entrepreneurs, and facilitate the protection of their intellectual property rights and commercialisation where applicable**

Priority A.1.1 focuses on innovative start-ups and recently established enterprises for their potentially strong contribution to MSMEs’ competitiveness and for their capability to innovate and create new knowledge that is transmitted to other firms.
Technological, managerial and operational innovations pursued by start-ups and recently established firms that have the capabilities to engage in innovation may significantly contribute to improve the Mediterranean business ecosystem, as many MSMEs still operate in low-productivity sectors, driven more by needs and subsistence rather than from economic opportunities. Apart from firms that started-up during the new CBC-MED Programme, the Programme will also focus on those firms that have been established since the start of the Arab Spring changes (2011) but have encountered difficulties in continuing operation in the wake of further developments, new instability and an economic downturn. These businesses are important in the Mediterranean context, especially for their potential role as job creators.

Access to finance, particularly for micro and small firms, is difficult. In both EUMCs and MPCs, higher collateral requirements, higher cost of capital in general, as well as high rejection rates hamper access to credit and, indeed, only about 20% of the region’s MSMEs have access to financing. In Europe, the financial crisis has had a negative effect on bank lending, with a tightening in credit terms, especially for SMEs.

This priority may include a variety of schemes and initiatives to support these types of enterprises. These initiatives may relate to improvement of access to financing (also through ad hoc schemes and provision of risk capital); dedicated training, coaching and mentoring programs to strengthen business and managerial knowledge; and the creation of local hubs and accelerators to train/coach and host talents. Also, they may extend to specialized supporting services: R&D services, sector-specific product developments services, scientific partner search, early stage commercialisation programs, etc.

Another important aspect is related to Intellectual Property Rights (IPRs). The Programme intends to tackle this issue, improving the capacities of public authorities to valorise young and women entrepreneurs by facilitating their access to Intellectual Property Rights and commercialisation schemes.

Special attention is given to categories in the population that, based on the socio-economic context analysis, have suffered the most from the economic downturn and have difficulty in entering the work cycle: women and youth. Specifically, initiatives will target youths – preferably graduates – people in the age group 24-35. Preferential access is also to be granted to women entrepreneurs through, for instance, women-to-women support and mentorship programmes.

**Overarching Objective A: PROMOTE ECONOMIC AND SOCIAL DEVELOPMENT**

**Thematic Objective: A.1 BUSINESS AND SMES DEVELOPMENT**

**Priority A.1.1: Support innovative start-up and recently established enterprises, with a particular focus on young and women entrepreneurs and facilitate the protection of their Intellectual Property Rights and commercialisation where applicable**

<table>
<thead>
<tr>
<th>Expected Results</th>
<th>Result Indicators</th>
<th>Indicative list of Output</th>
<th>Output Indicators</th>
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<tbody>
<tr>
<td>Innovative start-up enterprises having a cross border dimension managed by youths (graduates or equivalent between 24 and 35 years old) and/or women (all ages) sustainably grow</td>
<td>Number of new jobs (contracts) created in knowledge intensive MSMEs for youths and women in the traditional and non-traditional economic sectors where innovative start-ups have entered.</td>
<td>Training, mentorship, tutorship provided to young entrepreneurs (24-35 years old) and women (all ages) through youth-to-youth and women-to-women support and mentor networks.</td>
<td>Number of trainings provided to youths (graduates 24-35 years old) and/or women (all ages). Number of entrepreneurial ideas identified in the scouting stage and supported.</td>
</tr>
<tr>
<td>Expected Results</td>
<td>Result Indicators</td>
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<td>their share in traditional and non-traditional sectors.</td>
<td>Value of sales in existing and new markets of new youth/women-led innovative start-up enterprises that are legally established, and continuously involving at least two Mediterranean countries that have a cross-border dimension.</td>
<td>Investment schemes with risk capital dedicated and accessible to the start-ups. Local hubs and accelerators created to train/coach and host talents in the creative sectors.</td>
<td>Volume of risk capital (in euro) raised by hubs and start-ups accelerators. Number of entrepreneurs that successfully launched new ventures/projects in a creative sector.</td>
</tr>
<tr>
<td>Increased share of youths/women staff in managerial positions in companies recently established (since 2011) that access and develop innovative markets domestically and/or in other MED countries.</td>
<td>Enterprises, with youths/women staff in managerial positions, that have signed commercial contracts (domestic and for export) for the first time (Percentage out of the total number of the enterprises supported). Number of new products and services sold on domestic and foreign markets.</td>
<td>Specialized supporting services provided, such as in R&amp;D services, sector specific product development services, scientific partner search etc that address especially needs of young/women staff in recently established enterprises. New products/services/tools for enterprises to foster distribution, retail and access of products to new customers. Open Data initiatives / websites or learning platforms launched/developed.</td>
<td>Number of youths and women participating in training activities and business meetings. Number of business development organisations receiving support (ENI CBC 1(^{20}) for coaching and acceleration programmes. Number of launched/developed and operational websites and/or operational online platforms.</td>
</tr>
<tr>
<td>Increased capacity of public authorities to facilitate access to and protect Intellectual Property Rights (IPR) and commercial contracts of youths and women entrepreneurs.</td>
<td>Number of public authority staff actively and directly involved in IPR and commercial cross-border projects. Number of products registered and protected under IPR Laws and regulations. IPR Laws and regulation reviewed and developed to reflect international best practice.</td>
<td>Bilingual (Arabic/English) and (Arabic/French) simple guidebook for business development. IPR awareness campaigns designed and implemented. Existing “one-stop-shop” service providers specialized in support services for start-ups and recently established firms (e.g. for technology transfer and proof of concept projects) reinforced or newly established.</td>
<td>Number of bilingual (Arabic/English) and (Arabic/French) guide books acquired by public authority staff and entrepreneurs. Number of trainings for public authorities and brokers (e.g. Technology transfer offices located at Universities) that are aimed at the development of new services (e.g. Support for Proof of concept projects).</td>
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</table>

**Priority A.1.2**

Strengthen and support euro-Mediterranean networks, clusters, consortia and value-chains in traditional sectors (agro-food, tourism, textile/clothing, etc.) and non-traditional sectors (innovative ideas solutions for urban development, eco-housing, sustainable water-related and other clean technologies, renewable energy, creative industries, etc.)

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\(^{20}\) All indicators reported under each Priority / table and coded (ENI + nr.) are part of the “List of Common Output Indicators for ENI CBC 2014-2020”, edited by Interact and the European External Actional Service. The number of expected results and indicators under each Priority may be reduced by the Joint Monitoring Committee according to the specific features of each Call for proposals.
Considering MSMEs’ dimensional limit and the challenges represented by market openness and globalisation, as emerged from the sectoral analysis and the associated strengths, weaknesses and medium-term needs, the partner countries jointly decided to focus Priority A.1.2 on all forms of cross-border enterprise partnerships, and particularly euro-Mediterranean clusters, consortia, networks and value-chains. The possible outputs associated with this priority have quite evident implications and impact at the cross-border level and may effectively contribute to consolidate “an area of shared prosperity”. Pooling the forces of MSMEs in an organised partnership tends to deliver positive benefits to workers, firms, and the entire area, in terms of knowledge flows and spill-over effects.

Priority A.1.2 is open to both Mediterranean traditional sectors (agro-food, tourism, textile/clothing, etc.) and non-traditional sectors (innovative solutions for urban development, eco-housing, blue technologies, sustainable water-related and other clean technologies, renewable energies, creative industries, etc.). This flexibility is particularly important given that the ENI CBC MED Programme extends over an implementation period of approximately 7 years. Initiatives under this priority are expected to support the setting up, structuring and management of MSME aggregations, or the strengthening of already existing partnerships. The kind of support provided may vary from business consultancy services (e.g. marketing, logistics, internationalisation, ICT applications, governance, clustering, etc.) to training/coaching services, etc. A particular model of management and partnership that the Programme will look at is Public-Private Partnership (PPPs), also through ad-hoc training modules addressed to business actors, civil servants, responsible public authorities at regional level and other relevant stakeholders.

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**Overarching Objective A: PROMOTE ECONOMIC AND SOCIAL DEVELOPMENT**

**Thematic Objective A.1 BUSINESS AND SMES DEVELOPMENT**

**Priority A.1.2:** Strengthen and support euro-Mediterranean networks, clusters, consortia and value-chains in traditional sectors (agro-food, tourism, textile/clothing, etc.) and non-traditional sectors (innovative ideas solutions for urban development, eco-housing, sustainable water-related and other clean technologies, renewable energy, creative industries, etc.)

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</tr>
</thead>
<tbody>
<tr>
<td>Number of newly established business alliances in traditional and non-traditional sectors (at local and international level).</td>
<td>Increased number of MSMEs participating in Euro-Mediterranean enterprise alliances.</td>
<td>Quality consultancy services provided to SMEs (e.g. marketing, logistic advices, internationalization, ICT applications, governance, clustering, etc.).</td>
<td>Number of enterprises substantially and actively involved in CBC-MED projects satisfied with consultancy services and making requests for follow-up (ENI CBC 2).</td>
</tr>
<tr>
<td>Number of new products and services sold on domestic and foreign markets.</td>
<td></td>
<td>International business events / initiatives aiming at enlarging activities to new markets of enterprises involved in CBC-MED projects. New joint products / brands developed in key sectors or locations, that provide added value.</td>
<td>Number of enterprises participating in cross-border business events (ENI CBC 3).</td>
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<td></td>
<td>Number of enterprises involved in CBC-MED projects that share common knowledge on specific items (i.e. food security, sustainable tourism, eco-innovation, green and sustainable water technologies, internationalisation processes etc.).</td>
</tr>
<tr>
<td>Expected Results</td>
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<tr>
<td>Cross-border-enterprise alliances empowered by the support from and cooperation with public authorities.</td>
<td>Number of created public-private partnerships - promoting demand-driven innovation in the public and private sector and implementing new medium-long term investments.</td>
<td>Public Private Partnerships (PPPs) between public actors and enterprises involved in CBC-MED projects formally established during project implementation and operating beyond project closure.</td>
<td>Number of public tenders awarded as a result of joint collaborations and additional resources allocated.</td>
</tr>
<tr>
<td></td>
<td>Additional public and private resources invested by created PPPs as co-financing of project activities (in euros).</td>
<td>Trainings provided to and joint pilot initiatives undertaken by business actors, civil servants, responsible public authorities and relevant stakeholders at regional level on the adoption of PPP models.</td>
<td>Number of public and private stakeholders involved in training events and joint pilots that have made written commitments to engage in PPP undertakings.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Effective alliances set-up involving stakeholders, enterprises, public sector and non-profit organisations to promote cross-border economic activity.</td>
<td>Number of campaigns (e.g. global forums, seminars, platforms etc.) where public sector and PPP practitioners exchange knowledge to support value chains and their economic activity.</td>
</tr>
</tbody>
</table>

**PRIORITY A.1.3**  
Encourage sustainable tourism initiatives and actions aimed at diversifying into new segments and niches

Acknowledging the significance of tourism for the economy of the area as highlighted in the sectoral analysis, partner countries supported a specific priority on tourism under the TO A.1 “business and SMEs development”.

Among main challenges tourism is to face, the analysis of strengths, weaknesses and medium-term needs for this sector has underlined the decreasing Mediterranean share of the international travel market, with demand shifting towards other regions and alternative tourist products. The Programme intends to address the need for diversification of the sector into new segments and niches, as a way to help re-launch and re-position the Mediterranean supply (beyond the traditional sun, sand and sea “seasonal” product) making it more competitive on the global tourism market and reducing seasonality to facilitate the increase of tourism flows during the low- and medium-traffic seasons.

In this context, eco-tourism\(^{21}\) and sustainable tourism\(^{22}\) could represent a means to create jobs and reduce poverty while also improving environmental outcomes. Under this priority, the Programme supports all

\(^{21}\) “All nature-based forms of tourism in which the main motivation of the tourists is the observation and appreciation of nature as well as the traditional cultures prevailing in natural areas”. For a full definition of eco-tourism, please refer to: [http://sdt.unwto.org/en/content/ecotourism-and-protected-areas](http://sdt.unwto.org/en/content/ecotourism-and-protected-areas)

Ecotourism is a form of sustainable tourism - all forms of tourism can become more sustainable but not all forms of tourism can be ecotourism.

\(^{22}\) “Tourism that takes full account of its current and future economic, social and environmental impacts, addressing the needs of visitors, the industry, the environment and host communities”, UN-WTO [http://sdt.unwto.org/en/content/about-us-5](http://sdt.unwto.org/en/content/about-us-5)
initiatives aimed at creating new tourism products and diversifying the tourism supply based on the valorisation of a variety of local and Mediterranean assets. This might include: i. gastronomy and culinary delights, including traditional local cuisine and wine tasting; ii. landscape and natural assets; iii. adventure tourism products; iv. accessible tourism forms; v. sport and wellness products; vi. rural tourism products.

The Programme will also look at transnational public and private partnerships, to jointly develop new tourism products, in line with the characteristics of involved territories, and related development and promotional plans and strategies.

Initiatives within priority A.1.3 may also include support services (technical and financial assistance) provided to local communities, MSMEs, tour operators, protected area management bodies, and other relevant stakeholders involved in the development and management of new tourism products; training addressed to diverse groups of business and services providers (e.g. managers, staff, etc.); and awareness raising campaigns (thematic seminars, etc.) targeting local communities and the private sector.

**Overarching Objective A: PROMOTE ECONOMIC AND SOCIAL DEVELOPMENT**

**Thematic Objective: A.1 BUSINESS AND SMES DEVELOPMENT**

**Priority A.1.3: Encourage sustainable tourism initiatives and actions aimed at diversifying into new segments and niches**

<table>
<thead>
<tr>
<th>Expected Results</th>
<th>Result Indicators</th>
<th>Indicative list of Output</th>
<th>Output Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased attractiveness of less-known touristic destinations.</td>
<td>Increased domestic and international tourist flows visiting the targeted area.</td>
<td>Quality Support services (technical and financial assistance) provided to Local communities, SMEs, tour operators, protected area managers, and other relevant stakeholders for the different types of tourism (i.e. coastal and cruise tourism, eco-tourism, adventure tourism, medical tourism, wine and food tourism, historic, cultural and religious tourism, etc.). Increased accessibility and visibility as well as improved environment of less-developed touristic areas.</td>
<td>Number of enterprises substantially and actively involved in CBC-MED projects (ENI CBC 2). Number of improved cultural and historical sites as a direct consequence of programme support (ENI CBC 7). Number of visibility/marketing initiatives to attract tourists in the targeted area.</td>
</tr>
</tbody>
</table>
Increased diversification of tourism offer through the promotion of local and territorial assets / drivers in off-season periods.

**Expected Results**

- Number of new sustainable touristic products in off season periods created in specific niches with a cross border dimension (i.e. eco-tourism, adventure tourism, medical tourism, wine and food tourism, historic, cultural and religious tourism, etc.), and co-designed with local communities (bottom up approach).

**Result Indicators**

- Number of persons actively and directly involved in project activities having gained improved tourism management skills / profiles (particularly those in the area of Eco-tourism, Destination Management, Marketing, etc.).

**Indicative list of Output**

- Diversified products/tools created to address selective demand in the off-season.

**Output Indicators**

- Number of private actors substantially and actively involved in new touristic initiatives.

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**TO A.2 - SUPPORT TO EDUCATION, RESEARCH, TECHNOLOGICAL DEVELOPMENT AND INNOVATION**

The sectoral analysis on innovation, and the related strengths, weaknesses and medium-term needs, stresses that innovation is a major driver for competitiveness and growth. The Mediterranean countries are quite heterogeneous in terms of innovation policies and spending. Improving the linkages between the various innovation players, notably the science system and higher education, the government, the private sector, and also the not-for-profit sector, is considered one of the main challenges of this thematic area.

In light of the above, participating countries stressed the need to create and strengthen a system to optimise research investment, enhance effectiveness of research results, and expand its social, economic and commercial benefits to societies. Such an integrated system could improve operations and synergies among different players (notably the science system and higher education, the government, and the private sector). Each of the public and private entities operating in the field of innovation play a diverse, yet complementary, role vis à vis innovation and research: governments and public institutions are key players for creating favourable conditions for innovation as they can support innovative firms and universities through incentives and other mechanisms; research institutions are typically involved in basic and applied research and generate new knowledge; firms are crucial in turning knowledge into new products and services, and are active particularly in the part of the R&D leading to commercialisation through development testing, prototypes, etc. Coordination and synergies among these players are essential to building an effective system.
Another important aspect very relevant for the Mediterranean area that partner countries agree on is SMEs’ access to innovation. Often, Mediterranean SMEs lack capabilities, and financial and human resources, to access technologies that could improve their products, enhance their competitiveness and adapt to changing and new needs of end markets.

Some of the specific technologies that the ENI-CBC Programme might focus on and indicated by partner countries as relevant are clean/environmental technologies, from renewable energies to water to eco-construction, etc.; and, other specific technologies related to new technologies applied to cultural heritage, such as conservation techniques, new technologies for 3D-illustrations, e-learning and interactive technologies for museums. In addition, it is also important to mention the importance of Key Enabling Technologies (KETS), given their intrinsic systemic value and the role they can play in building a knowledge economy.

Given these considerations, the countries participating in the Programme have identified two priorities as the most relevant and best reflecting the common challenges that the Mediterranean countries have to face under this TO. These priorities are described in more detail below:

**Priority A.2.1**
**Support technological transfer and commercialisation of research results, strengthening the linkages between research, industry and other private sector actors**

Priority A.2.1 reflects fully the vision illustrated above as it seeks to create and strengthen a framework conducive to innovation and technological development, complementing investment in research, a theme that is supported by other EU-funded programmes (Horizon 2020, Tempus, Erasmus+, etc.).

This priority also aims at facilitating knowledge sharing and joint initiatives between research institutions and private sector actors, to trigger knowledge-based development, built around innovations and technologies suitable to the Mediterranean context and compatible with strengths and vocations of its territories. It is understood that the Programme can already rely upon well-educated labour forces and a tradition of scientific research that represents a potential competitive advantage upon which the area should build.

The process of knowledge sharing also has an important spill-over effect that needs to be taken into account. In fact, by participating in international R&D networks and technology cooperation, involved institutions and firms can tap into the knowledge accumulated abroad with a potential positive effect on the quantity and quality of their own innovation.

The main results expected from this priority are the creation of a system conducive to innovation and an increase in commercialisation of research products, but other important results are related to the enhancement of the role of public institutions in facilitating and supporting partnerships for innovation, in synergy with the private sector and research institutions. Given the nature of the Programme, the transnational dimension is particularly important.

Initiatives under this priority may also include living laboratories or other collaborative platforms where scientific and business communities have the opportunity to innovate together; co-patents23, brokerage,

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23 According to OECD, "Co-patents are patent applications done by several actors (e.g. firms, academics and professional organizations, industries, etc.) which can be located in the same region, another region or regions in foreign countries. Co-patents indicate cooperation in the commercialisation of knowledge and could thus indicate the links that exist between regions with
science to business events (e.g. on market opportunities for researches and business actors); training for technology transfer officials and professionals, etc.

<table>
<thead>
<tr>
<th>Overarching Objective A: PROMOTE ECONOMIC AND SOCIAL DEVELOPMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thematic Objective: A.2 SUPPORT TO EDUCATION, RESEARCH, TECHNOLOGICAL DEVELOPMENT AND INNOVATION</td>
</tr>
<tr>
<td>Priority A.2.1: Support technological transfer and commercialisation of research results, strengthening the linkages between research, industry and other private sector actors</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Expected Results</th>
<th>Result Indicators</th>
<th>Indicative list of Output</th>
<th>Output Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enhanced demand-driven technological transfer among research, industry and SMEs in the fields of clean/environmental technologies, new cultural heritage technologies and Key Enabling Technologies (KETS).</td>
<td>Number of demand driven Cross Border Living labs created for R&amp;D and technological transfer among research, industry and SMEs.</td>
<td>Living labs established where the scientific, industry and business communities can work and innovate together by matching the demands of innovation (SMEs) and offer of technological solutions (research actors/Universities).</td>
<td>Number of institutions using programme support for cooperation in education, R&amp;D and innovation (ENI CBC 4).</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Enhanced institutional capacity to manage cross sector projects involving both science and industry.</td>
<td>Number of Enterprises cooperating with research institutions (ENI CBC 5).</td>
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<tr>
<td></td>
<td></td>
<td>Increased specialised staff engaged in industries and SMEs in the targeted fields.</td>
<td>Number and type (bilateral, consortium, etc.) of industry-academia research agreements before, during and after intervention.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Enhanced capacity of public authorities and specialized intermediaries (e.g. Technology transfer offices located at Universities) that are aimed at the development of new services (e.g. Support for Proof of concept projects).</td>
<td>Number of industries and SME researchers trained to initiate / create enterprises.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Co-publications (in specific technological fields).</td>
<td>Number of researchers and specialised staff in public authorities involved/contracted in joint activities with industries and SMEs.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Number of spin-offs established as new enterprises and operating across borders, able to sell their products or services.</td>
<td>Number and field of co-publications.</td>
</tr>
<tr>
<td>Increased commercialisation opportunities of research products in the fields of clean/environmental technologies, new cultural heritage</td>
<td>Forecasted value of sales of newly identified innovative products/services.</td>
<td>New products/services developed for commercialisation in the earmarked technological fields.</td>
<td>Number of new products/services developed.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Effective platforms allowing a pre-competitive analysis of promising products and services.</td>
<td>Number of platforms allowing a pre-competitive analysis of promising products and services put in place and effective.</td>
</tr>
</tbody>
</table>
| | | Number of co-patents | Number of brokerage events for exchange of knowledge and innovations. “OECD Territorial Reviews: Switzerland 2011. Because co-patents represent an outcome of real interactions among the partners, they involve joint investments, a commonality of interests, and face-to-face sharing of information.
**Expected Results | Result Indicators | Indicative list of Output | Output Indicators**

- technologies and Key Enabling Technologies (KETS).
  - registered.
- Science to business brokerage events/fairs organised (e.g. on market opportunities for researches and business actors).
  - scientist /researchers and entrepreneur organisations.
  - Number of Technology transfer support and new intellectual property brokering services delivered.

**Priority A.2.2**

**Support SMEs in accessing research and innovation, also through clustering**

Priority A.2.2 focuses on SMEs’ access to innovation and technologies.

The sectoral and the related strengths, weaknesses and MTNs analyses emphasise that the current capacity of SMEs to be actively engaged in innovation and the research process, is limited by several constraints related to their size (notably human and financial resources). Considering the role of innovation as a major driver of competitiveness, encouraging SMEs to access new and external knowledge for faster innovation is important. This may be pursued, for instance, through appropriate financial and technical support/coaching for SMEs (through vouchers or other mechanisms), through networking and clustering to share costs and burdens among participating companies, or through a combination of these. Innovation vouchers aim to provide small firms with low-risk access to technologies and innovation. It would also be important to encourage partnerships for innovation between different SMEs and between SMEs and larger established companies, which can provide traction for smaller companies.

Priority A.2.2 is fully consistent with, and complementary to, other priorities included in the present Strategy, in particular priority A.1.1. In fact, while the focus of priority A.1.1 is innovative firms that play an active and pro-active role in innovation, being themselves “innovators” or “knowledge-generators”, the focus of priority A.2.2 is rather access to new and externally-generated knowledge and innovation for SMEs that do not have internal skills and financial resources to innovate: they can get knowledge and adapt technology solutions that fit with their context and needs.
Expected Results | Result Indicators | Indicative list of Output | Output Indicators
---|---|---|---
Upgraded innovation capacity of SMEs participating in CBC Med projects in processes, products and management systems for uptake of research outcomes. | Number of innovative products/services created by clustered SMEs across or within borders. Investments (in euro) in targeted SMEs for new knowledge and equipment (hardware and software) and joint R&D and innovation activities. New (foreign) investments (in euro) in targeted SMEs. | New and/or adapted business support services developed in compliance with SME needs to raise capacities of SMEs for greater innovation and management efficiency (e.g. mentoring, training, coaching schemes, etc.). Cross-border innovation advisory support services developed (e.g. Innovation Voucher, Product & Idea development, Market Research, Sales, Finance and Funding, Networking, etc.). Tailored training events for SMEs, public authorities, researchers, managers, relevant businesses and end users. | Number of SMEs substantially and actively involved in projects as final beneficiaries (ENI CBC 2). Number of SMEs using programme support for cooperating with research institutions (ENI CBC 5). Number of SMEs receiving grants for operational instruments (equipment) to favour their innovation. Number of SMEs using programme support for cooperation in education, R&D and innovation (ENI CBC 4).

**TO A.3 - PROMOTION OF SOCIAL INCLUSION AND FIGHT AGAINST POVERTY**

TO A.3 seeks to tackle a critical issue for the area that includes two complex, yet interrelated, phenomena: social exclusion and poverty.

Poverty is a multidimensional phenomenon that can be defined as deprivation due to a lack/scarcity of both material and non-material resources, e.g. income, housing, health, education, knowledge and culture. Social exclusion is the effect of a range of difficulties that act as barriers to life opportunities and happens when someone is left out of mainstream society or is deprived in any way from participating fully in society. The conditions that prevent people from participating fully in society may include economic poverty, poor health, disabilities, poor education or skills, and discriminatory or inequitable treatment.

People are excluded both for their economic situation as well as for where they come from and are hence excluded from any development perspectives. Due to inadequate income and resources, people may be marginalised and prevented from participating in social and political life.

Thus, the term social inclusion refers to a multidimensional phenomenon or process that goes beyond material poverty to encompass a vast array of concepts, which also include integration of minorities (distinguished due to gender, disability, age, etc.), access to services, access to basic needs (food and shelter), employment, political participation, citizenship and civil networks (popular organisation and solidarity) and access to information.

The socio-economic analysis underscored that poverty and social exclusion are crucial issues in both European and Mediterranean partner countries. Because of the recent economic crisis, the percentage of the population at risk of poverty and social inclusion has soared in the EUMCs, and regional inequalities are widening. The incidence of poverty has risen also in MPCs, where there are stark differences between rural
areas – which lack access to clean water and feature poor educational opportunities, inadequate health services and inadequate infrastructure – and the coastal urban areas, which enjoy higher living standards.

Women and youths, particularly the so-called NEETS (young people Not in Employment, Education and Training), are among the most disadvantaged categories across the area and have been severely affected by the economic crisis.

Partner countries also support the vision that improving outreach, efficiency and effectiveness of services to the population is another important aspect that is to be duly taken into account by the Programme.

In consideration of the above, two priorities have been singled out under this Priority.

**Priority A.3.1**

Provide young people, especially those belonging to the NEETS, and women, with marketable skills

The socio-economic analysis and the related data have incontrovertibly shown that there are two categories that are the most disadvantaged and that were hit the most by the crisis: women in all age groups and youths (in the age group of 18-24 years), in particular the NEETS. Women’s participation in the labour force witnesses low rates, especially in some countries of the area, and both these groups have difficulties in entering the labour market. It has been shown that unemployment in youth is likely to have lifelong effects on income and employment stability. Furthermore, there is also proof that the direct and indirect social costs of unemployment are high and include the phenomenon of brain drain which, in turn, has repercussions on economic performance and dynamism, and may affect economic recovery.

Participating countries share the view that the Programme has to specifically target these groups by enhancing opportunities for women’s economic participation and by tackling youth unemployment.

The problem of mismatched skills is viewed as one of the key hurdles, both in the EUMCs and in MPCs. A polarisation in the labour markets on both the shores of the Mediterranean is caused by two related trends:

- Knowledge and skill-based occupations are becoming more important, and this reduces opportunities for less-qualified workers, leaving behind those marginalised, the NEETs. However, it is generally true that those who have conducted too general or theoretical studies will face problems when applying for jobs requiring more technical and practical skills.

- There is shortage of specific types of skills and under-utilisation of existing skills and competences, with more qualified youths facing difficulties in finding jobs matching their expectations and skills.

Consequently, this priority pursues a vision, supported by partner countries, that employability of youth up to 30 years old, and women, should be strengthened through a variety of interventions, which may include provision of targeted training courses oriented toward the labour market; labGroups on creativity and personal initiatives; and coaching and tutoring actions with leading mentors, especially women, from successful businesses and civil society experiences, etc.

Another important result is linked to the Technical Vocational and Educational Training (TVET) system, which this priority is intended to support in its effort to align to market requirements and needs, through mechanisms such as a stronger partnership with the private sector.
**Overarching Objective A: PROMOTE ECONOMIC AND SOCIAL DEVELOPMENT**

**Thematic Objective:** A.3 PROMOTION OF SOCIAL INCLUSION AND FIGHT AGAINST POVERTY

**Priority A.3.1:** Provide young people, especially those belonging to the NEETS, and women, with marketable skills

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Increased employability of women (all ages) and youths up to 30 years old, especially those belonging to the NEETS.</td>
<td>Number of women (all ages) and youths up to 30 years old, especially those belonging to the NEETS, supported by the Programme who have found a job.</td>
<td>Branding’ and marketing campaigns to enhance services that foster youth employment.</td>
<td>Number of socio- or sector-professional representatives involved in social inclusion actions and networks.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Targeted training courses oriented to the labour market addressing youths (18-24 years old) and women (all ages) especially those belonging to vulnerable groups.</td>
<td>Number of new curricula proposing skills required by the labour market (new professions).</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Innovative learning tools and methodologies supported by new technologies (social media; mobiles).</td>
<td>Number of training courses designed and targeted to youths (18-24 years old) (especially those belonging to the NEETS) and women.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Coaching and tutoring actions with leading mentors, especially women, from successful businesses and civil society groups.</td>
<td>Number of youths, NEETS and women trained.</td>
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<tr>
<td></td>
<td></td>
<td>Initiatives to better connect Technical Vocational Education and Training (TVET) with market needs and socio-professional sectors.</td>
<td>Number of social-media specifically targeting learning for unemployed youth and women.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Social employment initiatives jointly implemented by public institutions and civil society organisations.</td>
<td>Number of associations (civic, sports, performing arts) launched by young people, NEETS and women.</td>
</tr>
</tbody>
</table>

**PRIORITY 3.2**

**Support social and solidarity economic actors, also in terms of improving capacities and cooperation with public administrations for services provision**

Partner countries attach great importance to the theme of poverty eradication and related social issues. Along with public institutions various actors are engaged in addressing these complex issues. These organisations, which may work in partnership with public institutions, include: NGOs, cooperatives, mutual societies, social enterprises, foundations, associations and other similar companies and organisations. They have emerged as a pole of social utility that the Programme intends to support, as they can make an
An effective contribution to solving new social problems, and they are indispensable if an adequate response to the new challenges of the global economy and society is to be provided.

In the light of the complexities of today’s social challenges and the alarming effects of the economic crisis on Mediterranean countries and societies, expanding outreach and improving the quality of services to the general population has become imperative. Access to services for populations the most in need has to be carefully planned and addressed.

In this framework, and given the cross-border nature of the Programme, it is widely agreed that strengthening transnational cooperation and improving partnerships and joint actions between local administrations and social and solidarity economic actors is to be encouraged, including through planning and consolidation of operational capacities of those actors. Exchanging experiences, consolidating best practices and finding new solutions to common challenges is where the Programme can make a difference and can represent an important gateway to the development of the area.

Indeed, institutions, policies and norms are important factors that can influence the risk of social exclusion by belonging to certain categories (unemployed, uneducated, disabled, etc.).

**Overarching Objective A: PROMOTE ECONOMIC AND SOCIAL DEVELOPMENT**

**Thematic Objective: A.3 PROMOTION OF SOCIAL INCLUSION AND FIGHT AGAINST POVERTY**

**Priority A.3.2: Support social and solidarity economic actors, also in terms of improving capacities and cooperation with public administrations for services provision**

<table>
<thead>
<tr>
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<th>Indicative list of Output</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Enlarged access and improved quality of existing social services in favour of vulnerable people.</td>
<td>Population covered by improved social services as direct consequence of Programme support (ENI CBC 9).</td>
<td>Social pilot schemes jointly developed for social services to the benefit of vulnerable populations.</td>
<td>Number of social service professionals participating in cross border exchanges or activities (ENI CBC 13).</td>
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<td></td>
<td></td>
<td>Cross-border learning and sharing events of different actors tackling specific social issues.</td>
<td>Number of cross-border events on social services supported by CBC-MED projects.</td>
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<td>Established and/or strengthened social and solidarity actors.</td>
<td>Number of new social enterprises established and strengthened.</td>
</tr>
<tr>
<td>Reinforced planning, operational capacities and cooperation of public administrations and relevant stakeholders in providing social services.</td>
<td>Number of agreements between public administrations and relevant stakeholders for coordinated planning and implementation of social services.</td>
<td>Workshops, on-line platforms, etc., for learning and sharing about cooperation modalities for social services delivery.</td>
<td>Number of public institutions involved in social inclusion actions as part of the CBC MED projects.</td>
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<td></td>
<td></td>
<td>Case studies, reports, analysis on modalities for delivering social services.</td>
<td>Number of Action plans to coordinate social services provision.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Cross-border staff exchanges and joint trainings among public authorities to plan, implement and coordinate social service delivery.</td>
<td>Number of social service professionals participating in cross border exchanges or activities (ENI CBC 13).</td>
</tr>
</tbody>
</table>
OVERVIEW OVERARCHING OBJECTIVE B, THEMATIC OBJECTIVE AND PRIORITIES

TO B.4 - ENVIRONMENTAL PROTECTION, CLIMATE CHANGE ADAPTATION AND MITIGATION

Taking into account the characteristics of the Programme as well as the results of the strengths, weaknesses and medium-term needs analysis, the partner countries have jointly decided to dedicate a specific priority to environmental challenges focusing on a number of issues that are considered of utmost importance for the area, i.e. water, waste management, renewable energies and energy efficiency, and integrated coastal zone management. These four issues were among the six topics identified for the strategic projects under the 2007-2013 Programme.

The sectoral analysis and the related data highlighted that water availability in the Mediterranean basin is limited and resources are unevenly distributed with countries suffering from water scarcity. Water is a renewable resource but its capacity to self-generate varies according to space and time; over-exploitation of this resource could lead to disequilibrium in water balance. Some countries of the area come close to, or exceed, the average annual volume of renewable natural resources.

Waste, and particularly the need to establish efficient systems of municipal solid waste management (integrating reduction, re-use and recycle measures), still represents an important challenge for Municipalities in the Programme area. Europe has succeeded in decoupling, that is, in breaking the link between the production of material wealth and the production of waste, but EUMCs have room to further reduce their waste generation to align with the average for EU countries (500 kg/capita/year). In MPCs, estimations indicate a significant increase in the municipal waste generation rate from 1998 to 2010 MPCs.

CO2 generated by energy use is apparently responsible for more than 70% of the greenhouse gas emissions in the Mediterranean region, which accounts for around 7% of the World’s total CO2 emissions. Energy demand in the Mediterranean countries has grown by 1.8% per year from 1990 to 2009 – driven by transport in the EUPCs and by the industrial and residential sectors in MPCs – and it is projected to increase by at least 1.7% per year on average until 2030. It is imperative to try to satisfy these growing needs but at the same time to reduce emissions (to control global warming), also in view of the upcoming Paris Agreement under COP21, and tackle economic sustainability issues (related to scarcity and price volatility).
Despite a comprehensive legal framework, clearly a sign of the Mediterranean countries’ political commitment to protecting the environment, the Mediterranean continues to be a valuable, treasured region, yet one clearly under threat. Therefore, there is a strong need to manage coastal areas in an integrated manner and to make planning efforts conform with the Ecosystem-Approach.

Given all these considerations, TO B.4 focuses on the following four priorities.

**PRIORITY B.4**

**1. Support sustainable initiatives aimed at finding innovative and technological solutions to increase water efficiency and encourage use of non-conventional water supply**

Considering the relevant sectoral analysis and related quantitative data, partner countries decided to focus this priority on both demand and supply of water management. This approach recognises the importance of an integrated water management system that takes into account concurrently both these two aspects.

Water-use efficiency is key to effective water-demand management. The main quantitative opportunity for savings concerns the agricultural sector and domestic use. Some progress has already been made in almost all countries of the Programme area with respect to overall water-use efficiency (domestic and irrigation combined), but there are still many challenges ahead. Improving water efficiency may include a wide array of interventions and technological solutions. In agriculture, for instance, initiatives may combine improved water control, improved land management and a range of agronomic practices. Training initiatives targeting farmers and awareness campaigns aimed at citizens are also important aspects that need to be considered.

On the supply side, extending water supply outreach and access to safe drinking water for most of the population is an important challenge for the Programme. It is important to remember that nearly 20 million Mediterranean people still have no direct access to drinking water, especially in the rural areas of the southern shore. Water supply through non-conventional sources has the positive direct advantage of reducing the pressure on freshwater. Such solutions may include a wide array of technologies, like using return water from agricultural drainage, reuse of treated wastewater for irrigation purposes, desalination of plants, etc.

An important additional benefit and expected result of this priority is the enhancement of cooperation and efforts among Mediterranean administrations and specialised institutions. This cooperation can promote integrated planning initiatives based on technologies suitable to the context, as well as networks on water in agriculture with broad involvement of practitioners and other stakeholders throughout the Mediterranean region who can compile, disseminate and further develop technological solutions.

<table>
<thead>
<tr>
<th>Overarching Objective B: ADDRESS COMMON CHALLENGES IN ENVIRONMENT</th>
<th>Thematic Objective B.4: ENVIRONMENTAL PROTECTION, CLIMATE CHANGE ADAPTATION AND MITIGATION</th>
<th>Priority B.4.1: Support sustainable initiatives targeting innovative and technological solutions to increase water efficiency and encourage use of non-conventional water supply</th>
<th>Expected Results</th>
<th>Result Indicators</th>
<th>Indicative list of Output</th>
<th>Output Indicators</th>
</tr>
</thead>
</table>

42
<table>
<thead>
<tr>
<th>Increased adoption of innovative sustainable water-efficiency technologies and systems in agriculture by public authorities, specialised agencies and other relevant stakeholders.</th>
<th>Surface in ha. of land irrigated with treated wastewater and non-conventional water or equipped with modern and efficient irrigation systems.</th>
<th>Functional cross-border research networks on efficient water use and use of non-conventional water supply for irrigation purposes.</th>
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<tr>
<td></td>
<td>Number of measures and initiatives to showcase, exchange, test and transfer water management solutions to end-users in the agricultural sector in view of improving water use efficiency and quality and use of non-conventional water resources in agricultural practices.</td>
<td>New / enhanced cross-border thematic practitioner networks on water in agriculture with broad involvement of different relevant stakeholders to compile, disseminate and further develop technological solutions and stakeholder dialogue and water governance approaches.</td>
</tr>
<tr>
<td></td>
<td>Investments in up-scaling of appropriate technologies to increase water efficiency and use of non-conventional water supply systems for irrigation purposes.</td>
<td>Tailored training events on water-use efficiency and non-conventional water, addressed to farmers, practitioners and other relevant stakeholders.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Initiatives/pilot projects to showcase, exchange, test and transfer water management solutions (water-efficient irrigation, drip-irrigation, grey water/wastewater treatment plants).</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Water management and local governance plans in participating countries that integrate non-conventional water resources and water efficiency concerns.</td>
</tr>
<tr>
<td>Support research and development for locally applicable and low-cost technologies for the use of non-conventional water resources for domestic purposes.</td>
<td>Number of technologies applied for the use of non-conventional water resources for domestic purposes.</td>
<td>Tailored trainings and events to raise awareness on the use of non-conventional water resources for domestic water supply.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>New/enhanced cross-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Number of measures and initiatives to showcase, exchange, test and transfer water management solutions to end-users in the agricultural sector in view of improving water use efficiency and quality and use of non-conventional water resources in agricultural practices.</td>
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<tr>
<td></td>
<td></td>
<td>Water management and local governance plans in participating countries that integrate non-conventional water resources and water efficiency concerns.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>New/enhanced cross-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Number of public / private actor alliances engaged in non-conventional and efficient water management plans.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Number of local authorities applying integrated approaches for water cycle management in agriculture.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Number of staff trained from different stakeholders who are involved in CBC-MED projects.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Number of replicable technologies for water efficient use and use of non-conventional water.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Number of organisations involved in WRM applying sustainable innovative water efficiency and non-conventional water technologies within local water governance frameworks.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Number of staff trained from different stakeholders who are involved in CBC-MED projects.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Number of replicable technologies for water efficient use and use of non-conventional water.</td>
</tr>
</tbody>
</table>
Number of measures and initiatives to showcase, exchange, test and transfer water supply and demand solutions to end-users in view of improving water use efficiency and quality and use of non-conventional water resources for domestic purposes.

Number of local authorities applying integrated approaches for water cycle management in domestic water supply.

Number of new or enhanced ICT solutions for water supply and demand management in urban areas.

Volume (m3) of non-conventional water supply used for domestic purposes.

Initiatives/pilot projects to showcase, exchange, test and transfer water management solutions. (rooftop water harvesting, grey water/ wastewater treatment plants, desalination plants)

border thematic practitioner networks on domestic water supply with broad involvement of relevant stakeholders to compile, disseminate and further develop technological solutions and stakeholder dialogue and water governance approaches.
**Priority B.4.2**

Reduce municipal waste generation and promote source-separated collection and the optimal exploitation of its organic component

The relevant sectorial analysis and related data highlighted that, in general, the EUMCs have integrated management systems and have 100% coverage of collection of municipal solid waste, though with different levels of effectiveness. With the exception of some countries, which still rely too much on landfill, EUMCs handle municipal waste with a quite varied mix of technologies but they still have to reduce the use of landfill with respect to other European Countries. MPCs still need to significantly improve their performance in waste management, as they suffer from low collection coverage and a high level of unsound disposal.

Participating countries agree that effective systems for municipal waste management represent a big challenge for the area and a specific priority should be to address this issue comprehensively, especially considering that inadequate waste management results in serious threats to public health and the environment.

Priority B.4.2 reflects an attempt to tackle holistically the issue of municipal waste management, focusing on two aspects: on the one side, generate less waste and on the other side, source-separated collection and biological treatment of its organic component. Both aspects represent pillars of effective municipal waste management systems.

Reduction of waste production through prevention and minimisation can be pursued by applying the principle of “more with less” – that is providing more goods and services with less use of resources and less production of pollution and waste. It is also important to raise awareness and support changes in the consumption patterns of citizens, for example by encouraging them to purchase durable, long lasting goods and products or products that have little packaging, promoting avoidance of single-use items, etc. A change in consumers’ behaviour is seen as having a potential impact on companies’ behaviour, so it can induce changes in both production processes and in the characteristics of goods (e.g. companies using internal recycling of material or on-site energy recovery as part of solid waste minimisation schemes).

Solid waste recycling and composting (biological treatment of organic waste) is an important component of a sustainable approach to solid waste management, as it reduces the demand for raw materials. In particular, treatment of biodegradable wastes (food and green wastes) using controlled biological processes (for production of compost and digestate, biogas, or refuse derived fuel) is regarded as an essential step by participating countries. Marine litter can also be addressed.

The reinforcement of technical and operational capacities of public administrations and relevant institutional stakeholders in terms of municipal waste management and planning is regarded as extremely important for participating countries that the Programme should seek to achieve. In this framework, participating countries attach great importance to exchange experiences and best practices among Mediterranean administrations.
### PRIORITY B.4.3

**Support cost-effective and innovative energy rehabilitations relevant to building types and climatic zones, with a focus on public buildings**

In line with the relevant sectoral analysis, partner countries decided to concentrate one of the priorities under TO B.4 on energy efficiency and rehabilitations, particularly for public buildings.

As was shown by the analysis of strengths, weaknesses and medium-term needs, the buildings sector represents approximately one third of total energy consumption in MPCs and 40% of the European Union’s total energy consumption. In this respect, Europe has issued an ad hoc Directive on the Energy...
Performance of Buildings and MPCs – specifically Algeria, Egypt, Turkey, Tunisia, Jordan, Palestine, Syria and Lebanon – have recently adopted regulations to set parameters for energy efficiency in new buildings, as well as launching pilot projects.

Due to their common geographic, climatic and geological characteristics, participating countries regard exchange of experiences and transfer of innovation aimed at reducing the heating demand (in terms of annual energy balance) and minimising the cooling peak power demand as very relevant for cooperation in the Programme area. Supporting sector operators to identify cost-effective approaches to renovations relevant to the building type and climatic zone is also considered important. As for other priorities, creating an effective system involving public institutions, sector operators and other relevant stakeholders is strongly supported, and one result expected from this is enhanced capacities of public authorities to plan and implement sustainable energy policies and measures.

As a complement to purely energy-saving refurbishments, this priority focuses on increasing energy from renewable sources, particularly in public buildings.

| Overarching Objective B: ADDRESS COMMON CHALLENGES IN ENVIRONMENT |
| Thematic Objective B.4: ENVIRONMENTAL PROTECTION, CLIMATE CHANGE ADAPTATION AND MITIGATION |
| Priority B.4.3: Renewable energy and energy efficiency - Support cost-effective and innovative energy rehabilitations relevant to building types and climatic zones, with a focus on public buildings |

<table>
<thead>
<tr>
<th>Expected Results</th>
<th>Result Indicators</th>
<th>Indicative list of Output</th>
<th>Output Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enhanced capacity of public institutions to plan and implement sustainable energy policies and measures with regard to public buildings.</td>
<td>Number of public institutions that adopted energy-mix efficiency plans/strategies.</td>
<td>Administrative and legal provisions for sustainable urban design through innovative approaches regarding sustainable building and energy efficiency.</td>
<td>Number of new or revised procedures (legal, regulatory, economical, etc.) initiated as a result of a transfer of good practices.</td>
</tr>
<tr>
<td></td>
<td>Number of public institutions cooperating towards strengthened multi-level governance (linking up local, regional and national levels) for delivering integrated sustainable energy action planning and measures.</td>
<td>Energy-mix efficiency plans/strategies developed to stimulate cost-effective deep renovations of buildings.</td>
<td>Number of energy-mix efficiency plans/strategies approved.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Cross-border case studies that demonstrate potential replication of proposed measures and solutions (including technologies, methodologies, systems or tools).</td>
<td>Number of innovative and affordable renovation solutions and technologies for public buildings that can deliver significant improvements in energy performance while ensuring indoor comfort requirements, and being non-invasive and reversible.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Twinning and knowledge sharing activities involving public authorities.</td>
<td>Number of tools for planning and implementing the renovation of public buildings.</td>
</tr>
</tbody>
</table>
Priority B.4.4

Incorporate the Ecosystem-Based management approach to ICZM into local development planning, through the improvement of intra-territorial coordination among different stakeholders

As was pointed out in the analysis of strengths, weaknesses and medium-term needs developed for ICZM, the Mediterranean is under a lot of pressure, mainly of anthropogenic nature, seriously threatening seas and coasts. This pressure need to be taken into account for systemic planning, sustainable management, use and monitoring of coastal ecosystems.

One of the main challenges associated with ICZM and maritime spatial planning is the multiple institutional actors involved – including coastal planners, watershed management authorities, shipping authorities, ministries and local communities, to mention just a few. This fragmentation of responsibilities and competences result in a sectoral approach to coastal management, which targets only a single use (or set of related uses) at a time. Effectively tackling ICZM – with its complex set of interactions of different drivers and competing environmental, economic, social, cultural and recreational objectives – requires systemic and holistic planning, taking into account how these concurrent and cumulative uses affect ecosystems and allows for the necessary trade-offs and balances among different interests. Therefore, following the World Summit on Sustainable Development, many International Conventions and Regional Seas Organisations have decided to adopt the Ecosystem Approach (ECAP) which the Contracting Parties to the Barcelona Convention\(^2\) have adopted it in January 2008.

Informed participation of all stakeholders across the different sectors is an important pre-requisite to ensure broad support for taking actions towards meeting these objectives.

Therefore, this priority focuses on strengthening coordination among, and enhancing capacities of, differing relevant administrations and stakeholders, specifically in the areas of planning and monitoring. Joint initiatives aimed at sharing experiences and technologies, including those pertaining to spatial planning, are

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\(^{2}\) Convention for the Protection of the Marine Environment and the Coastal Region of the Mediterranean.
also considered. All initiatives under this priority have to be conceived in harmony with different relevant national legislation and operational frameworks.

| Overarching Objective B: ADDRESS COMMON CHALLENGES IN ENVIRONMENT |
| Thematic Objective B: ENVIRONMENTAL PROTECTION, CLIMATE CHANGE ADAPTATION AND MITIGATION |
| Priority B.4.4: Integrated Coastal Zone Management - Incorporate the Ecosystem-Based management approach to ICZM into local development planning, through the improvement of intra-territorial coordination among different stakeholders |

<table>
<thead>
<tr>
<th>Expected Results</th>
<th>Result Indicators</th>
<th>Indicative list of Output</th>
<th>Output Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Newly adopted integrated strategies and tools for sustainable management of coastal areas, etc. that include appropriate reflection of the ecosystem approach and that have been developed through a participatory exercise.</td>
<td>Training activities and workshops addressing different stakeholders to support ecosystem-based planning and management for coastal zones. Spatial planning software, information tools (GIS) and tools for data analysis, data integration and forecasting in support of decision-makers that contribute to ecosystem assessment and monitoring of Mediterranean coastal zones. Knowledge sharing platforms benefitting local stakeholders involved in coastal planning and management. Communication materials for dissemination and engagement with societal stakeholders and the public at large, e.g. via schools, aquaria, maritime and science museums, etc. Studies and data collection activities aimed at improving knowledge of marine ecosystems and their interlinkages with human activities.</td>
<td>Number of replicable or transferable actions to improve or restore the targeted ecosystem. Number of participating organisations that cooperate for improved local governance in coastal zones. Number of organisations and their staff participating in workshops/training. Number of measures adopted to prevent negative impacts of coastal hazards. Number of systemic tools available to strengthen planning, monitoring and management of coastal areas. Number of communication and awareness-raising events. Surface area of habitats supported in order to attain a better conservation status (ENI/CBC 15). Number of studies, based on data collection activities, studying interlinkages between human activities and the environment.</td>
</tr>
</tbody>
</table>

Enhanced capacity of public authorities to plan for, sustainably manage, use and monitor their coastal ecosystems, employing an effective participatory approach involving relevant stakeholders and local communities.

Number of coastal cities, relevant public authorities and other key stakeholders adopting new ICZM plans/guidelines for the sustainable management and use of coastal areas.
2.5 Risk Analysis and Mitigating Measures

The risk analysis and the identified mitigating measures are reported in the tables below per each thematic objective, along with an estimation of the risk of occurrence, the potential adverse impact and the responsibility of the concerned stakeholders. Each table includes both context-related and content specific risks.

The first ones (context-related) might affect one or more territories where projects activities are expected to take place. In case of occurrence, the adverse impact will go beyond programme bodies’ responsibility and capacities. However, a flexible case-by-case approach in close cooperation with the National and concerned Local Authorities will be then applied in order to keep on implementing the project(s) as far as possible. The second typology of risks (content/project specific) shall be carefully considered during project planning and mainly tackled by the beneficiaries, in case of occurrence. During the implementation, mitigating measures could be defined with the support of the JTS, MA, National and Local Authorities, as the case may be. In all cases of major changes in project design (i.e. revised partnership composition and/or expected results modification) the final decision has to be taken by the JMC.

Minor technical risks such as financial losses resulting from fraud or financial mismanagement are considered both with a low risk of occurrence and low potential impact, and are therefore not reported.

Finally, The MA will inform the JMC on all key procedures (Call for proposals, pre-financings, assessment of progress reports etc.) and put in place all necessary measures to reduce their length and increase the overall programme efficiency.

TO A.1 - Business and SME Development

<table>
<thead>
<tr>
<th>Risks</th>
<th>Risk Occurrence (H/M/L)</th>
<th>Potential Adverse Impact</th>
<th>Risk Level Impact (H/M/L)</th>
<th>Mitigating Measure(s)</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Context-related</strong></td>
<td></td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>Deterioration of the political and security situation in the relevant territories*</td>
<td></td>
<td>Slow-down of business activities and investments</td>
<td></td>
<td>Monitor the situation and decide on the measures once the risk appears in cooperation with concerned Local Authorities</td>
<td>Lead and co-beneficiaries shall inform the JTS and the MA as soon as the adverse impact appear</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Severe difficulties for travelling from / to / in</td>
<td></td>
<td></td>
<td>National Authorities and concerned Local Authorities</td>
</tr>
<tr>
<td><strong>Territories concerned by the implementation of projects activities</strong></td>
<td>territories that face risks</td>
<td>Intensify the use of ICT tools as long as internet access allows</td>
<td></td>
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<tr>
<td><strong>Importantly reduced tourist flows to countries in the region</strong></td>
<td>Monitor the risks and support the identification of adequate mitigating measures in accordance with the national legislation in force</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Internationally reduced tourist flows to countries in the region</strong></td>
<td>Revise action plans and shift, where necessary, activities in territories not affected by severe security concerns</td>
<td></td>
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</tr>
<tr>
<td><strong>Engage in activities that prepare for future better tourism environment</strong></td>
<td>Proposals and changes made by the project management team in close cooperation with the concerned co-beneficiaries</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Proposals and changes made by the lead beneficiary - in close cooperation with the concerned co-beneficiaries - are assessed by the JTS and approved by the MA as long as there are no changes in terms of partnership composition and/or expected results</strong></td>
<td>In case of major changes in project design (i.e. revised partnership composition and/or expected results modification) the final decision has to be taken by the JMC</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Worsening of the economic and financial outlook in the relevant territories</strong></th>
<th>Slow-down of business activities and investments</th>
<th>Continue with involved MSMEs as best as possible</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Persistence and intensification of the slow-down in the demand for products and services</strong></td>
<td>Revise / adapt business approach and explore new products and markets</td>
<td></td>
</tr>
<tr>
<td><strong>Engage in activities that prepare for future better business environment</strong></td>
<td>Proposals and changes made by the project management team in close cooperation with the concerned co-beneficiaries</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Content/project specific</strong></th>
<th><strong>Inability of public institutions to issue, review and enforce relevant laws and regulations</strong></th>
<th><strong>Difficulties in effectively supporting MSMEs and ensuring their access and participation in the market</strong></th>
<th><strong>Continue working with the given regulatory and legislative setting; advocate adequate solutions for the future sustainability of projects and the economic recovery of affected territories</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Lead and co-beneficiaries shall include and propose solutions for the future sustainability of projects and the economic recovery of affected territories</strong></td>
<td><strong>In many cases, the projects are located in regions facing significant economic challenges</strong></td>
<td><strong>Inability of public institutions to issue, review and enforce relevant laws and regulations</strong></td>
<td><strong>Difficulties in effectively supporting MSMEs and ensuring their access and participation in the market</strong></td>
</tr>
</tbody>
</table>
regulations where applicable | protection of IPR | policies and regulations to improve the framework
Continue with involved MSMEs as best as possible

Instability/changes affecting project partners hampers project implementation | Incapacities or delays in providing necessary support and contribution towards the expected results
Limited capacities of the partnership in reaching the expected level of expenditures, reducing further pre-financing(s) | Continue working with other engaged staff of actors
Continue with actors that are not affected by instability / changes in the institutional / organisational framework
Change in partnership composition

In case of major changes in project design (i.e. revised partnership composition and/or expected results modification) the final decision has to be taken by the JMC

TO A.2 - SUPPORT TO EDUCATION, RESEARCH, TECHNOLOGICAL DEVELOPMENT AND INNOVATION

<p>| Context-related |</p>
<table>
<thead>
<tr>
<th></th>
<th>M</th>
<th>H</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Deterioration of the political and security situation in the</td>
<td>Slow-down of the technology transfer and research</td>
<td>Monitor the situation and decide on the measures once the risk</td>
<td>Lead and co-beneficiaries shall inform the JTS and the MA as</td>
</tr>
<tr>
<td>relevant territories*</td>
<td>Severe difficulties for travelling from / to / in territories that</td>
<td>appears in cooperation with concerned Local Authorities</td>
<td>soon as the adverse impact appear</td>
</tr>
<tr>
<td>*Territories concerned by the implementation of projects</td>
<td></td>
<td>Intensify the use of ICT tools as long as internet access allows</td>
<td>National Authorities and concerned Local Authorities monitor the</td>
</tr>
<tr>
<td>activities</td>
<td></td>
<td>Revise action plans and shift, where necessary, activities in</td>
<td>risks and support the identification of adequate mitigating</td>
</tr>
<tr>
<td></td>
<td></td>
<td>territories not affected by severe security concerns</td>
<td>measures in accordance with the national legislation in force</td>
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<tr>
<td></td>
<td></td>
<td>Proposals and changes made by the project management team in</td>
<td>Proposals and changes made by the lead beneficiary - in close</td>
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<tr>
<td></td>
<td></td>
<td>close cooperation with the concerned co-beneficiaries</td>
<td>cooperation with the concerned co-beneficiaries - are assessed</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>by the JTS and approved by the MA as long as there are no changes</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>in terms of partnership composition and/or expected results</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>In case of major changes in project design (i.e. revised</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>partnership composition and/or expected results modification)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>the final decision has to be taken by the JMC</td>
</tr>
</tbody>
</table>

**Content/project specific**

| Low effectiveness of research investments with limited social,   | M                                                                 | M                                                                 | M                                                                 |
| economic and commercial benefits                                | Follow up of R&D activities might be at stake, as research in     | Ensure consistency with national public policies and funding      | Lead and co-beneficiaries shall include and propose solutions    |
|                                                                | some countries is heavily dependent on limited public funding     | Enhance funding for R&D innovation from non-public sectors to     | for the future sustainability of the project outcomes           |
|                                                                |                                                                   | diversify and support more effective research investments        | The adverse impact(s) is (are) monitored by the JTS and the      |
| Instability/changes affecting project                           | Incapacities or delays in providing necessary support and         | Continue working with other engaged staff of                      | MA which will support the beneficiaries in the identification   |
|                                                                | contribution                                                    |                                                                  | of the mitigating measures, also in cooperation with National    |
|                                                                |                                                                   |                                                                  | Authorities                                                     |

53
**partners hampers project implementation**

H  towards the expected results

Limited capacities of the partnership in reaching the expected level of expenditures, reducing further pre-financing(s)

M  actors

Continue with actors that are not affected by instability / changes in the institutional / organisational framework

Change in partnership composition

In case of major changes in project design (i.e. revised partnership composition and/or expected results modification) the final decision has to be taken by the JMC

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**TO A.3 - PROMOTION OF SOCIAL INCLUSION AND FIGHT AGAINST POVERTY**

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<table>
<thead>
<tr>
<th>RISKS</th>
<th>RISK OCCURRENCE (H/M/L)</th>
<th>POTENTIAL ADVERSE IMPACT</th>
<th>RISK LEVEL (H/M/L)</th>
<th>MITIGATING MEASURE(S)</th>
<th>RESPONSIBILITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Context-related</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deterioration of the political and security situation in the relevant territories*</td>
<td>M</td>
<td>Break-down of social structures and organisations</td>
<td>H</td>
<td>Monitor the situation and decide on the measures once the risk appears in cooperation with concerned Local Authorities</td>
<td>Lead and co-beneficiaries shall inform the JTS and the MA as soon as the adverse impact appear</td>
</tr>
<tr>
<td>*Territories concerned by the implementation of projects activities</td>
<td></td>
<td>Severe difficulties for travelling from / to / in territories that face risks</td>
<td></td>
<td>Intensify the use of ICT tools as long as internet access allows</td>
<td>National Authorities and concerned Local Authorities monitor the risks and support the identification of adequate mitigating measures in accordance with the national legislation in force</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Revise action plans and shift, where necessary, activities in</td>
<td>Proposals and changes made</td>
</tr>
<tr>
<td>Content/project specific</td>
<td>Social protection schemes and actions implemented with limited and short term impact</td>
<td>Worsening of the economic and financial outlook in the relevant territories</td>
<td>Instability/changes affecting project partners hampers project implementation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>--------------------------</td>
<td>--------------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------</td>
<td>-----------------------------------------------------------------------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scattered target groups benefiting from implemented activities</td>
<td>Slow-down of social activities and support to relevant stakeholders</td>
<td>Persistence and intensification of the slow-down in the offer for social services</td>
<td>Incapacities or delays in providing necessary support and contribution towards the expected results</td>
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<td>M</td>
<td>M</td>
<td>M</td>
<td>H</td>
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<tr>
<td>Increased gender-related inequality</td>
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<td></td>
<td>Limited capacities of the partnership in reaching the expected level of expenditures, reducing further pre-financing(s)</td>
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<tr>
<td>Institutional follow up and sustainability at stake</td>
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<tr>
<td>Early definition of effective mechanisms of cooperation between public administration, private and community sectors to ensure targeted and sustainable governance of socio-economic schemes and actions</td>
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<td></td>
<td>Continue working with other engaged staff of actors</td>
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<td>M</td>
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<tr>
<td>Lead and co-beneficiaries shall include and propose solutions for the future sustainability of the project outcomes</td>
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<td>Continue with actors that are not affected by instability / changes in the institutional / organisational framework</td>
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<td>Change in partnership composition</td>
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<td>In case of major changes in project design (i.e. revised partnership composition and/or expected results modification) the final decision has to be taken by the JMC</td>
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<td></td>
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<td>The adverse impact(s) is (are) monitored by the JTS and the MA which will support the beneficiaries in the identification of the mitigating measures, also in cooperation with National Authorities</td>
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<td>In case of major changes in project design (i.e. revised partnership composition and/or expected results modification) the final decision has to be taken by the JMC</td>
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TO B.4 – Environmental protection, climate change adaptation and mitigation

<table>
<thead>
<tr>
<th>RISKS</th>
<th>RISK OCCURRENCE (H/M/L)</th>
<th>POTENTIAL ADVERSE IMPACT</th>
<th>RISK LEVEL (H/M/L)</th>
<th>MITIGATING MEASURE(S)</th>
<th>RESPONSIBILITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Context-related</td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>Deterioration of the political and security situation in the relevant territories*</td>
<td>M</td>
<td>Severe difficulties for investing in and implementing infrastructural works in irrigation, domestic water supply, waste management and public buildings (for energy)</td>
<td>H</td>
<td>Monitor the situation and decide on the measures once the risk appears in cooperation with concerned Local Authorities</td>
<td>Lead and co-beneficiaries shall inform the JTS and the MA as soon as the adverse impact appear</td>
</tr>
<tr>
<td>*Territories concerned by the implementation of projects activities</td>
<td></td>
<td>Severe difficulties for travelling from / to / in territories that face risks</td>
<td></td>
<td>Intensify the use of ICT tools as long as internet access allows</td>
<td>National Authorities and concerned Local Authorities monitor the risks and support the identification of adequate mitigating measures in accordance with the national legislation in force</td>
</tr>
<tr>
<td>Worsening of the economic and financial outlook in the relevant territories</td>
<td>M</td>
<td>Severe difficulties for investing in and implementing infrastructural works in irrigation, domestic water supply, waste management and public buildings (for energy)</td>
<td>M</td>
<td>Revise action plans and shift, where necessary, activities in territories not affected by severe security concerns</td>
<td>Proposals and changes made by the lead beneficiary - in close cooperation with the concerned co-beneficiaries - are assessed by the JTS and approved by the MA as long as there are no changes in terms of partnership composition and/or expected results</td>
</tr>
</tbody>
</table>

In case of major changes in project design (i.e. revised partnership composition and/or expected results modification) the final decision has to be taken by the JMC.
## Content/project specific

<table>
<thead>
<tr>
<th>Insufficient financial incentive for local institutions to engage on the long-term in domestic water supply, solid waste management and energy saving activities</th>
<th>Sustainability and up-scaling of project activities at stake</th>
<th>Increase efforts for alternative financial support to engage in solid waste management and use of renewable energy sources</th>
<th>Lead and co-beneficiaries shall include and propose solutions for the future sustainability of the project outcomes</th>
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</thead>
<tbody>
<tr>
<td>Uncontrolled tourism development and urban sprawl affecting coastal zones</td>
<td>Undermining of and putting at stake the relevance coastal zone planning and management efforts</td>
<td>Enhance policy commitment and measures for long-term land-use planning taking into account multi-sectoral interests and cost of externalities</td>
<td>The adverse impact(s) is (are) monitored by the JTS and the MA which will support the beneficiaries in the identification of the mitigating measures, also in cooperation with National Authorities</td>
</tr>
<tr>
<td>Instability/changes affecting project partners hampers project implementation</td>
<td>Incapacities or delays in providing necessary support and contribution towards the expected results</td>
<td>Continue working with other engaged staff of actors</td>
<td>In case of major changes in project design (i.e. revised partnership composition and/or expected results modification) the final decision has to be taken by the JMC</td>
</tr>
<tr>
<td></td>
<td>Limited capacities of the partnership in reaching the expected level of expenditures, reducing further pre-financing(s)</td>
<td>Continue with actors that are not affected by instability / changes in the institutional / organisational framework</td>
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<td></td>
<td>Change in partnership composition</td>
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2.6 **CROSS-CUTTING ISSUES**

The ENI CBC Implementing Regulation stipulates that the Programme must describe the way it will mainstream, as the case may be, four cross-cutting issues into its implementation, notably (i) Democracy and human rights, (ii) Environmental sustainability, (iii) Gender equality and (iv) HIV/AIDS.

As per the ENI CBC Med Programme, the respect of democracy and human rights is a transversal value reinforced by the people-to-people cooperation. The environmental sustainability is key to achieve the Thematic Objective (TO) B.4, while gender equality is fully included under the TO A.3. These principles will be also taken into careful consideration in the implementation of the other TOs. The HIV/AIDS issue appears less relevant, albeit particular attention will be devoted to the persons suffering of social exclusion because of their health condition.

The consideration and respect of the cross-cutting issues during the project implementation phase will be verified as follows:

1. Cross-cutting issues will form part of the project evaluation criteria during the selection phase;
2. Thorough periodical checks via project reports and project monitoring visits.

*(i) Democracy and human rights*

Democracy provides an environment for the protection and effective realization of human rights. Human rights and fundamental freedoms should be respected, protected and fulfilled in all aspects of Programme implementation. The Programme includes specific priorities addressing poverty, exclusion and inequality, and one of the three key orientations on which cooperation among participating territories will be inspired and focused is institutional capacity building. Strengthened inclusive and democratic institutions will be essential for enhancing good governance and rule of law. The implementation of the Programme will be people-centred and ensure a rights-based approach that encompasses all human rights and seeks to combat discrimination by several means, including by enhancing gender equality. The Programme will include the non-discrimination principle in all its activities (including the projects), and prevent any discrimination based on race, sex, nationality, language or religion or personal or social conditions. Special attention will be paid to promoting respect for the rights of workers and immigrants as well as of those affected by HIV/AIDS, while equal treatment will be ensured in the access to training and education opportunities.

*(ii) Environmental sustainability*

Environmental sustainability is a cornerstone of sustainable development, strongly interconnected with its other dimensions, i.e. the social and economic ones. It is important to recognize that environmental sustainability is not a problem to be solved but rather an opportunity to support broader social and economic goals, in addition to a healthy environment and society. Environmental sustainability is important for adaptation and resilience in the face of rapid and continuous changes in environmental and socio-economic conditions.

Four out of the eleven priorities of the Programme are dedicated to the environment. In addition, other priorities are linked, directly or indirectly, to environmental sustainability. To give just a few examples, we may mention: priority A.1.2, which includes support for those forms of enterprise associations that also operate in the fields of eco-housing, sustainable water-related and other clean technologies, such as renewable energy, and priority A.1.3 on sustainable tourism.
In order to guarantee the achievement of the Programme’s environmental goals, it is essential to integrate and mainstream environmental considerations (conservation and management of natural resources and ecosystems and its services, reduction of greenhouse gases, etc.), and to ensure consistency and synergies while addressing inter-linkages: as a consequence, all projects that will receive Programme support will be asked to detail the environmental issues and to carefully take into account the impact of their actions on the environment. Those likely to have negative repercussions will be excluded from funding. Environmental sustainability also requires Programme partners to consider solutions for minimising and/or mitigating any potential adverse impacts on the biological resources, climate and the well-being of society. It also requires additional commitments in terms of awareness-raising on principles and practices of sustainability directed to industries, MSMEs, citizens and communities.

(iii) Gender equality

Gender mainstreaming is an important cross-cutting issue in all aspects of work within the Programme. Indeed, gender equality and women’s and girls’ empowerment are important elements for fair, equitable and inclusive sustainable development. Within the specific thematic objective of the Programme dedicated to poverty eradication and social inclusion (TO A.3), special attention is devoted to women, as well as to another disadvantaged category of people: youth, particularly those belonging to the NEETS category. Other priorities also directly consider aspects related to gender and women’s empowerment, such as priority A.1.1 on start-ups. The Programme is committed to pursuing the empowerment and human rights of women and girls – with a view to ending all forms of discrimination – and to ensuring equal access to resources and equal opportunities in all spheres of life, for both men and women. To this end, the Programme should address legal, social and economic barriers to gender equality, and Programme partners and involved institutions are strongly encouraged to include gender considerations in all their activities, particularly in planning exercises. Further, due consideration will be given to the development of gender-related indicators at the Programme and project levels. All project beneficiaries will be asked to consider gender-related issues in the implementation of their activities, shaping their initiatives in order to ensure the equality of opportunities and rights and the balanced distribution of responsibilities and benefits.

(iv) HIV/AIDS

As briefly indicated above, given the cooperation context and objectives of the 2014-2020 ENI CBC Med Programme, HIV/AIDS issues appear negligible. Nevertheless, as already indicated, the Programme will grant equality of treatment regardless personal or social conditions, thus ensuring the fair treatment of people affected by HIV/AIDS.

2.7 COHERENCE AND COMPLEMENTARITIES

The Programme strategy focuses on a limited number of Priorities for which effective cross-border cooperation both adds value to local, national and regional policies and covers elements that are not already funded or are more suitably funded by other programmes and initiatives. In particular, the ENI CBC MED added value is based on the participation of a wide range of actors resulting in international partnerships that bring together different backgrounds and expertise and are directly engaged in the local governance processes. Indeed, the identified Priorities all cover major territorial challenges that require a broad perspective, a high level of academic knowledge and local administrative capabilities in order to identify suitable solutions and effectively achieve those solutions through the different types of projects envisaged (standard, strategic and capitalisation). Therefore, the strategy relies on: the socio-context
analysis of the economic and environmental state; coherence and complementarities’ with other
Programmes implemented in the same area by the EU and other players; and the key features of the CBC
cooperation.

The following subsections outline the overall framework, as well as the opportunities to support wider
coordination with other initiatives on specific areas through tailored actions. In particular, the coherence
and complementarities between the ENI CBC MED Programme 2014-2020 and the local, national, and
regional strategies and other relevant EU financial instruments is ensured by the Managing Authority (MA).
It takes into account both Programmes covering the whole cooperation area and those focusing on a
smaller part of it. Some of them have a multi-sectoral approach while others focus on a limited field of
intervention.

The Programme will aim at developing synergies and complementarities with other relevant EU and
international instruments (i.e. ETC cooperation programmes, ENI CBC programmes 2014-2020, several
Thematic programmes, the Seven Framework Programme for Research and Development, EIB-FEMIP,
etc.)25 based on the projects funded by ENPI CBC MED Programme 2007-2013. Thus, the capitalisation
activities concerning the most significant experiences and achievements under the 2007-2013 ENPI CBC
MED Programme26 will continuously stimulate new synergies and complementarities with key international
actors.

2.7.1 MAIN POLICIES, INITIATIVES AND RELEVANT ACTORS FOR THE PROGRAMME’S INTERVENTION STRATEGY

This subsection illustrates the main actors and new initiatives at the Euro-Mediterranean level that relate
to the Programme intervention strategy. It also covers the coherence and complementarities of the
Programme strategy with 2014-2020 EU Programmes and other relevant initiatives.

As already mentioned in the introduction, the European Neighbourhood Instrument (ENI), provides
increased support to 16 partner countries in the east and south of the EU’s borders. The priority areas for
EUROMED regional cooperation are included in the Programming Document27. The bilateral programmes,
the Multi-country programme for the Euro-Mediterranean partnership and other CBC programmes are
under preparation and will be considered once approved for complementarities and synergies, also in
cooperation with the EU delegations.

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25 As far as the programming period 2007-2013 is concerned, particular attention is given to EU funded programmes and other
initiatives which complement and generate synergies with the present Programme, as follows: ENPI CBC Italy-Tunisia 2007-2013,
MED Programme 2007-2013, Ciudad Programme, Euromed Heritage IV, Tempus IV Programme (2007-2013), Erasmus Mundus
CB/MEP), Mediterranean Hot Spots Investment Programme – Project Preparation and Implementation Facility (MehSIP-PPIF), FP7-
KBBE (SICA), FP7-ENVIRONMENT, FP7-SPACE, FP7-NMP, FP7-INCO, FP7-People, FP7-SSH, FP7-Energy, FP7-Regions of Knowledge,
FP7- Research Potential, FP7-Science in society, SPRING Programme 2011-2012, Youth in action (2007-2013), the Programme MED-
ENERC on Energy Efficiency in the Construction Sector, and the Strategic Partnership for the conservation of large marine ecosystem
of the Mediterranean –MEDPOL Components.

26 In 2012 upon decision of the Joint Monitoring Committee (JMC), the JMA launched a capitalisation process. Three events took
place, respectively on 29 October 2013 (in Jordan), 26 November 2013 (in Italy) and 15 January 2014 (in Spain). All three events
generated new relationships between the participating actors and especially contributed to the creation of three thematic clusters
with the aim of strengthening information exchanges and creating synergies between the beneficiaries of the projects and all
relevant stakeholders.

27 Here we refer to European Commission’s Regional Strategy Paper (2014-2020), the country and Regional Strategy Papers
(CSPs/RSPs) and the National and Regional Indicative Programmes (NIPS/RIPs).
The main relevant actors whose initiatives are consistent with the Programme intervention strategy include: the Union for the Mediterranean (UfM), the World Bank, the United Nations Environment Programme / Mediterranean Action Plan (UNEP/MAP), the Euro-Mediterranean Regional and Local Assembly (ARLEM), and the Conference of Peripheral Maritime Regions (CPMR), in particular its Inter-Mediterranean Commission (IMC). (See also table 6 in the subsection that follows this one.)

Within the on-going UfM Secretariat initiatives, there are several projects that are currently addressing the challenges of climate change and environment, sustainable consumption and production patterns, social inclusion, SME development, renewable energy, etc.  

The World Bank also has been playing a central role providing financial support to employment, water and waste management issues, renewable energy projects and ICZM initiatives in the Mediterranean partner countries. The World Bank and the UfM have already explored new opportunities for cooperation, including setting up joint agreements for promoting flagship projects under the “Middle East and North Africa Transition Fund”, a fund created within the framework of the Deauville Partnership, launched by the G-8 to support democratic transition in the Middle East and MENA countries. The MENA Transition Fund has already announced a call for proposals for its 2014 program. In particular, this fund seeks proposals for reform-focused technical assistance projects that support investment in sustainable growth, inclusive development and job creation, enhanced economic governance and competitiveness and integration in six transition countries: Egypt, Jordan, Libya, Morocco, Tunisia and Yemen. Technical assistance projects that leverage investment financing, and/or that pilot specific reforms or innovative investments, are particularly encouraged. This would enable people in the Middle East and North Africa to benefit from more change, stability and growth in the long run.

The UNEP/MAP is a comprehensive framework based on the Barcelona convention for 21 Countries plus the European Union to foster regional cooperation in protecting the marine and coastal environment while boosting regional and national plans to achieve sustainable development. Other areas of intervention include: combating land-based pollution; preventing maritime accidents and illegal discharges from ships; managing coastal areas; preserving the Mediterranean marine and coastal biodiversity; promoting information and communication; safeguarding cultural heritage. The ARLEM has launched several initiatives and studies in several fields, such as water, renewable energy, urban development, SMEs, etc. in order to facilitate cooperation among the local and regional authorities as a way to build lasting and fruitful partnerships for the exchange of good practices and know-how. As mentioned in the last annual report, the ARLEM’s objectives and priorities for the 2012-2015 mandate are: promoting the territorialisation of the UfM’s sectoral priorities, closing the territorial gap, boosting territorial development as a lever for growth and jobs in the regions, and promoting the principle of subsidiarity and institutional capacity.  

28 Further information are available at: http://ufmsecretariat.org/four-new-regional-projects-are-labelled-by-the-union-for-the-mediterranean/
30 Albania, Algeria, Bosnia and Herzegovina, Croatia, Cyprus, Egypt, the, France, Greece, Israel, Italy, Lebanon, Libya, Malta, Monaco, Montenegro, Morocco, Slovenia, Spain, Syria, Tunisia, Turkey
31 The key objective of the ARLEM is to assist regional and local authorities in designing and promoting sustainable policies, so as to help them identify projects that can reduce the negative impacts of the current challenges facing their citizens.
32 All these documents are available at the ARLEM website: www.cor.europa.eu/arlem
33 ARLEM annual report on “The territorial dimension of the Union for the Mediterranean (2012)”.
building needed to manage structures for local public services and funds for cooperation. As regards synergies in Euro-Mediterranean cooperation, ARLEM, for instance, has been developing lines of action and cooperation with the EMUNI University and the European Training Foundation (ETF), especially concerning job creation, training and SME development.

The Inter-Mediterranean Commission (IMC) deserves special attention in the context of the future of Euro-Mediterranean relations, which should also be taken into account in order to find key elements that cohere with the new Programme intervention strategy. In particular, the Political Declaration “Towards a new governance for a more sustainable, cohesive and competitive Mediterranean” – adopted by the latest Political Bureau of this Commission held in Patras (Dytiki Ellada-Greece) on 13-14 March 2014 – contains policy recommendations and proposals with a focus on the Integrated Maritime Policy (IMP) and the “Blue growth” strategy, and particularly on other key priorities for the Mediterranean, such as energy efficiency and renewable energy, water, transport, SMEs and youth policies.

The ENI CBC MED programme pays particular attention to the coherence and complementarities with the 2014-2020 EU programmes that can feed cross-border cooperation actions and benefit its activities and results. Synergies, complementarities and coordination activities between the ENI CBC MED Programme 2014-2020 and other programmes is envisaged along the lines of the different priority axes and investment priorities (IPs) supported by these initiatives – including the EU thematic programmes (i.e. Horizon 2020, COSME, LIFE+, ERASMUS+, Creative Europe, etc.), other European Territorial Cooperation (ETC) Programmes dealing with cross border and transnational and interregional cooperation (i.e. ETC MED 2014-2020, the Italy – Malta 2014 – 2020 Operational Programme, Interreg Europe, etc.) and other ENI Programmes (i.e. ENI CBC Italy-Tunisia 2014-2020). The MA promotes a stronger cooperation with all these programmes in order to improve the overall quality of projects, enable exchange of experiences and transfer of practices on specific topics.

During drafting of the analysis of the MTNs (medium-term needs) of each sector, consideration was given to Work Programmes (WPs) and Operational Programme (OP) documents of: EU programmes for Research and Innovation (Horizon 2020), for the Competitiveness of enterprises and SMEs (COSME) 2014-2020, for

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34 The political declaration is also aimed at promoting three macro-regional strategies, in particular one corresponding to the "Adriatic-Ionian" area, another for the "Western Mediterranean" and a third for the area of the "Eastern Mediterranean"; these might, over the long term, lead to the definition of an integrated supra-regional strategy for the whole basin. In this document, the IMC requests more systematic support from the EU for the start-up of the macro-regional strategies emerging in the Mediterranean area by means of transnational cooperation programmes such as the new MED programme, as well as via the future ENI CBC MED Programme 2014-2020.

35 The strategy consists of three components: 1) specific integrated maritime policy measures; 2) sea basin strategies to ensure the most appropriate mix of measures to promote sustainable growth that take into account local climatic, oceanographic, economic, cultural and social factors; 3) targeted approach towards specific activities such as aquaculture, coastal tourism, marine biotechnology, ocean energy and seabed mining.

36 In September 2012 the Commission adopted a Communication “Enhancing and focusing EU international cooperation in research and innovation: a strategic approach” (COM(2012) 497 final). The Communication sets out a new strategy for international cooperation in research and innovation, addressing the further development of the external dimension of the European Research Area (ERA). This documents states that, Horizon 2020 will remain open to participation from across the world. The countries covered by the European Neighborhood policy are included in the Horizon 2020 proposals. For the Neighbourhood, this strategy will contribute to developing a ‘Common Knowledge and Innovation Space’, including improving the research and innovation competences of these countries. The list of Neighbourhood countries whose applicants are automatically eligible for funding under the Horizon 2020 budget is available at: https://www.ffg.at/sites/default/files/downloads/h2020-hi-3part_en.pdf

37 As mentioned in the Programme web site, as far as the Southern neighbourhood countries (Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, Palestine, Tunisia) are concerned, formally there is no expression of interest from any of these countries to join COSME. At the moment only three countries could legally join: Israel, Jordan and Morocco, however these have not expressed an interest yet. Algeria, Lebanon and Tunisia are in different phases of negotiating or approving the legal basis which would allow
the environment LIFE 2014-2020, for education, training, youth and sport (ERASMUS+), for the cultural and creative sectors (Creative Europe 2014-2020) and for EU cohesion policy programmes (ETC MED 2014-2020 an Interreg Europe).38

Aspects of the EU Cohesion policy, which is one of the key instruments to realise Europe’s long-term goals for growth and jobs ("Europe 2020"), have been taken into account when assessing the elements of coherence of the ENI CBC MED Programme with the content of this refocused policy and its related programmes. As mentioned in several documents of the EU, investment under the Cohesion policy will continue in all EU regions, but the level of support and the national contribution (co-financing rate) will be adapted to their level of development.10 Eleven thematic priorities have been agreed upon. These priorities are: 1) Strengthening research, technological development and innovation; 2) Enhancing access to, and use and quality of ICT; 3) Enhancing the competitiveness of SMEs; 4) Supporting the shift towards a low-carbon economy in all sectors; 5) Promoting climate change adaptation, risk prevention and management; 6) Preserving and protecting the environment and promoting resource efficiency; 7) Promoting sustainable transport and removing bottlenecks in key network infrastructures; 8) Promoting sustainable and quality employment and supporting labour mobility; 9) Promoting social inclusion, combating poverty and any discrimination; 10) Investing in education, training and vocational training for skills and lifelong learning; 11) Enhancing institutional capacity of public authorities and stakeholders and efficient public administration. Three funds, the European Regional Development Fund (ERDF), the European Social Fund (ESF) and the Cohesion Fund (CF), will support all above-mentioned priorities as indicated in table 7.

Regarding the European Maritime and Fisheries Fund (EMFF), which is one of the five European Structural and Investment (ESI) Funds, the ENI CBC MED programme will support projects to be implemented in the Mediterranean coastal zones that focus on maritime spatial planning and integrated coastal zone management. Furthermore, the objectives of protection and restoration of marine biodiversity and ecosystems, sustainable coastal tourism, diversification of fishery activities, etc., constitute relevant issues for ENI CBC MED projects. Moreover, investments under the European Regional Development Fund (ERDF) – which is the main instrument to implement the European Territorial cooperation goal – will deal with four key areas: 1) Innovation and research; 2) Information and communications technologies (ICT); 3) Support for small and medium sized businesses (SMEs); 4) The low-carbon economy. Among the EU programmes included in the European Territorial cooperation goal, two, ETC MED 2014 -2020 (addressing transnational cooperation) and Interreg Europe (addressing interregional cooperation), are of particular importance for the present ENI CBC MED Programme because they involve a large number of EU regions and member states that are also eligible for the new Programme. The priority issues addressed in these programmes are indicated in table 8.

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38 As mentioned in paragraph 13 of the Regulation (EU) No 232/2014 coherence with the external dimensions of the Union’s internal policies and instruments should also be ensured.
40 The level of development corresponds to following categories: less developed regions (GDP < 75 % of EU-27 average); transition regions (GDP 75 % to 90 % of EU-27 average); more developed regions (GDP > 90 % of EU-27 average).
Among the initiatives and instruments characterizing the Mediterranean area, it is important to remember the **Development Cooperation Instrument** of the EU external policy for the 2014-2020, which will allocate €545 million to ENP partner countries (i.e. Middle Eastern countries) to support the implementation of activities in different fields of intervention, as indicated in table 7 of the following subsection. EU assistance to these countries is provided under geographic programs with objectives that are consistent with the Programme strategy, namely:

- promoting inclusive growth and encouraging social cohesion and development, in particular creation of employment, social inclusion, decent work and equity and gender equality;
- promoting sustainable economic reform and diversification, open and fair trade relations, the development of a regulated and sustainable social market economy, productive and sustainable investment in the main sectors (such as energy, with a focus on renewable energy);
- promoting sustainable and equitable management of water resources as well as the protection of water resources;
- promoting good neighbourly relations, regional cooperation, dialogue and integration, including with countries covered by the ENI by supporting integration efforts within the region, indicatively on economy, energy, water, etc.

As mentioned in Regulation (EU) No 232/2014, the **Joint EU–Africa Strategy** is relevant for relations with the Mediterranean neighbours in North Africa. In particular, the Fourth EU-Africa Summit, which was held on 2-3 April 2014 in Brussels, adopted a roadmap to frame EU-Africa relations for 2014-2017. The roadmap covers five key priorities and areas for joint actions: 1) Peace and security; 2) Democracy, good governance and human rights; 3) Human development; 4) Sustainable and inclusive development and growth and continental integration; 5) Global and emerging issues. For each of these objectives, the roadmap details actions at interregional, continental or global levels which are expected to have a real impact on the people of both continents. With reference to the third Priority area, “Human development” the Programme strategy is coherent with the need of intervention resulting from this roadmap, which focuses on the following strategic objective: promoting human capital development and knowledge and skills-based societies and economies, by strengthening the links between education, training, science and innovation, and better managing mobility of people – among other approaches. EU-Africa cooperation on Science, Technology and Innovation (STI) is cross-cutting in nature, contributing to the attainment of all other socio-economic development objectives. The EU and Africa will work together towards reinforcing cooperation between research communities and the creation of joint academic research programmes, with a special focus on innovation and the productive sector including research infrastructures.

The new ENI CBC MED Programme is also coherent with the objectives of the **EU Strategy for the Adriatic and Ionian Region (EUSAIR)**. This macro-regional strategy, which comprises some of the Programme’s eligible regions in Greece and Italy, promotes economic growth and prosperity in the Region by improving its attractiveness, competitiveness and connectivity. It also aims at protecting the sea, coastal and inland environment and ecosystems. In particular, the EUSAIR strategy aims at: fostering sustainable development, infrastructure and access to energy, sustainable energy and the environment, tourism, culture and heritage, education, science and research, public administration, competitiveness, governance, efficiency, and employment.

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diversification of the Region’s tourism offer (product and services) and promoting business opportunities in the Blue economy sectors. It also supports research, innovation and business opportunities in blue economy sectors and facilitates the brain circulation between research and business communities and increasing their networking and clustering capacity. The strategy pays attention to job opportunities in the maritime and marine sector and improving skills and capacities in these fields (Inclusive growth). As regards the environmental sectors, the strategy encourages cooperation in the management of trans-boundary natural resources, in particular water and reduce pollution of the Sea while supporting investments in waste management and waste water treatment. Finally, EUSAIR seeks to connect new renewable energy to the grid, integrate energy markets, enhance the security of supply, and improving the reliability and quality of energy services provided. The strategy is made of four main pillars - Blue growth, Connecting the region, Environmental quality, Sustainable tourism – to be implemented through ten topics. Thematic complementarities and synergies between EUSAIR and the ENI CBC Med are listed in Table 6.

Finally, the EU Environment Strategy for the Mediterranean ([COM(2006) 475 final]) contains the essential features of a coordinated strategy for the Mediterranean basin to protect the marine environment and the coastline of this region and to reduce pollution by 2020. The Strategy has some strong synergies with the ENI CBC Med Programme concerning Thematic Objective 4 “ENVIRONMENTAL PROTECTION, CLIMATE CHANGE ADAPTATION AND MITIGATION”. The EU Environment Strategy for the Mediterranean aims to (1) reduce pollution levels across the region, (2) promote sustainable use of the sea and its coastline, (3) encourage neighbouring countries to cooperate on environmental issues, (4) assist partner countries in developing effective institutions and policies to protect the environment and (5) involve NGOs and the public in environmental decisions affecting them. The protection and recovery of the Mediterranean Sea is the strongest pillar of the Strategy represented by the Horizon 2020 Initiative which aims to tackle the sources that are said to account for 80% of the pollution of the Mediterranean Sea. The Strategy contributes to the ultimate objective of the Marine Strategy Framework Directive and the Barcelona Convention and its protocols, i.e., to achieve Good Environmental Status by 2020-2025, by focusing on three sectors: wastewater, urban waste and industrial pollution. This strategy is the EU most determined effort to ensure synergies with existing initiatives and among all Mediterranean stakeholders, including financial institutions, international organisations, CSOs, academia and policy makers. The Horizon 2020 Strategy has been incorporated into the mandate of the UfM.

2.7.2 COHERENCE AND COMPLEMENTARITIES WITH NEW EU PROGRAMMES AND OTHER RELEVANT INITIATIVES

The previous subsection refers to actors and initiatives that are important for creating synergies and optimising efforts to achieve common goals in the Mediterranean region.

This subsection refers to the four selected Thematic Objectives (TOs) for the ENI CBC MED Programme, listing priority areas for cooperation with the relevant 2014-2020EU programmes.

The different 2014-2020 EU programmes (i.e. EU thematic programmes and European Territorial cooperation programmes) all include objectives and activities covering different aspects of the Programme strategy. Within the framework of these EU programmes, financial assistance will be given to support specific objectives and types of actions that present relevant synergies and complementarities with the selected four TOs and proposed priorities, as summarised for each TO in the following paragraphs. It should be noted that, among the 95 ENPI CBC MED approved projects, 80 projects have specific objectives that
show consistency with the four selected TOs under the new Programme. These 80 funded projects with a total of ENPI contribution of €165,391,742.35 gather more than 600 beneficiaries from 13 Mediterranean countries into a cross-border network that is expected to be further developed within the new Programme.

**Business and SMEs development:** Supporting entrepreneurs (i.e. access to markets) and stimulate business creation and growth (i.e. HORIZON 2020, COSME⁴⁶, Creative Europe). Establishing and further strengthening transnational innovation networks and clusters and supporting internationalisation. Increasing cooperation between research, SMEs and the public sector to stimulate innovation and entrepreneurship. Developing sustainable tourism across borders (e.g. business models) (Interreg MED 2014-2020). Supporting SMEs in all stages of their life cycle to develop and achieve growth and engage in innovation, creating and boosting entrepreneurial spirit, etc. (i.e. Interreg Europe).

**Support to education, research, technological development and innovation:** Encouraging research and innovation cooperation between the Union and the Southern Mediterranean Neighbourhood (i.e. HORIZON 2020). Promoting cooperation and partnerships that have an impact on the modernisation and internationalisation of higher education institutions and systems in Partner Countries neighbouring the EU (i.e. ERASMUS+). Increasing cooperation between research, SMEs and the public sector to stimulate innovation and entrepreneurship (Interreg MED 2014-2020). Increasing commercialisation of R&D results, strengthening the linkages between research and industry, etc.) (i.e. Interreg Europe).

**Promotion of social inclusion and fight against poverty:** Fostering cooperation with organisations abroad over longer periods and ensuring mobility opportunities for young people and youth workers across the EU, and to/from neighbouring Partner Countries (i.e. ERASMUS+). Undertaking a thorough analysis of social innovation in agriculture, forestry and rural development, encompassing its complexity and various dimensions as well as its impact on unfolding the territorial capital in different regional contexts, with special attention to Mediterranean countries (i.e. HORIZON 2020). Expanding aid to youth entrepreneurship, also in partnership with the banking sectors, through two financial instruments – the Loan Guarantee Facility and the Equity Facility for Growth (i.e. COSME). Promoting Mediterranean innovation capacities of public and private actors to develop smart and sustainable growth, with special attention to blue and green growth, creative industries and social innovation that represent strong development and jobs potential in Mediterranean regions (i.e. Interreg MED 2014-2020). Promoting entrepreneurship among specific target group at risk of discrimination (e.g. unemployed youth, elderly persons, women, long term unemployed and migrants) (i.e. Interreg Europe).

**Environmental protection and climate change adaptation and mitigation / Water management (WM):**

Developing water supply and sanitation technology, systems and tools, and/or methodologies to manage

⁴⁶ The EU Regulation No 1287/2013 establishing a Programme for the Competitiveness of Enterprises and small and medium-sized enterprises (COSME) (2014 - 2020) refers to the “Small Business Act (SBA)”, which was adopted in 2008 and updated in 2011 with a specific focus on helping small medium-sized enterprises (SMEs) cope with the financial crisis. The SBA calls on the Union and the Member States to support and encourage SMEs to benefit from the growth of markets outside the Union. It provides a comprehensive policy framework for SMEs and promotes entrepreneurship and SMEs competitiveness. According to the SBA, attention should be paid to all situations that entrepreneurs face, including start-up, growth, transfer, bankruptcy, etc. As mentioned in the joint communication by the European Commission and the High Representative of the EU for foreign affairs and security policy, dated 27 March 2014 and titled “Neighbourhood at the Crossroads: Implementation of the European Neighbourhood Policy in 2013”, several ENP partner countries have adopted reference documents inspired by the SBA, to stimulate entrepreneurship and favourable business conditions to create growth and jobs. In the Southern Neighbourhood, Euro-Mediterranean industrial cooperation has long provided a framework for developing enterprise policy based on the Euro-Mediterranean Charter for Enterprise, which is currently being assessed and revised to also incorporate components of the Small Business Act for Europe (SBA).
risks associated with water supply and sanitation and cross-boundary water management issues – or developing integrated water resources management systems for sustainable agriculture and food security, sustainable environment protection and economic growth – focused on the non-EU Mediterranean countries and Africa (i.e. HORIZON 2020). Supporting the application, development, testing and demonstration of integrated approaches for the implementation of plans and programmes pursuant to Union environmental policy and legislation in the areas of water (i.e. LIFE 2014-2020). Developing integrated strategies and tools for the management of conflicts for the use of natural resources, etc.) (i.e. Interreg MED 2014-2020). Improving the governance of water treatment and recycling (i.e. Interreg Europe).

Environmental protection and climate change adaptation and mitigation / Waste treatment and recycling: Developing innovative and sustainable strategies aimed at waste prevention and management in urban and peri-urban areas (i.e. HORIZON 2020). Developing integrated approaches for the implementation of waste plans and programmes (i.e. LIFE 2014-2020). Developing integrated strategies and tools to reduce the use of resources, enhancing their efficiency and decoupling economic growth from resources consumption, etc.) (i.e. Interreg MED 2014-2020). Improving the governance of waste management, waste minimisation, etc.) (i.e. Interreg Europe).

Environmental protection and climate change adaptation and mitigation / Energy efficiency and renewable energy: Empowering public authorities to plan, finance and implement ambitious sustainable energy policies and plans (for instance under the Covenant of Mayors initiative\(^\text{47}\)), on the basis of reliable data and analyses (i.e. HORIZON 2020). Enabling the Private Sector to contribute to the reduction of greenhouse gas emissions, and renewable energy and energy efficiency (i.e. LIFE 2014-2020). Develop services or tools to improve capacities of public authorities, owners and managers for better energy efficiency in public buildings, carry out feasibility studies, including legal and financial factors, for the use of renewable local energy sources for specific types territories, etc.) (i.e. ETC MED 2014-2020). Supporting actions and investments to increase levels of energy efficiency, including in public buildings and the housing sector, and raising the share of energy from renewable sources in the overall energy mix, by encouraging and facilitating production and distribution of renewable energy sources (i.e. Interreg Europe).

Environmental protection and climate change adaptation and mitigation / ICZM: Strengthening the ecosystem based approach in the management of maritime activities and contributing to the objectives of the Marine Strategy Framework Directive (i.e. HORIZON 2020). Improving the conservation status of habitats and species, including marine habitats and species, and bird species, of Union interest (i.e. LIFE 2014-2020). Improving the implementation of strategies and tools to better take into account weather events, droughts, floods, land and coastal erosion in economic and tourism development strategies (i.e. ETC MED 2014-2020 and BLUEMED initiative). Promoting regional practices for integrated coastal zone management in view of the new framework regulation on maritime spatial planning and ICZM (i.e. Interreg Europe).

As the coherence of all thematic objectives and priorities with all EU (or else-)funded strategies and programmes is significantly high, the possibility to promote synergies and complementarities will be carefully considered, especially with those projects funded under the European Neighbourhood Policy. Special attention will be indeed paid to EU regional and bilateral programmes targeting both socio-

\(^{47}\) The Covenant of Mayors is an initiative of the European Commission launched in February 2008 to seek the commitment of Local and Regional Authorities (LRAs) in the fight against climate change.
economic development and environmental challenges. In fact, the ENI CBC MED Programme is expected to support a region-wide exchange of experiences and pilot actions that may be integrated and/or may strengthen regional and local plans.

In particular, the following thematic areas (see also table 8) are crucial: Promoting entrepreneurship and SMEs competitiveness focussing on their medium and long term sustainability; Supporting policy dialogue and cooperation on research and innovation among different actors; Improving social equality by increasing engagement and educational exchanges of young people; Increasing opportunities for women in the workforce. All issues related to common challenges in the environment will be considered by thematic objective/topic, namely: Promoting integrated water resource management; Developing the necessary legal and institutional framework for an integrated waste management system; Promoting the use of renewable energies in public buildings; Supporting the Integrated Coastal Zone Management.

The MA will promote continuous information to the EU Delegations in the partner countries to establish relations and links with initiatives and EU instruments, with the view of creating synergies among programmes and avoiding duplication of funding and overlapping activities. In particular, the MA will play a coordination role in establishing contact with the relevant bodies (other Managing Authorities, Focal Points, etc.), in charge of the implementation of these programmes, to ensure that effective synergies between these initiatives are promoted.

Moreover, when launching calls for proposals, the MA will organize informative events in the participating countries. Those in MPCs will be planned in close cooperation with the EU Delegations. Since the possibility to have synergies is foreseen for all priorities, tailored presentations and supporting materials will be made available to support a wider information on the relevant EU financed initiatives as well as those supported by other organisations in the concerned countries. All materials will be published on the Programme website. By organising events including the EU (or else-) funded relevant initiatives at country level, the applicants will be supported - at an early stage of their proposal - so that they can take into consideration the already implemented or planned actions, and thus avoid overlapping.

In addition to these informative events, all applicants will be requested to detail the expected potential synergies and complementarities in their full application form by referring to each concerned country and the specific targeted eligible areas.

These provisions will both allow a greater focus of the proposed intervention and provide detailed information for evaluation and monitoring. Moreover, the EC inter-service consultation, and all monitoring activities during project implementation, will contribute to minimise the risk of double funding.

Further initiatives to support synergies and complementarities will be promoted by means of workshops, meetings, joint cooperation events, capitalisation and dissemination activities, and other information/awareness-raising actions concerning territorial development. The adoption of a thematic approach and the establishment of thematic working groups with a consultative and monitoring role are foreseen.

The following four tables reflect the structure of the analysis developed in the previous paragraphs:

1. Exchanges with regional strategies and initiatives of other actors acting in the Mediterranean Basin (table 6);
2. Coherence with the strategies and instruments of the EU Cohesion Policy and the Common fisheries policy (CFP) (table 7);

3. Coherence and complementarities with the strategies and programmes of the European Neighbourhood Policy (table 8);

4. Coherence and complementarities with the content of the new EU Programmes for the 2014-2020 period (i.e. Objectives, Axes and Investment priorities) (table 9).
<table>
<thead>
<tr>
<th>TABLE 6 - EXCHANGES with regional strategies and initiatives of other actors acting in the Mediterranean Basin</th>
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<tbody>
<tr>
<td><strong>Thematic Objectives</strong></td>
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<td><strong>UfM</strong></td>
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<td>i. Business development and employment creation; Stimulating green industries and entrepreneurship</td>
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<td>ii. Promoting Higher Education, Research and Innovation</td>
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<tr>
<td>iii. Social and Civil Affairs; Developing women empowerment</td>
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<td>iv. Developing sustainable policies for integrated water resources management (IWRM) and climate change adaptation</td>
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<td>v. Promoting the adoption of sustainable consumption and production patterns in the Mediterranean (Waste reduction)</td>
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<td>vi. Developing renewable energy generation and energy security</td>
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<td>vii. Combating pollution of the Mediterranean Sea</td>
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<td><strong>World Bank (MENA Transition Fund)</strong></td>
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<tr>
<td>i. Improving access to finance for MSMEs</td>
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<td>ii. Contributing to social inclusion and enhancing people's wellbeing</td>
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<td>iii. Improving Sustainable water resource management</td>
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<td>iv. Fostering waste management and recycling</td>
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48 Source: [http://ufmsecretariat.org/projects/](http://ufmsecretariat.org/projects/)
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**Thematic Objectives**

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<tr>
<th>A.1 Business and SMEs development</th>
<th>A.2 Support to education, research, technological development and innovation</th>
<th>A.3 Promotion of social inclusion and fight against poverty</th>
<th>B.4 Environmental Protection, Climate Change Adaptation and Mitigation</th>
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<tr>
<td>v. Increasing Energy efficiency and supporting Renewable Energy projects</td>
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<tr>
<td>vi. Mainstreaming the application of the ICZM approach into the Programme area</td>
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**UNEP/MAP**

| i. Sustainable development                  |                                                                 | X                           | X                           |
| ii. Combating land-based pollution          |                                                                  |                                                                 | X                                                              |
| iii. Preventing maritime accidents and illegal discharges from ships |                                                                  |                                                                 | X                                                              |
| iv. Preserving the Mediterranean marine and coastal biodiversity |                                                                  |                                                                 | X                                                              |
| v. Managing coastal areas                  |                                                                  |                                                                 | X                                                              |
| vi. Safeguarding cultural heritage         |                                                                  |                                                                 | X                                                              |

**ARLEM**

| i. Promoting SMEs development               |                                                                 | X                           |                                                                 |
| ii. Promoting the "territorialisation" of the UfM's policies, programmes and projects in the sector of Education, Research and Innovation |                                                                  |                                                                 | X |
| iii. Stimulating sustainable regional development as a lever for growth and job creation |                                                                  |                                                                 | X |
| iv. Involving local and regional authorities (LRAs) in the fight against climate change; Promoting the "territorialisation" of the UfM's policies, programmes and projects in the sector of Water Management, Waste and recycling, Energy efficiency and Renewable Energies, Integrated Coastal |                                                                  |                                                                 | X |

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### TABLE 6 - EXCHANGES with regional strategies and initiatives of other actors acting in the Mediterranean Basin

<table>
<thead>
<tr>
<th>Thematic Objectives</th>
<th>A.1 Business and SMEs development</th>
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<tr>
<td>Zone Management (ICZM)</td>
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<tr>
<td>i. Providing help for business start-ups or the self-employed; Defining the framework and the political initiatives and new projects on tourism to deal with coastal and maritime tourism[^50^]</td>
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<tr>
<td>ii. Promoting innovation in the IMC regions in targeted industrial sectors, such as the maritime, manufacturing, industrial automation, food-processing industry, etc[^51^]</td>
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<tr>
<td>iii. Supporting training, mobility, integration and employment access for young people in the Mediterranean[^52^]</td>
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<tr>
<td>iv. Improving the management of hydraulic systems and resources in the Mediterranean regions[^53^]</td>
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<tr>
<td>v. Improving waste treatment processes[^54^]</td>
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<tr>
<td>vi. Fostering energy efficiency and promoting renewable energy sources in the Mediterranean</td>
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<tr>
<td>vii. Developing sub-regional strategies for the Mediterranean coastal regions, in terms of policies related to Integrated Coastal Zone Management (ICZM), Maritime Spatial Planning (MSP), the adaptation of coastal areas to climate change, and the reduction of the risk of coastal flooding, erosion and marine ingression[^55^]</td>
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<tr>
<td>MedPAN</td>
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<tr>
<td>i. Facilitating exchanges between Mediterranean marine protected areas to improve their management[^56^]</td>
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<tr>
<th>Joint EU–Africa Strategy</th>
<th>The EU Strategy for the Adriatic and Ionian Region (EUSAIR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supporting the development of private sector and SMEs</td>
<td>Blue growth including the following topics:</td>
</tr>
<tr>
<td>ii. Stimulating economic growth and generating new decent jobs</td>
<td>Topic 1 - Blue technologies</td>
</tr>
<tr>
<td>iii. Strengthening the links between education, training, science and innovation under EU-Africa framework for cooperation on Science, Technology and Innovation (STI)</td>
<td>Topic 2 - Fisheries and aquaculture</td>
</tr>
<tr>
<td>iv. Ensuring better management of water resources for greater access to drinking water and sanitation and strengthening the water-energy-food nexus</td>
<td>Topic 3 - Maritime and marine governance and services</td>
</tr>
<tr>
<td>v. Supporting a low-carbon and resource-efficient growth through sustainable consumption and production patterns, green innovation and sound management of waste</td>
<td></td>
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<tr>
<td>vii. Strengthening African capacity to monitor marine and coastal areas using Earth Observation techniques</td>
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<thead>
<tr>
<th>Thematic Objectives</th>
<th>A.1 Business and SMEs development</th>
<th>A.2 Support to education, research, technological development and innovation</th>
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<tr>
<th>TABLE 6 - EXCHANGES with regional strategies and initiatives of other actors acting in the Mediterranean Basin</th>
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<tbody>
<tr>
<td><strong>Thematic Objectives</strong></td>
</tr>
<tr>
<td>ii. Connecting the region including the following topics:</td>
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<tr>
<td>Topic 1 - Maritime transport</td>
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<tr>
<td>Topic 2 - Intermodal connections to the hinterland</td>
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<td>Topic 3 - Energy network</td>
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<td>iii. Environmental quality including the following topics:</td>
</tr>
<tr>
<td>Topic 1 - The marine environment</td>
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<tr>
<td>Topic 2 - Transnational terrestrial habitats and biodiversity</td>
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<tr>
<td>iv. Sustainable tourism including the following topics:</td>
</tr>
<tr>
<td>Topic 1 - Diversified tourism offer (products and services)</td>
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<tr>
<td>Topic 2 - Sustainable and responsible tourism management</td>
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<td>v. (innovation and quality)</td>
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<tr>
<td>EU Environment</td>
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<tr>
<td>i. Reduce pollution levels across the region</td>
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</tbody>
</table>

X
### TABLE 6 - EXCHANGES with regional strategies and initiatives of other actors acting in the Mediterranean Basin

<table>
<thead>
<tr>
<th>Strategy for the Mediterranean</th>
<th>A.1 Business and SMEs development</th>
<th>A.2 Support to education, research, technological development and innovation</th>
<th>A.3 Promotion of social inclusion and fight against poverty</th>
<th>B.4 Environmental Protection, Climate Change Adaptation and Mitigation</th>
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<tr>
<td>ii. Encourage neighbouring countries to cooperate on environmental protection</td>
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<td>iii. Promote sustainable use of the sea and its coastline</td>
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<tr>
<td>iv. Assist partner countries in developing effective institutions and policies to protect the environment</td>
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<tr>
<td>v. Involve NGOs and the public in environmental decisions affecting them</td>
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### TABLE 7. COHERENCE with the strategies and instruments of the EU Cohesion Policy and the Common fisheries policy (CFP)

<table>
<thead>
<tr>
<th>Investment for growth and jobs goal</th>
<th>A.1 Business and SMEs development</th>
<th>A.2 Support to education, research, technological development and innovation</th>
<th>A.3 Promotion of social inclusion and fight against poverty</th>
<th>B.4 Environmental Protection, Climate Change Adaptation and Mitigation</th>
</tr>
</thead>
<tbody>
<tr>
<td>i. Enhancing the competitiveness of SMEs; Fostering the creation of new firms; Supporting the capacity of SMEs to grow in regional, national and international markets</td>
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<tr>
<td>ii. Strengthening research, technological development and innovation; Enhancing access to, and use and quality of ICT</td>
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<tr>
<td><strong>TABLE 7. COHERENCE with the strategies and instruments of the EU Cohesion Policy and the Common fisheries policy (CFP)</strong></td>
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<tr>
<td><strong>Cohesion Policy Instruments and priorities by objective (The Europe 2020 Strategy’ for smart, sustainable and Inclusive growth)</strong></td>
<td><strong>European territorial cooperation goal</strong></td>
<td><strong>Promoting</strong></td>
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<tr>
<td>ERDF (Investment priorities)</td>
<td>i. Fostering of cooperation between businesses, particularly between SMEs and supporting sustainable tourism</td>
<td>i. Supporting Self-employment, entrepreneurship and business creation</td>
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<td></td>
<td>ii. Developing an economy based on knowledge, research and innovation, including through the fostering of cooperation between businesses</td>
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<td>iii. Supporting energy efficiency, smart energy management and renewable energy use, including in public buildings, and in the housing sector</td>
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<td>iv. Investing in the water sector to meet the requirements of the Union’s acquis;</td>
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<td>v. Investing in the waste sector to meet the requirements of the Union’s acquis;</td>
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<td>vi. Promoting social inclusion, combating poverty and any discrimination; Providing support for social enterprises</td>
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<td>vii. Protecting and restoring biodiversity and promoting ecosystem services</td>
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**Thematic Objectives**

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<thead>
<tr>
<th>A.1 Business and SMEs development</th>
<th>A.2 Support to education, research, technological development and innovation</th>
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<th>B.4 Environmental Protection, Climate Change Adaptation and Mitigation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A.</strong> Business and SMEs development</td>
<td><strong>A.2</strong> Support to education, research, technological development and innovation</td>
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<td><strong>B.4</strong> Environmental Protection, Climate Change Adaptation and Mitigation</td>
</tr>
</tbody>
</table>

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61 It includes cross-border, transnational and interregional programmes involving EU regions, some of them being also eligible to the ENI CBC MED Programme 2014-2020.

### TABLE 7. COHERENCE with the strategies and instruments of the EU Cohesion Policy and the Common fisheries policy (CFP)

<table>
<thead>
<tr>
<th>ESF</th>
<th>sustainable and quality employment and supporting labour mobility</th>
</tr>
</thead>
<tbody>
<tr>
<td>ii.</td>
<td>Promoting sustainable integration into the labour market of young people, in particular those not in employment, education or training (NEET), including through the implementation of the Youth Guarantee</td>
</tr>
<tr>
<td>iii.</td>
<td>Facilitating access to employment for job-seekers and inactive people, including the long-term unemployed and people far from the labour market</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Promoting social inclusion, combating poverty and discrimination</th>
</tr>
</thead>
<tbody>
<tr>
<td>i.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other thematic Objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>i.</td>
</tr>
<tr>
<td>ii.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cohesion Funds Investment priorities [63]</th>
</tr>
</thead>
<tbody>
<tr>
<td>i.</td>
</tr>
<tr>
<td>ii.</td>
</tr>
<tr>
<td>iii.</td>
</tr>
<tr>
<td>iv.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Thematic Objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>A.1 Business and SMEs development</td>
</tr>
<tr>
<td>A.2 Support to education, research, technological development and innovation</td>
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<tr>
<td>A.3 Promotion of social inclusion and fight against poverty</td>
</tr>
<tr>
<td>B.4 Environmental Protection, Climate Change Adaptation and Mitigation</td>
</tr>
</tbody>
</table>

X

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### TABLE 7. COHERENCE with the strategies and instruments of the EU Cohesion Policy and the Common fisheries policy (CFP)

| Common fisheries policy (CFP) | EMFF | Investment priorities | i. Promoting competitive, environmentally sustainable, economically viable and socially responsible fisheries and aquaculture | X |

### TABLE 8 - COHERENCE and COMPLEMENTARITIES with the strategies and programmes of the European Neighbourhood Policy

<table>
<thead>
<tr>
<th>Thematic Objectives</th>
<th>A.1 Business and SMEs development</th>
<th>A.2 Support to education, research, technological development and innovation</th>
<th>A.3 Promotion of social inclusion and fight against poverty</th>
<th>B.4 Environmental Protection, Climate Change Adaptation and Mitigation</th>
</tr>
</thead>
<tbody>
<tr>
<td>i. Promoting entrepreneurship and SMEs competitiveness based on the Small Business Act for Europe (SBA) (^{66}); Supporting partner countries to align their SME policies with EU policies and to strengthen economic integration (^{66}); Supporting industrial cooperation (^{67}); Promoting trade and inclusive and sustainable economic development</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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\(^{65}\) As mentioned in the joint communication by the European Commission and the High Representative of the EU for foreign affairs and security policy, dated 27 March 2014 and titled “Neighbourhood at the Crossroads: Implementation of the European Neighbourhood Policy in 2013”, several ENP partner countries have adopted reference documents inspired by the SBA, to stimulate entrepreneurship and favourable business conditions to create growth and jobs. In the Southern Neighbourhood, Euro-Mediterranean industrial cooperation has long provided a framework for developing enterprise policy based on the Euro-Mediterranean Charter for Enterprise, which is currently being assessed and revised to also incorporate components of the Small Business Act for Europe (SBA).


\(^{67}\) Source: JOINT STAFF WORKING DOCUMENT Implementation of the European Neighbourhood Policy Partnership for Democracy and Shared Prosperity with the Southern Mediterranean Partners Report
### TABLE 8 - COHERENCE and COMPLEMENTARITIES with the strategies and programmes of the European Neighbourhood Policy

#### ENP

<table>
<thead>
<tr>
<th>ENP (Agenda)</th>
<th>Thematic Objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>A.1 Business and SMEs development</td>
</tr>
<tr>
<td>ii. Promoting job creation; Improving social equality; Increasing engagement with young people, including through educational exchanges and other networks; Increasing opportunities for women in the workforce(^8)</td>
<td>X</td>
</tr>
<tr>
<td>iii. Supporting policy dialogue and cooperation on research and innovation through the development of a Common Knowledge and Innovation Space (CKIS)(^9); Supporting neighbourhood countries’ cooperation with the EU on research and innovation and education(^10)</td>
<td></td>
</tr>
<tr>
<td>iv. Improving access to basic environmental services such as water supply and wastewater treatment(^11)</td>
<td></td>
</tr>
<tr>
<td>v. Providing access to basic environmental services such as solid waste management</td>
<td></td>
</tr>
<tr>
<td>vi. Supporting the integration of neighbouring countries into the EU internal energy market; Promoting renewable energy, including solar energy; Creating energy networks; increasing energy security and efficiency, as well as energy safety(^12)</td>
<td></td>
</tr>
<tr>
<td>vii. Promoting marine protection(^13)</td>
<td></td>
</tr>
</tbody>
</table>

#### ENP/ENPI -

<table>
<thead>
<tr>
<th>ENP/ENPI -</th>
<th>Thematic Objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>i. Promotion and increase of investments, facilitation of market access and improvement of business climate(^14); Facilitating the private sector’s access to the financial system(^15); Support the development of partnerships between enterprises from EU and neighbour countries, networks of SME and investment support structures(^16)</td>
<td>X</td>
</tr>
</tbody>
</table>

\(^{8}\) Ibidem
\(^{9}\) Source: [http://ec.europa.eu/research/index.cfm?pg=events&eventcode=91FCAA2-A341-6B60-2C7E9D90D5A7C27F](http://ec.europa.eu/research/index.cfm?pg=events&eventcode=91FCAA2-A341-6B60-2C7E9D90D5A7C27F)
\(^{10}\) Source: [http://ec.europa.eu/research/index.cfm?pg=events&eventcode=91FCAA2-A341-6B60-2C7E9D90D5A7C27F](http://ec.europa.eu/research/index.cfm?pg=events&eventcode=91FCAA2-A341-6B60-2C7E9D90D5A7C27F)
\(^{14}\) Source: EU/JORDAN ACTION PLAN.
\(^{15}\) Source: EU/JORDAN ACTION PLAN.

79
### TABLE 8 - COHERENCE and COMPLEMENTARITIES with the strategies and programmes of the European Neighbourhood Policy

<table>
<thead>
<tr>
<th>Action Plans (Domains)</th>
<th>A.1 Business and SMEs development</th>
<th>A.2 Support to education, research, technological development and innovation</th>
<th>A.3 Promotion of social inclusion and fight against poverty</th>
<th>B.4 Environmental Protection, Climate Change Adaptation and Mitigation</th>
</tr>
</thead>
<tbody>
<tr>
<td>ii. Deepen cooperation on science and technology by developing the great potential offered in the area of R&amp;D(^{77}); Organising a dialogue between all those involved in research and end-users (industry, SMEs) and implementing interaction mechanisms between research and industry, public-private sector(^{79}); Strengthen links between higher research institutes and education institutions(^{79})</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>iii. Promote equal participation of women in social, economic, political and cultural life(^{80}); Improve the business environment and investment climate to enable firms to invest, create jobs and expand(^{81}); Exchanging information on existing programmes and initiatives to facilitate social inclusion, the integration of vulnerable groups in the market(^{82})</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>iv. Promote integrated water resource management (IWM)(^{83}); Take steps to apply methodologies and practices of IWM(^{84}); Develop the necessary legal and institutional framework for an integrated water and wastewater management system to ensure equitable service delivery and resource sustainability(^{85}); Enhance the efficiency of water use(^{86})</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>v. Adopt and implement relevant waste management strategies (including in relation to hazardous waste) and adopt legislation on waste management, building on EU policy principles and legislation(^{87}); Strengthen the framework for hazardous and solid waste management(^{88}); Step up implementation of the national waste management plan, particularly as regards collection, recovery, recycling and disposal of waste(^{89})</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
TABLE 8 – COHERENCE and COMPLEMENTARITIES with the strategies and programmes of the European Neighbourhood Policy

<table>
<thead>
<tr>
<th>Cooperation Development Instrument</th>
<th>A.1 Business and SMEs development</th>
<th>A.2 Support to education, research, technological development and innovation</th>
<th>A.3 Promotion of social inclusion and fight against poverty</th>
<th>B.4 Environmental Protection, Climate Change Adaptation and Mitigation</th>
</tr>
</thead>
<tbody>
<tr>
<td>vi. Accompany further development of energy efficiency policies, including the policy on energy efficiency in buildings; Reinforce the institutions dealing with energy efficiency and renewable energy sources</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>vii. Take steps to apply methodologies and practices of integrated coastal zone management (ICZM); Promote a responsible and sustainable fishery policy and an integrated approach to maritime affairs; Develop an integrated maritime policy respecting relevant international and regional conventions (including alignment with EU legislation) within a sustainable growth, addressing institutional structures, establishment of protected zones in compliance with the Barcelona Convention</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>

TABLE 9 - COHERENCE and COMPLEMENTARITY with the content of the new EU Programmes for the 2014-2020

Thematic Objectives

Cooperation Development Instrument

<table>
<thead>
<tr>
<th>Cooperation Development Instrument (ENP partner countries)</th>
<th>A.1 Business and SMEs development</th>
<th>A.2 Support to education, research, technological development and innovation</th>
<th>A.3 Promotion of social inclusion and fight against poverty</th>
<th>B.4 Environmental Protection, Climate Change Adaptation and Mitigation</th>
</tr>
</thead>
<tbody>
<tr>
<td>i. Promoting inclusive growth and encouraging social cohesion and development, in particular creation of employment, social inclusion, decent work and equity and gender equality</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>ii. Promoting sustainable and equitable management of water resources as well as the protection of water resources</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>iii. Promoting sustainable investment in the main sectors (such as energy, with a focus on renewable energy)</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>

90 Source: EU/JORDAN ENP ACTION PLAN.
91 Source: EU/Lebanon ACTION PLAN.
92 Source: EUROPEAN NEIGHBOURHOOD POLICY EU-Lebanon Action Plan.
93 Source: EU/JORDAN ACTION PLAN.
94 Source: EU/PALESTINE ACTION PLAN.
95 Source: REGULATION (EU) No 233/2014 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 11 March 2014 establishing a financing instrument for development cooperation for the period 2014-2020. This Regulation establishes an instrument (the ‘Development Cooperation Instrument’ or ‘DCI’) under which the Union may finance countries eligible for Union funding under the European Neighbourhood Instrument established by Regulation (EU) No 232/2014 of the European Parliament and of the Council (1) (the ‘European Neighbourhood Instrument’. The Development Cooperation Instrument of the EU external policy for the 2014-2020 will destine 545 million euros to ENP partner countries (i.e. Middle East) to support the implementation of activities in different fields of intervention, as indicated in the abovementioned table. EU assistance to these countries is provided under Geographic programs with the following objectives which are consistent with the Programme intervention Strategy.
### Interreg MED 2014-2020

<table>
<thead>
<tr>
<th>Interreg MED 2014-2020</th>
<th>A.1 Business and SMEs development</th>
<th>A.2 Support to education, research, technological development and innovation</th>
<th>A.3 Promotion of social inclusion and fight against poverty</th>
<th>B.4 Environmental Protection, Climate Change Adaptation and Mitigation</th>
</tr>
</thead>
<tbody>
<tr>
<td>i. Promoting business investment in R&amp;I, developing links and synergies between enterprises (Priority Axis 1, T O1, IP 1B); Increase transnational activity of innovative clusters and networks of key sectors of the MED area (SO 1.1); Enhance the development of a sustainable and responsible coastal and maritime tourism in the MED area (Priority Axis 3, TO6, IP6c, SO 3.1), (e.g. business models).</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ii. Promoting business investment in R&amp;I, developing links and synergies between enterprises, research and development centres and the higher education sector (Priority Axis 1, T O1, IP 1B); Increase innovative clusters and networks (SO 1.1)</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>iii. Social cohesion and social innovation: Involving social enterprise or implementing actions that improve the conditions of target groups confronted with economic and social integration difficulties (Priority Axis 1, T O1, IP 1B)</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>iv. Reducing the potential impact of human activities on environmental and cultural heritage, and ensuring a better protection of natural resources (Priority Axis 3, IP 6c, SO 3.1)</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>v. Increasing the inclusion of local renewable energy sources in strategies and plans of Med territories (Priority Axis 2, TO4, IP4e, SO 2.2)</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>vi. Supporting the shift toward a low-carbon economy in all sectors (TO4, IP 4C) and Supporting energy efficiency, smart energy management and renewable energy use in public infrastructures (SO 2.1 and SO 2.2)</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>vii. Enhancing the development of a sustainable and responsible coastal and maritime tourism in the Med area (Priority Axis 3, TO6, IP6c, SO 3.1)</td>
<td></td>
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<td>X</td>
<td></td>
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</table>

### Interreg

<table>
<thead>
<tr>
<th>Interreg</th>
<th>A.1 Business and SMEs development</th>
<th>A.2 Support to education, research, technological development and innovation</th>
<th>A.3 Promotion of social inclusion and fight against poverty</th>
</tr>
</thead>
<tbody>
<tr>
<td>i. Supporting the capacity of SMEs to engage in growth in regional, national and international markets, and in innovation processes (Priority Axis 2, IP 3d); Supporting SMEs in all stages of their life cycle (SO 2.1)</td>
<td></td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>

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**Source:** 2014-2020 Interreg MED Cooperation Programme.

**Note:** There is a specific need to improve the living environment in high density areas, reduce the effect of human activities on sea, land, air and human health.
TABLE 9 - COHERENCE and COMPLEMENTARITY with the content of the new EU Programmes for the 2014-2020 period (i.e. Objectives, Axes and Investment priorities)

<table>
<thead>
<tr>
<th>Thematic Objectives</th>
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</thead>
<tbody>
<tr>
<td>Europe<strong>98</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ii. Promoting business investment in R&amp;I, developing links and synergies between enterprises, research and development centres and the higher education sector (Priority Axis 1, IP 1b); Improve the implementation of regional development policies and programmes (SO 1.2)</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>iii. Promoting entrepreneurship among specific target groups at risk of discrimination (e.g. unemployed youth, elderly persons, disabled people, women, long-term unemployed and migrants) (Priority Axis 2, SO 2.1)</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>iv. Supporting industrial transition towards a resource-efficient economy; Improving (the governance of) water treatment and recycling (Priority Axis 4, IP 6g, SO 4.2) Improving (the governance of) waste management (Priority Axis 4, IP 6g, SO 4.2)</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>v. Supporting actions and investments to increase levels of energy efficiency, including in public buildings and the housing sector; Raising the share of energy from renewable sources (Priority Axis 3, IP 4e, SO 3.1)</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>vi. Promoting regional practices for integrated coastal zone management in view of the new framework regulation on maritime spatial planning and ICZM (Priority Axis 4, IP 6c, SO 4.1)</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>ETC Balkan MED<strong>99</strong></td>
<td>i. Enhancing the SMEs’ capacity by implementing actions related to technology transfer solutions in order to help SMEs in improving their competitiveness (Priority Axis 1, SO 1.1); Supporting/ facilitating business model innovation and promoting cooperation between clusters and business networks (Priority Axis 1, SO 1.2)<strong>100</strong></td>
<td></td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>


### TABLE 9 - COHERENCE and COMPLEMENTARITY with the content of the new EU Programmes for the 2014-2020 period (i.e. Objectives, Axes and Investment priorities)

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<th>B.4 Environmental Protection, Climate Change Adaptation and Mitigation</th>
</tr>
</thead>
<tbody>
<tr>
<td>ii. Improving the transnational innovation capacity of the business sector, by developing transnational cooperation schemes of the “quadruple helix” type [between business sector, public sector, research / academic centres and civil society organisations] (Priority Axis 1, SO 1.2)</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>iii. Encouraging the setting up or upgrading of social enterprises especially in less developed regions, urban, rural and remote areas with training and know-how support (Priority Axis 1, SO 1.3)</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>iv. Promoting technology transfer and applications’ tests to enhance resources management efficiency (water, waste, soil, air and energy) and climate change resilience (Priority Axis 2, SO 2.2)</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>v. Improving environmental protection and resource efficiency in the waste sector, by implementing environmental friendly technologies related to the waste efficient management (Priority Axis 2, SO 2.2)</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>vi. Promoting technology transfer and applications’ tests to enhance resources management efficiency (including energy) and climate change resilience (Priority Axis 2, SO 2.2)</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>vii. Strengthening the capacities of relevant actors for an ecosystem basis development approach (Priority Axis 2, SO 2.1)</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>COSME101</td>
<td>i. Supporting SMEs in the following four areas: Better access to finance for Small and Medium-sized Enterprises [SMEs]102</td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td></td>
<td>ii. Erasmus for Young Entrepreneurs101</td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td></td>
<td>i. Industrial Leadership: Topic: Web Entrepreneurship. ICT-13-2014. A. Accelerate web entrepreneurship in Europe: Online platforms with new services; Topic: Stimulating the innovation potential of SMEs for a low carbon energy system</td>
<td></td>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>


### TABLE 9 - COHERENCE and COMPLEMENTARITY with the content of the new EU Programmes for the 2014-2020 period (i.e. Objectives, Axes and Investment priorities)

<table>
<thead>
<tr>
<th>Horizon 2020&lt;sup&gt;104&lt;/sup&gt;</th>
<th>Thematic Objectives</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>A.1 Business and SMEs development</td>
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</tr>
<tr>
<td>ii. Encouraging the research and innovation cooperation between the Union and selected regional partners – proposals targeting Southern Mediterranean Neighbourhood, Eastern Partnership INT-02-2015</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>iii. Innovative, Sustainable and inclusive Bio economy. Topic: Unlocking the growth potential of rural areas through enhanced governance and social innovation. ISIB-03-2015</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>iv. Development of water supply and sanitation technology, systems and tools, and/or methodologies WATER-5c-2015; WATER-4b-2015; WATER-4a-2014</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Life 2014-2020&lt;sup&gt;105&lt;/sup&gt;</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>i. Sub-programme for Environment, Thematic priorities for Water, including the marine environment: Activities to ensure safe and efficient use of water resources, improving quantitative water management, preserving a high level of water quality and avoiding misuse and deterioration of water resources&lt;sup&gt;106&lt;/sup&gt;</td>
<td>X</td>
</tr>
</tbody>
</table>

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<sup>105</sup> Source: [http://ec.europa.eu/environment/life/](http://ec.europa.eu/environment/life/)

TABLE 9 - COHERENCE and COMPLEMENTARITY with the content of the new EU Programmes for the 2014-2020 period (i.e. Objectives, Axes and Investment priorities)

<table>
<thead>
<tr>
<th>Thematic Objectives</th>
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<th>B.4 Environmental Protection, Climate Change Adaptation and Mitigation</th>
</tr>
</thead>
<tbody>
<tr>
<td>ii. Sub-programme for Environment, Thematic priorities for Waste: Activities for the implementation of the specific objectives for waste set out in the Roadmap for a Resource-Efficient Europe and the 7th Environment Action Programme 107</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>iii. The priority area Climate Change Mitigation should contribute to the development and implementation of Union climate-related policy and legislation108</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>ERASMUS+ 111</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>i. Mobility projects for young people112 and youth workers113</td>
<td>X</td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>ii. Mobility projects for students and university staff and capacity building projects for higher education institutions.114</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>CREATIVE EUROPE -</td>
<td></td>
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<tr>
<td>i. The different funding schemes encourage the audio-visual, cultural and creative players to operate across Europe, to reach new audiences, markets, communities and to develop the skills needed in the digital age.116</td>
<td></td>
<td></td>
<td>X</td>
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</tr>
</tbody>
</table>

111 Source: http://ec.europa.eu/programmes/erasmus-plus/index_en.htm
112 Further details at: http://ec.europa.eu/youth/programme/partnerships/index_en.htm
114 Source: http://ec.europa.eu/education/opportunities/higher-education/business_en.htm


### TABLE 9 - COHERENCE and COMPLEMENTARITY with the content of the new EU Programmes for the 2014-2020 period (i.e. Objectives, Axes and Investment priorities)

<table>
<thead>
<tr>
<th>MEDIA Sub-programme</th>
<th>Thematic Objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>A.1 Business and SMEs development</td>
</tr>
<tr>
<td>ii. Within the European networks, actions are aimed to support the activities of a limited number of networks aiming to reinforce the cultural and creative sectors' capacity to operate internationally, and to adapt to change. The best example is given by &quot;The Access to Markets Single actions 2015 call (EACEA/29/2014).&quot;</td>
<td>X</td>
</tr>
</tbody>
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118 Source: [https://eacea.ec.europa.eu/creative-europe/actions/media/access-markets-single-actions_en](https://eacea.ec.europa.eu/creative-europe/actions/media/access-markets-single-actions_en). Specifically, this call aims to a) facilitate Business to Business exchanges; b) improve the European/International dimension, the effectiveness of existing large industry markets and to increase the systemic impact of smaller initiatives; c) increase the visibility of professionals and audiovisual works from EU countries with a low production capacity; d) increase the number of EU co-productions and lead to a greater diversification of talents and sources of financing; e) improve the competitiveness and circulation of EU audiovisual works on international markets.
The table above shows how the key elements to be addressed by the new ENI CBC MED Programme – on the basis of our analysis – deal with issues on which strategies and ongoing programmes and other initiatives are also focusing, underlining the connections in terms of coherence, complementarity and opportunities of collaboration. The flexibility of the new Programme may help the MA to enhance the interaction between different cooperation instruments of the European Commission and to increase synergies between the projects. This flexibility is based on strengthening the capacity of the structures of the Programme (i.e. the National Contact Points), to improve NCP regional and local insertion and seek ways to involve all actors (i.e. the project partners and other stakeholders) in this process of coordination with other EU instruments. Indeed, the National Contact Points will play a greater role in coordination activities and will increase the potential impact of the project’s activities and enable the development of synergic actions regarding the implementation of the new JOP.

2.8 STRATEGIC ENVIRONMENTAL ASSESSMENT (SEA) (SUMMARY)

According to art. 4.5(h) of the ENI CBC Implementing Regulation n° 897/2014, the Joint Operational Programme should include “information on fulfilment of regulatory requirements laid down in Directive 2001/42/EC of the European Parliament and of the Council”, i.e. the Directive on the assessment of the effects of plans and programmes on the environment, the so-called Strategic Environmental Assessment (SEA).

The EC issued a guidance note on the SEA in the context of ENI CBC (June 2014), in which it is stated that it is the responsibility of the Member State hosting the Managing Authority (MA) for the Programme to determine, according to its national legislation, how to conduct the SEA process and to consult with the relevant environment authorities in the participating countries. Therefore, each country was asked to provide contact details of one person representing the Environment authorities to be consulted on an environmental report drafted by an external expert recruited by the MA.

The preliminary report is structured as follows: firstly, the main requirements of the SEA Directive and the EC - INTERACT ENPI Guidance Note on SEA in the context of ENI CBC are presented; subsequently, it is summarized how the screening process was carried out, and the main results of this exercise are presented. Finally, the outcomes of the consultation process involving the National Environmental Authorities of the Countries participating in the Programme are included. The following sub-paragraphs provide a synthesis of the above-mentioned contents.

2.8.1 THE EUROPEAN DIRECTIVE 2001/42/EC AND THE INTERACT GUIDANCE NOTE ON SEA IN THE ENI CBC

The European Directive 2001/42/EC (SEA Directive) establishes that any plan and program that may have negative effects on the environment is subjected to an assessment procedure called Strategic Environmental Assessment (SEA). The aim of SEA is to ensure that environmental considerations are taken into account from the outset of the plan/programme making, and that environmental impacts are identified and either eliminated or reduced as much as possible. SEA is also an inclusive process whereby different environmental authorities are informed and consulted while carrying out the evaluation. The Directive also provides for public consultations in order for the general public to have a say on the proposed plan/program before its final draft is approved.
The SEA is mandatory for plans/programmes which:

- are prepared for agriculture, forestry, fisheries, energy, industry, transport, waste/water management, telecommunications, tourism, town & country planning or land use and which set the framework for future development consent of projects listed in the EIA Directive.

or

- have been determined to require an assessment under the Habitats Directive.

When it is not evident that a proposed plan/programme has significant impacts on the environment, a so-called “screening” procedure is carried out. The screening consists of a first evaluation of the plan/programme contents to assess whether its implementation may cause negative impacts.

In order to ease the involvement of the general public and make decision-making processes more open and transparent, the SEA regulation envisages that a non-technical summary of the analysis and assessments carried out is elaborated and made available to the public.

Based on these requirements, the aim of the EC-INTERACT ENPI Guidance Note is to provide the Managing Authorities with an interpretation of the SEA Directive in the context of cross-border cooperation, including the necessary legal steps of the SEA process and the different actors to be involved. The Guidance does not substitute the SEA Directive, and should be read in conjunction with it.

According to the guidance, SEA represents an integral part of the programming exercise and the process shall be started in parallel with the programme strategy development and will, whenever relevant, influence the content of the JOP.

An environmental assessment involves the following steps:

- identification of the relevant environmental authorities in all participating countries;
- decision on whether a full SEA is required or not.

And, if a SEA is required:

- determination of SEA scope and preparation of an environmental report;
- consultations of the environmental authorities and the public;
- inclusion of environmental report conclusions and consultations results in the JOP;
- adequate monitoring of recommendations;
- informing the consulted authorities and the public about programme approval.

The Member State hosting the Managing Authority (MA) is responsible to determine, according to its national legislation, how to conduct the SEA process. When a screening procedure is required to determine whether the programmes will have significant environmental effects, the MA should carry out, whenever possible, a consultation process with the National Environmental Authorities in all countries participating in the Programme.

The screening procedure should decree if a full SEA is necessary or not, based on the criteria of Annex II of the SEA Directive. A statement confirming that the SEA is not applicable, and a note on the screening conclusions explaining the reasons for not requiring a SEA, is to be published and included in the JOP.
The screening procedure should decree if a full SEA is necessary or not, based on the criteria of Annex II of the SEA Directive. A statement confirming that the SEA is not applicable, and a note on the screening conclusions explaining the reasons for not requiring a SEA, is to be published and included in the JOP.

2.8.2 THE SCREENING PROCESS OF THE ENI CBC MED PROGRAMME 2014-2020

In Italy, the SEA procedure is regulated by the national Decree n. 152/2006 and further amendments, which transposed Directive 2001/42/EC. The Italian SEA law establishes a “Responsible Authority” for the SEA (not envisaged by the Directive) in charge of issuing a final statement on the environmental compatibility of the plan/programme. For plans/programmes that undergo the screening procedure, the Responsible Authority is also in charge of the final decision on whether the SEA is required or not. In addition, the Italian law gives Regional Authorities a high directionality in establishing specific SEA provisions and regulations for plans/programmes elaborated or adopted by Regional and Local governments. In particular, Regions have to appoint the SEA Responsible Authorities.

The Managing Authority for the ENI CBC MED Programme 2014-2020 is the Autonomous Region of Sardinia (Italy), which has regulated SEA through Regional Law DGR 33/34 of 2012. According to regional regulations, the SEA Responsible Authority (RA) is the “Servizio sostenibilità ambientale e sistemi informativi” (SAVI) of the Autonomous Region of Sardinia, which operates independently from the MA.

The MA, along with the external expert, is responsible for the Preliminary Report drafting, in the context of the screening procedure.

After an overview of the environmental characteristics of the Mediterranean Basin, the Preliminary Report outlines an analysis aiming to verify the coherence and complementarities between the Programme and the programmatic framework of the context in which it occurs. The Programme strategy results coherent with the main EU policies, new EU Programmes and other relevant initiatives, focusing on a limited number of priorities on which an effective cross-border cooperation adds value to local, national and regional policies without overlapping with elements already funded by other programmes and initiatives. In particular, the ENI CBC MED added value lies in the participation of a wide range of actors resulting in international partnerships sharing different backgrounds and expertises and directly committed to the local governance processes. Furthermore, all expected results of Programme priorities are in line with the objectives of the Mediterranean Strategy for Sustainable Development (MSSD).

After the individual analysis of the Programme priorities and of their related expected results and indicative types of action, a preliminary screening of the potential interferences of the Programme implementation with the environment was carried out against 5 macro-environmental dimensions: water, air emissions and climate change, waste management, energy, ecosystem and landscape.

The aim of the screening process is to verify if the Programme has likely significant effects on the environment, according to the set of criteria reported in Annex II of European Directive 2001/42/EC. However, the Programme defines wide and strategic objectives and priorities and allocates funding to each of them. Such objectives will be pursued through the implementation of individual projects proposed by actors belonging to the Partner Countries; therefore, at this stage, it is not possible to give a precise definition of:
• the characteristics of the potential environmental effects deriving by the specific typologies of intervention (as defined by Annex II of the Directive 2001/42/EC: probability, duration, frequency and reversibility of impacts; cumulative impacts; cross-border nature of the impacts; risks to human health or the environment; magnitude and spatial extent of impacts etc.);

• the specific environmental characteristics of the areas affected by the projects.

In fact, both these aspects will be known only in the next phase of Countries’ / Applicants’ participation to the Calls for proposals.

The screening process highlights that, on the one hand, all the Programme priorities are expected to deliver beneficial effects in pursuing progress towards sustainability in the economic, social and environmental areas. On the other hand, even though the implementation has a low likelihood of impact occurrence (as it is expected that projects will be largely focussed on intangible actions with limited pilot interventions), potential environmental effects have to be assessed based on an exhaustive level of information to be provided by the applicants first, and tailored monitoring activities by the beneficiaries and the Programme bodies then. Given the current status of available information, priorities for which potential environmental effects require more information and monitoring activities are:

Priority 1.1 - Support innovative start-up and recently established enterprises; Priority 1.2 - Strengthen and support networks, clusters, consortia and value chains; Priority 1.3 - Encourage sustainable tourism initiative and actions; Priority 4.1 - Support sustainable initiatives targeting innovative and technological solutions to increase water efficiency and encourage use of non-conventional water supply; Priority 4.2 - Reduce municipal waste generation and promote source-separated collection and the optimal exploitation of its organic component; Priority 4.3 - Renewable energy and energy efficiency - Support cost-effective and innovative energy rehabilitation relevant to building types and climatic zones, with a focus on public buildings; Priority 4.4 - Integrated Coastal Zone Management - Incorporate the Ecosystem-Based management approach to ICZM into local development planning.

More information and assessments are therefore required only when the proposal reaches a greater level of definition (e.g. typology, localization) in the evaluation process.

In addition, another measure aimed at guaranteeing the overall environmental sustainability of the Programme is put forward: projects financed by this Programme are subjected to existing SEA and EIA procedures defined by EU and national/regional legislations. Indeed, the exemption of the ENI MED Programme itself from the full SEA procedure does not imply that projects financed by it are excluded from such procedures.

To ensure that all typologies of interventions with potential effects on the environment undergo an environmental assessment, those projects which are included in the field of application of SEA and EIA EC Directive and that are realized in non-EU countries may be accompanied by an Environmental Impact Study with the same contents as those provided for by the two above-mentioned directives.

After the drafting of the Preliminary Report, consultations with the following National Environmental Authorities of the countries participating in the Programme took place from the 22nd of July until the 22nd of August 2015:

• Algeria Ministry of Foreign Affairs
• Cyprus Ministry of Agriculture, Rural Development and Environment
All the Authorities were provided with:

- The Programme Preliminary Report
- The non-technical Summary of the Preliminary Report

All the National Environmental Authorities were asked for their opinion on:

- Existence of national regulations on environmental issues applicable to the typologies of intervention foreseen by the Programme;
- Planning systems that may influence the implementation of the interventions funded by the Programme;
- Areas of significant environmental value, in consideration of their natural characteristics or of the landscape, where any intervention foreseen by the Programme may be discouraged;
- Potential additional environmental impacts linked to the interventions funded by the Programme and not considered in the Preliminary Report

2.8.3 CONCLUSION OF THE SCREENING PROCESS

The ENI CBC MED Programme aims to foster a fair, equitable and sustainable economic, social and territorial development in the Mediterranean Basin, enhancing cooperation between and within the Northern and Southern rims of the Mediterranean Sea. A screening of the possible effects of the Programme implementation on the environment has been carried out to establish whether the Programme shall undergo a full environmental assessment.

The screening proved that the typologies of action foreseen by the Programme are, in the majority of cases, neutral with respect to the environment, as they mainly consist of networking and immaterial actions.
To steer the future Programme implementation towards environmental sustainability, and to avoid any potential negative impact as pointed out above, a screening mechanism is put forward for future projects that will be presented by applicants. Such mechanism is articulated in 5 main levels of attention, which will be progressively activated depending on the features of the project proposals submitted and their location.

As recommended by the EC - INTERACT ENPI Guidance Note on SEA in the context of ENI CBC, the consultations with the National Environmental Authorities of the countries participating in the Programme were carried out and its results included in the opinion of the RA.

Based on the results of the national consultations and the opinion of the RA of the Autonomous Region of Sardinia, it is concluded that the Programme does not require a full SEA procedure for the following reasons:

- The Programme does not define in detail the types of interventions that will be funded;
- The Programme does not represent the framework for the implementation of specific interventions / types of projects, for which an authorisation will obviously be subject to the provisions in force in the participating countries;
- The Programme pursues clear objectives of environmental sustainability, namely: overarching objective B: Address common challenges in environment and the Thematic Objective B.4: Environmental protection, climate change, and mitigation and all the identified priorities under these objectives should generate mainly positive impacts;
- The likelihood of negative environmental impacts, theoretically possible, can be considered low based on the following considerations:
  - in most cases they are indirect, and are not linked to the actions financed by the Programme, most of which are expected to be immaterial, but may result from the desired effects of the Programme (e.g. Environmental impacts resulting from the development of specific production sectors). In these cases, the assessment concerning the potential negative impacts will necessarily be delayed after the implementation of the Programme;
  - The material actions will have largely an experimental and demonstration character. They will mainly concern pilot plants, designed to test the viability of specific technologies which may imply potential environmental impacts. There is thus no risk of cumulative impacts, given the small number and size of the proposed actions;
  - in order to minimize the likelihood of negative impacts (not detectable at this stage) when defining the Calls for Proposals, the Programme will set up multiple levels of environmental assessment taking into account the provisions drafted by the RA and implying a level of detail on the information to be provided progressively deeper.

Therefore, it can be concluded that the regulatory requirements of the SEA directive have been fulfilled and, in accordance with the national legislation in force and the guidance on the subject provided by the EC, no full SEA is required. Some prescriptions and recommendations to support environmental sustainability and avoid negative impacts will be applied according the provisions set by the RA.119

119 RA official statement n. 19458 rep. n. 605 of the 15th of September 2015.
3. PROGRAMME JOINT STRUCTURES

3.1 LESSONS LEARNT ON PROGRAMME MANAGEMENT AND PROCEDURES

During the 2007-2013 programme period, three calls for proposals resulted in around 2,000 applications, whereof only 95 were selected (a success rate below 5% as previously mentioned). The length and the complexity of the selection process, especially for the first call for standard projects, were addressed by the JMC for the two following calls by approving a two-step procedure – Concept Note first, before short-listed applicants were requested to submit a Full Application – and by including all countries in the Project Selection Committee (PSC).

The high number of proposals created a major administrative burden for the programme. The call for strategic projects included specific Terms of Reference and stricter participation rules, which proved to be effective in limiting the number of proposals to 300. Moreover, a simplified application package and wider information on the last call for standard projects significantly reduced the number of proposals rejected for administrative reasons. Although more than 1,000 proposals were submitted under this last call, the overall length of the two-step procedure was limited and all contracts with the approved projects were signed by December 2013.

Notwithstanding the reported improvements, the necessity to further shorten the application and selection process, as well as the number of applications and approved projects, are key for the new Programme. As in the previous Programme – provided that the principles of equal opportunities, transparency and absence of conflict of interest are respected – all countries will be represented in the Project Selection Committee (PSC). This body can better support the quality assessment of project proposals and also guarantee a separation between the technical assessment carried out by the external assessors and the final decisions to be taken by the JMC. Even though the two-step procedure implies a higher number of proposals, it can facilitate participation since the submission of a concept note should enable the potential beneficiaries to follow a simple format, while the detailed application form will only be requested to the pre-selected applicants as second step. It should also be mentioned that during the preparation of the proposals and the implementation of the projects, dedicated bodies aimed at improving the overall efficiency and effectiveness of the approved projects should ensure greater support at the national level.

3.2 PROGRAMME AUTHORITIES, STRUCTURES AND BODIES

The ENI-CBC Mediterranean Sea Basin Programme will be organised with the following authorities, structures and bodies:

- Joint Monitoring Committee (JMC);
- Managing Authority (MA);
- National authorities (NAs);
- Audit Authority (AA);
• Group of Auditors (GoA);
• Control Contact Points (CCPs);
• Joint Technical Secretariat (JTS);
• Branch Offices (BO);
• National Contact Points (NCPs);
• Project Selection Committee (PSC).

3.2.1 **Joint Monitoring Committee (Composition and Tasks)**

The Joint Monitoring Committee (JMC) is the decision-making body of the Programme. It will follow the implementation of the Programme and progress towards its priorities using the objectively verifiable indicators and related target values defined in the Programme, supported by MA. The JMC will examine all issues affecting the performance of the Programme.

The JMC may issue recommendations to the MA concerning the implementation of the Programme and its evaluation. It will monitor actions undertaken as result of its recommendations.

**Composition**

According to art. 21 of the ENI Implementing Rules, the JMC will be officially set up by the participating countries within three months from the date of adoption of the Programme by the EC through a formal meeting. Its composition will include:

- A delegation for each country participating in the programme, with one voting right per delegation;
- The Director of the MA without voting right;
- A representative of the JTS without voting right;
- A Secretary without voting right;
- A representative of each organisation hosting the Branch Office without voting right;
- A representative of the European Commission in an advisory/observer capacity, without voting rights;
- Observers without voting rights.

The chairmanship of the JMC will be held by the Director of the Managing Authority (MA), appointed by the Autonomous Region of Sardinia. A member of the MA staff shall be appointed as Secretary.

The composition of the national delegations will be decided by each country in accordance with the Rules of Procedure (RoP) of the JMC, which will be approved in its first meeting. Each delegation will have a maximum of five members appointed by the National Authority. The delegation for the first JMC meeting shall be notified to the MA within one month from the notification of the Decision of the European Commission approving the Programme.

Participating countries shall ensure, whenever required and appropriate, the adequate participation of concerned stakeholders, including local authorities and civil society organisations.
Functions

In accordance with article 24 of ENI-CBC IR, the main functions of the JMC will be:

1. Approving the MA’s work Programme and its financial plan, including the use of technical assistance;
2. Monitoring the implementation by MA of the work Programme and financial plan;
3. Approving the criteria for selecting the projects to be financed;
4. Being responsible for the evaluation and selection procedure of projects to be financed;
5. Approving any proposal to revise the Programme;
6. Examining all reports submitted by MA;
7. Examining all contentious cases brought to its attention by MA;
8. Examining and approving the annual reports referred to in Article 77;
9. Examining and approving the annual monitoring and evaluation plan referred to in Article 78;
10. Examining and approving the annual information and communication plan referred to in Article 79.

Notwithstanding point 4, JMC will set up the Projects Selection Committee acting under its responsibility.

Functioning

The JMC will meet for its first time within three months from the date of adoption of the Joint Operational Programme by the European Commission. The JMC will then meet as often as necessary and at least once a year.

The procedures of the JMC will be defined in the Rules of Procedure (RoP) to be adopted unanimously at its first meeting. The RoP will ensure the proper functioning of the JMC in accordance with the principles of confidentiality, equal treatment, impartiality and respect of the Programme rules.

The minimum quorum is set at 50% plus one of the countries having adhered to the Programme, by ensuring a geographically equitable participation of EUMCs and MPCs. In the event of a presence below the minimum quorum there will be a re-calling procedure.

As a general rule, the JMC will take its decisions by consensus. However, in the event the consensus cannot be reached, it may put certain decisions to a vote, in accordance with its RoP. The decisions taken by vote will be adopted by a qualified majority ensuring a minimum number of EUMCs and MPCs.

In the event of short deadline, the JMC may use a written decision procedure with tacit agreement or written vote. The decision mechanism must be indicated in the communication launching the written procedure (either tacit agreement or vote).

Each country will have a single vote which will be used in accordance to the internal agreement within each delegation.

The JMC is convened by its chairperson or by a duly justified request from one national Delegation or from the European Commission.
The MA is assisted by the JTS for the secretariat and organisation of the JMC meetings.

Minutes will be drawn up after each JMC meeting signed by the chairperson and the secretary. A draft copy of these minutes will be shared with the participating countries representatives, the Commission and any other observer. The minutes of each meeting will have to be approved by the JMC itself either through written decision or at its next meeting at the latest.

The Managing Authority may decide to convene the Heads of Delegation for technical and/or preparatory meetings or to address specific issues to be discussed.

3.2.2 MANAGING AUTHORITY (STRUCTURE AND TASKS)

By agreement of the countries participating in the Programme, the Managing Authority (MA) is the Autonomous Region of Sardinia (Italy), which will have its operational base in Cagliari (Italy) within the Presidency of the Sardinia Region. The MA will set up a Joint Technical Secretariat (JTS), which will assist the MA in the day-to-day management of the Programme. The JTS will report directly to the MA. The functioning costs of the MA will be covered by Technical Assistance funds, with co-financing in terms of salaries of the internal human resources dedicated to the Programme being equal to 70% of the total internal human resources costs.

Indicative structure of the Managing Authority

Designation process of the Managing Authority

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120 See Annex C Organizational Chart of the Presidency of the Autonomous Region of Sardinia.
According to article 25 of the Implementing Rules (IR), the MA will be designated by Italy, which is the Member State in which it is located. According to the Italian administrative organisation, as the MA is a Regional body, the designation process shall be based on a report and an opinion issued by the Audit Authority (AA) appointed for the Programme while the responsible body entitled to sign the designation letter is the legal representative of the institution hosting the AA (namely the President of the Autonomous Region of Sardinia or a person acting on his/her behalf).

However before the legal representative of the Autonomous Region of Sardinia can proceed with the designation of the MA, based on the above mentioned report and audit opinion of the AA the Italian Ministry of Economy and Finance (Inspectorate General for Relations with the European Union, hereafter, IGRUE) shall first verify that the appointed AA meets the requirements set by the Ministry of Economy and Finance itself.

The designation process will have the following steps:

1. the participating countries appoint the AA of the Programme;
2. the Italian Ministry of Economy and Finance verifies that the appointed AA of the Programme meets the requirements;
3. the AA carries out the audit of the MA and issues a report and an audit opinion;
4. the competent level of the Region of Sardinia sends the designation letter to the EC on the basis of the report and an audit opinion issued by the AA.

The following paragraphs provide further detail on these four steps.

1. **Appointment of the Audit Authority of the Programme.**

The participating countries have appointed a specific dedicated office established by the Autonomous Region of Sardinia as AA of the Programme (see par. 3.2.5).

2. **Verification on the Audit Authority (estimated time needed 2 months)**

The IGRUE is the body entitled to verify that the appointed AA meets all the requirements needed to guarantee to the Italian Government that an appropriate structure and process are established. To this end, the Italian Ministry of Economy and Finance has adopted the manual “Programming Period 2014-2020 – Audit Authorities Requirements”, defining the criteria to assess the AA.

According to version 1.7 (2015), the requirements mainly regard the following:

- **Organisation**, including: functional independence; financial independence; independence of its members; clear distribution and separation of functions; sufficient human resources during the whole programming period; staff expertise; and coordination capacity.
- **Procedures**, including: programming procedures; audit tools; and audit documents and criteria for their archival.
- **Information system** including; technical features; and adaptability for electronic data exchange.

The assessment of the AA will be carried out in two steps – a desk analysis on main elements in order to express an opinion on the AA, followed by on-the-spot visits carried out by IGRUE staff, to check all elements at specific level in order to formally validate the AA. In assessing each element, IGRUE scores each
of the above mentioned criteria in accordance with its appropriateness to ensure that the capability of the AA.

3. **Audit on the Managing Authority (estimated time needed four months from the adoption of the JOP)**

The AA will report and give its opinion on the MA internal control in terms of capabilities to fulfil its duties. Elements of the MA control system that will be audited by the AA are listed in Annex to Regulation (EU) 897/2014, ENI implementing rules. They include:

a. **Internal control environment**, including: an organisational structure covering the functions of the MA and the principle of segregation of functions; reporting and monitoring procedures for preventing, detecting and correcting irregularities and for recovering amounts unduly paid; a plan for allocation of appropriate human resources with necessary skills.


c. **Management and control activities**, including procedures for: project selection, ensuring the principles of transparency, equal treatment, non-discrimination, objectivity and fair competition; contract management; verification in respect of each payment request by beneficiaries; authorising payments; a secured system to collect, record and store electronic data on each project; separate accounting systems by beneficiaries; anti-fraud measures; establishing true, complete and accurate accounts with expenditure that complies with applicable rules; an adequate audit trail and archiving system; a management declaration of assurance, a report on the controls carried out and an annual summary of final controls.

d. **Information and communication**, including: use of relevant information; internal dissemination necessary to support the functioning of other components of the internal control; communication with external parties regarding matters affecting the functioning of other components of internal control.

e. **Monitoring**, including: documented procedures, verifications and evaluations performed to ascertain that the components of internal control exist and function.

The AA will send its report and audit opinion to the Italian Ministry of Economy and Finance.

4. **Designation letter**

In its Manual for Audit Authorities of the EC programmes, the Italian Ministry of Economy and Finance (which includes IGRUE) entitles the legal representative of the institution hosting the AA (namely the President of the Region or a person acting on his/her behalf) to send the designation letter to the EC. This letter will contain the reference to the report and audit opinion issued by the AA. A copy will be sent to the Director of the Managing Authority, to the Italian Agency for Cohesion and to the Italian Ministry of Economy and Finance.

**Functions of the Managing Authority**

As defined in article 26 of EI-CBC IR, the MA will be responsible for managing the Programme in accordance with the principle of sound financial management, and for ensuring that decisions of the Joint Monitoring Committee (JMC) comply with the law, regulations and provisions in force. The main functions according to each responsible unit of the MA are described below.
**Director’s office (five persons, including the Director, one Assistant and three officers, indicative)**

It will guarantee the overall coordination of the Programme and in particular it will be responsible for:

a. Supporting the work of JMC and providing it with all necessary information to enable it to carry out its tasks (such as data related to the progress of the Programme in achieving its expected results and targets). The Director’s office will ensure all the support to enable the JMC to fulfil its responsibilities.

b. Drawing up and, after approval by JMC, submitting the annual reports and final report to the European Commission, including a management declaration and an annual summary.

c. Sharing all information that is relevant to the execution of their tasks or project implementation with other management bodies (such as JTS, Audit Authority and other relevant bodies) and beneficiaries.

d. Coordinating the implementation of the information and communication plans in accordance with art. 79 of the Implementing Rules.

e. Ensuring capitalisation, complementarities and synergies with other programmes or instruments in the Mediterranean area (ENI regional programmes, ETC MED etc.), and putting in place coordination mechanisms to avoid double funding.

f. Taking account of the results of all audits carried out by or under the responsibility of the AA, when those results are relevant to the functions performed.

g. Ensuring the implementation of the monitoring and evaluation plans in accordance to art. 78 of the Implementing Rules.

h. Carrying out the performance assessment of the internal staff, according to the internal provisions of the Region of Sardinia in force.

i. Ensuring the coordination of the MA with other programme bodies (NA, CCP, NCP, AA) in order to guarantee a smooth implementation of the Programme.

**Authorising Unit: (six persons, including one Head of Unit and five officers, indicative)**

This unit will be in charge of the following activities:

1. Selecting and managing projects, and in particular being responsible for:

a. Drawing up and, once approved, launching selection procedures, including drafting the Application Pack and Grant Contract to be approved by the JMC.

b. Managing the administrative aspects of the project selection procedures.

1c. Providing the lead beneficiaries with a document setting the conditions for support for each project, including the financial plan and execution deadlines.

d. Signing contracts with lead beneficiaries.

e. Carrying out operational follow-up and management of signed Grant Contracts.
f. Managing recoveries from projects.
g. Ensuring a suitable audit trail for projects.
h. Establishing and maintaining a computerised system to record and store data on each project, to allow necessary monitoring, evaluation, financial management, control and audit, including data on individual project participants, etc.
j. Carrying out, where relevant, an environmental impact assessment at Programme level.

2. Managing the technical assistance funds, and in particular being responsible for:
   a. Managing the contract award procedures according to the relevant Italian legislation (i.e. Dlgs 163/2006 and its modifications, which introduced the provisions deriving from the EC directives on public procurement and to the internal relevant procedures of the Region of Sardinia).
   b. Signing contracts with contractors.
   c. Managing contracts.
   d. Launching and managing the recruitment procedures of temporary staff (both MA and JTS) according to the Italian applicable legislation.
   e. Signing and managing recruitment contracts according to the Italian labour legislation.

3. Ensuring financial management and control, and in particular being responsible for:
   a. Verifying that the services, supplies or works have been performed, delivered and/or installed, and ensuring that declared expenditures by the beneficiaries have been paid by them and that payments comply with applicable law, programme rules and conditions for support of the projects.
   b. Ensuring that beneficiaries involved in project implementation maintain either a separate accounting system or a suitable accounting code for all transactions related to a project.
   c. Putting in place effective and proportionate anti-fraud measures, taking into account the risks identified.
   d. Setting up procedures to ensure that all expenditure and audit documents required to ensure a suitable audit trail are kept in accordance with the requirements of Article 30 of the IR.
   e. Ensuring a suitable audit trail for Technical Assistance funds.
   f. Taking account of the results of all audits carried out by, or under the responsibility of, the AA, when relevant to the functions performed.

4. Ensuring verifications, and in particular being responsible for:
   a. Carrying out administrative verifications with respect to each payment requested by beneficiaries.
   b. Carrying out on-the-spot verifications in cooperation with the Control Contact Points.
The frequency and coverage of the on-the-spot verification shall be proportionate to the amount of the grant a project receives and the level of risk identified by the MA for the management and control system as a whole. On-the-spot project verification may be carried out on a sample basis.

The Authorising Unit will carry out its activities independently and in compliance with art. 66 of the Financial Regulation. For each procedure, the Head of the Authorising Unit will identify an officer in charge of the initiation of the process and a different officer in charge of its verification. Moreover, the Authorising Unit will guarantee the separation of functions between the initiator and the verifier, who is responsible for making an ex-ante control.

The Authorising Unit is also responsible for making budgetary and legal commitments, validating expenditures, authorising payments and undertaking the preliminary steps for the implementation of appropriations.

**Accounting and Payment Unit (two persons, including one Head of Unit and one officer-Indicative)**

This unit will be independent from the Authorising Unit and it will be in charge of keeping the accounts of the Programme and managing the payments. In particular it will be responsible for:

- Drawing up and submitting payment requests to the EC in accordance with Article 60.
- Drawing up the annual accounts.
- Making payments to contractors.
- Making payments to projects.
- Maintaining computerised accounting records for expenditures declared to the Commission and for payments to beneficiaries.
- Keeping account of recoverable amounts and of amounts reduced following cancellation of all or part of a grant.
- Taking account of the results of all audits carried out by, or under the responsibility of, the AA when drawing up and submitting payment requests;

The Accounting and Payment Unit will carry out its activities in compliance with art. 68 of the Financial Regulation and in particular the person acting as accounting officer will be responsible for:

- implementing payments properly;
- collecting revenue and recovering amounts that are receivable;
- keeping the accounts and preparing and presenting the accounts in line with the provisions of the Financial Regulations;
- laying down the accounting procedures and the chart of accounts;
- laying down and validating the accounting systems;
- guaranteeing management of the treasury.
3.2.3 **JOINT TECHNICAL SECRETARIAT (STRUCTURE AND TASKS)**

Following a decision by the JMC, the MA will set-up a Joint Technical Secretariat to assist in the day-to-day management. It will be operated by the Autonomous Region of Sardinia and located in Cagliari (Italy). The cost of the JTS will be entirely covered by the resources of the Technical Assistance fund.

**Indicative structure of the JTS**

![Diagram of JTS structure](image)

**Staff and recruiting procedures**

The JTS will be composed of international staff recruited through a public procedure designed to ensure transparency and non-discrimination, and to guarantee, as far as possible, a balanced representation of the participating countries. The structure will be set up gradually, and staff will be recruited on the basis of the needs and workload of each phase of the programme cycle.

The JTS staff will be contracted according to Italian law, both in terms of administrative recruitment procedures and type of contract.

**Functions**

The JTS will perform two types of functions: supporting functions to assist the MA and other Programme bodies, and direct functions in coordination with the MA. These functions are as follows:

- **Supporting functions** to MA, JMC, AA and any other relevant programme body in carrying out their respective functions. In particular the JTS will provide support in:

1. The JMC may decide to review the structure of the JTS during Programme implementation as the case may be.
• carrying out the secretariat and logistics functions of the JMC and of the AA and Group of Auditors, including preparation and submission of documents and drafting minutes;
• drafting annual reports (including the final report) to be submitted to the JMC and the European Commission;
• drafting the application pack for the calls for proposals, including the Grant Contract and annexes to be approved by the JMC;
• assisting the MA with the tasks of the chairperson and secretary of the Project Selection Committee;
• managing services and ensuring functions related to IT management and the information systems of the Programme and projects; also translation of documents, etc.;
• assisting the MA and the Branch Offices in the organisation of events, both at the Programme and at National level (including Programme launching, call launching and events for project beneficiaries);
• contributing to the evaluation of project proposals by carrying out the administrative and eligibility checks on the proposals received;
• carrying out technical and financial negotiation of grant contracts;
• ensuring capacity building of project beneficiaries and their auditors;
• assisting the MA in procedures for payment to project beneficiaries, including examination of interim and final reports;
• examining requests for modification of contractual conditions of projects;
• assisting the MA in project monitoring, including on-the-spot visits.

Functions directly carried out by the JTS:
• preparing questions and answers during calls for proposals;
• preparing a manual on project implementation and updating that manual;
• assisting beneficiaries in the implementation of projects and constantly updating the project monitoring system;
• examining and finalising minor modifications proposed by the project beneficiaries during project implementation.

The JTS coordinator, supported by the JTS assistant, will guarantee the overall coordination of the thematic officers, the IT and Audit and Finance officers. The coordinator will refer to the MA, JMC and the AA about the work carried out by the JTS.

Senior thematic officers, supported by junior officers, will follow the day-to-day implementation of projects, including technical, financial and communication aspects.

The IT officer will be devoted to developing, in coordination with the MA, the management and information IT system, which will ensure prompt monitoring of the Programme and projects.

The Audit and Finance officer will be in charge of the support on financial aspects concerning project submission and implementation.

A detailed description of tasks for each position is included in the DMCS.
3.2.4 BRANCH OFFICES (COORDINATION WITH MA AND TASKS)

Following the continuity principle, the Programme will have a Branch Office in Aqaba (Jordan) for the Eastern Mediterranean and another one in Valencia (Spain) for the Western Mediterranean. The cost of the BOs will be covered by Technical Assistance funds and co-financed by the hosting institutions according to the TA financial table.

The hosting institutions for the Branch Offices will be:

- Eastern Mediterranean: Aqaba Special Economic Zone Authority (ASEZA).
- Western Mediterranean: Autonomous Region of Valencia (Generalitat de la Comunitat Valenciana), Directorate General of Relations with the European Union.

Each BO will provide an annual work programme, developed in coordination with the MA and the relevant National Authorities and National Contact Points. The work programme and the corresponding budget shall be part of the annual work plan and financial plan of the Programme to be approved by the JMC.

The BO will be responsible for two types of functions, delegated functions and support functions. In more detail these are:

**Delegated Functions**

The BO will be responsible for the organisation of events to be held in its own geographical area concerning the following main Programme activities:

- Programme launch and implementation;
- promotion of calls for proposals;
- project implementation (i.e. training and workshops).

Each BO will be responsible, in coordination with the MA, for managing the organisation of the different types of events, including logistics, invitations, preparation of material and follow-up of the event. The BOs will have to coordinate with the MA, the National Authorities and/or the National Contact Points, according to the type of event to be organised. The events to be organised by the BOs will be detailed in a document annexed to the Annual Information and Communication Plan approved by the JMC.

In carrying out their delegated functions, the BOs may be supported by the MA, JTS and NA.

**Support functions for the MA and JTS**

Each BO will have to support the MA and the JTS in the following activities:

- organisation of Programme-wide events, such as capitalisation events, Programme annual conferences etc.;
- communication activities during calls for proposals and project implementation;
- evaluation of project proposals as needed (performing administrative and eligibility checks);
- capitalisation activities and coordination with other Programmes or instruments in the Mediterranean area;
- support the preparation of the Programme’s annual report;
- support the translation of all documents into Arabic (Aqaba Branch Office).

In carrying out these activities, the BOs will have to work under the coordination of the JMA and/or the JTS, depending on the type of activity. The BO staff may be requested to attend training events or meetings, give presentations, or follow some project communication activities, as needed.

**Branch Offices Responsibilities - Obligations**

Each BO will have the following responsibilities in carrying out the above-mentioned functions:

- **Managing Technical Assistance funds in compliance with IR. Art.37.3, Programme rules and national legislation as needed.** Each BO will have to report, each year, the activities carried out and its total costs to the MA in order to be audited according to the Programme audit procedures. In particular each BO will allow the MA (Authorizing Unit) to perform on the spot checks and, at least once a year, the external auditor contracted by the Audit Authority to carry the expenditure verification in order to include the incurred expenditures in the annual report to the EC. Moreover the Audit Authority together with the respective national member of the Group of Auditors, will carry out system audits on the BO’s circuits.

- **Ensuring the organisation and logistics of events, including venue, catering, publicity, accommodation of MA and NCPs, etc.**

- **Guaranteeing co-financing of salaries of internal staff, according to the same criteria used by the MA in co-financing Technical Assistance funds for its internal staff.** Each BO will have to provide the Programme with appropriate office space, equipment and logistics for the whole team.

- **Proposing an Information and Communication Plan, in line with the requirements described in the Joint Operational Programme (JOP), for communication activities to be carried out by each BO.** This plan will be monitored by the MA and it will be proposed for approval by the JMC.

- **Updating, on a regular basis, the information needed for the monitoring system, in relation to the activities implemented by the BO.**

- **Ensuring adequate coordination with JMA and JTS, National Contact Points (NCP), officials from EU delegations or other key stakeholders in their geographical area.**

- **Supporting the preparation of information and communication materials, in particular content materials for the events, updating of the web-site, preparation of virtual or printed leaflets and brochures etc.**

- **Supporting potential applicants and co-applicants in the use of the compulsory database for registration of institutions intending to submit proposals, both as beneficiaries and co-beneficiaries.**

- **Co-delivering events together with MA and other agreed speakers.**

- **Collaborating in administrative checks of proposals during the assessment process, under the supervision of the MA.**
• Collaborating in eligibility checks of documents uploaded by registered institutions in the above-mentioned database, in coordination with NCP and under the supervision of MA.

• Contribution to all capitalisation activities and coordination mechanisms, as requested by the responsible unit in the MA.

**Staff and recruiting procedures**

BOs shall recruit staff with an adequate profile for the performance of the functions through an international, open procedure. The criteria for BO staff recruitment will be approved by the JMC during its first meeting.

Each BO will recruit two persons in charge of the tasks described above. Each will contract its staff using the respective national law. In particular, the Aqaba BO will use the “ASEZA regulations, rules and Instructions for its staff”, and these will be applied also to the two persons to be recruited, while the Valencia BO will apply the “Estatuto de los Trabajadores” (Spanish national labour or social legislation).

### 3.2.5 Audit Authority and Group of Auditors (structure and tasks)

Upon the proposal of Italy and by agreement of the participating countries, the Audit Authority is the Autonomous Region of Sardinia, and a dedicated office has been established within the Presidency of the Region (a Project Unit directly under the President of the Region)\(^\text{122}\).

The functional independence between the AA and MA is guaranteed by the regional law n. 31/1998 on the organisation of the Autonomous Region of Sardinia which states at art. 3 that “… directors have their autonomous powers and are exclusively responsible for the activity, the administrative management and the results”. Moreover art. 4 of the said law states that “directorates are responsible directly to the political authority”\(^\text{123}\). This makes them autonomous and independent from each other.

The functional independence is also represented in the organisational chart reported below:

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\(^{122}\) According to art. 26 of the Regional Law n. 31/1998 setting the organisation of the Autonomous Region of Sardinia, a “project unit” is a temporary structure devoted to a specific purpose and headed by a director and it is directly responsible to the political authority.

\(^{123}\) See Annex C Organizational Chart of the Presidency of the Autonomous Region of Sardinia.
The AA will ensure that audits are carried out on the management and control systems, on an appropriate sample of projects and on the annual accounts of the Programme.

The AA for the Programme will be assisted by a Group of Auditors, comprised of a representative of each participating country in the Programme. The AA will chair the Group of Auditors.

The AA is authorised to carry out directly, or through its sub-contracted audit company/ies its duties on the whole Programme territory, according to the specific modalities to be decided in the audit strategy.

By approving the JOP, each participating country assures the possibility to carry out the above-mentioned audits on its territory, according to its relevant legislation and the modalities to be agreed upon with the AA.

In order to carry out its functions, the AA will subcontract part or all the following audit procedures to external audit companies through open tenders:

- Audit of the management and control systems;
- Audit of an appropriate sample of projects;
- Audit of the annual accounts of the Programme.

In order to carry out its duties, the AA will have an indicative number of five staff members (including the Director of Audit Authority) and will be supported by a technical assistance service, which will be provided by the sub-contracted companies to perform part or all the above-mentioned audit functions.

The AA will ensure that the audit work, carried out by the sub-contracted company/ies, complies with internationally accepted audit standards. The respect of internationally recognized audit standards (hereafter “standards”) will be assured through a strict control system. In more detail:

- standards will be included in the terms of reference for each tender procedure (system audit, project audit and account audit);
- each auditor performing the activity will respect the standards;
c. the coordinator of the working group set up by each provider will be responsible for monitoring all results, also respecting the standards;
d. the officer in charge of each line of activity (system audit, project audit and account audit) will have to assess and state the quality of the work provided by the audit firm, also respecting the standards;
e. the director will monitor the officers’ work and ultimately certify the work provided by the audit firms, also with respect to the standards, in order to authorise payments.

Specific training also will be conducted internally, in order to share the importance of audit standards. Providers will be required to organise similar training, too.

Respect of standards will be considered both in staff evaluations and in attesting to the regular execution of external providers’ work.

Specific check-lists will be drawn, in order to continuously assess respect of the standards in each step of the process and to allow re-performance of each step by other auditors or monitors if needed.

Functions

Main functions of the AA are:

1. Preparing an audit strategy that sets out the methodology and sample methods, and updating the strategy annually.
2. Ensuring that audits are carried out on the management and control systems, on an appropriate sample of projects and on the annual accounts of the Programme.
3. Drawing up an audit opinion on the annual accounts.
4. Drawing up an annual audit report.
5. Chairing the Group of Auditors.

Within nine months of the signature of the first financing agreement with a Mediterranean Partner Country, the AA shall submit to the Commission a strategy for performance of audits. The audit strategy will set out the audit methodology on the annual accounts and on projects, the sampling method for audits on projects and the planning of audits in relation to the current accounting year and the two subsequent accounting years. The audit strategy shall be updated annually from 2017 until and including 2024. The updated audit strategy shall be submitted with the Programme annual report to the Commission.

Group of Auditors

The Group of Auditors shall be set up within three months of the designation of the MA. It will draw up its own rules of procedures. It will be chaired by the Audit Authority.

The members of the Group of Auditors will be appointed by each country and will be functionally independent from the other national bodies participating in the Programme. The main functions of this advisory body are to support the AA and its providers in their duties. In particular the Group of Auditors will contribute to:

- Elaboration of the audit strategy for performance of Programme audits.
• Establishment of any directives and criteria for audits.
• Definition of criteria for the selection of audit providers.
• Discussion of any report issued by the audit providers and of conclusions of any audit.
• Drafting of the annual reports.

The institutions that will appoint the members of the Group of Auditors in each country are:

• Cyprus: Internal Audit Service of the Republic of Cyprus.
• Egypt Ministry of Finance;
• France: Région Provence Alpes Côte d’Azur : Inspection générale.
• Israel: Ministry of Finance, Land, Housing and Interior Affairs Bureau.
• Italy: Not needed since the Audit Authority is Italian.
• Jordan: Audit Bureau.
• Lebanon: Council of Development and Reconstruction.
• Malta: Internal Audit and Investigations Department within the Office of the Prime Minister.
• Palestine: State Audit & Administrative Audit Control Bureau.
• Portugal: IGF - Inspeção-geral de Finanças (Inspectorate General of Finance).
• Spain: “Intervención General de la Administración del Estado (IGAE)”. Ministry of Finance and Public Administration.
• Tunisia: Cour des Comptes (Audit Court).

The costs for the Group of Auditors meetings, including travel and subsistence costs, will be covered by the Technical Assistance funds.

3.2.6 PROJECT SELECTION COMMITTEE (COMPOSITION AND TASKS)

Composition
Proposals are evaluated by a Project Selection Committee (PSC), which is nominated by the Joint Monitoring Committee (JMC) comprising:

• a non-voting Chairperson appointed by the Managing Authority;
• a non-voting Secretary, also appointed by the Managing Authority, and;
• voting members and their substitutes appointed by the participating countries. Each country will appoint one voting member.

The JMC approves the rules of procedure of the PSC and the selection criteria for both proposals and external assessors.
The voting members must possess the technical and administrative capacity necessary to give an informed opinion of the proposals. They must have a reasonable command of English and French. Substitutes of the members may be appointed on the same conditions as the members – where the size and/or technical nature of the call for proposals justify this, or in order to prevent delays in case of unavailability.

A representative of the European Commission and of the EU Delegations of the participating Mediterranean Partner Countries with an observer status and without any decision-making power may participate in the meetings of the Committee. The EC may also delegate its participation to an independent expert.

The PSC will work with the support of a team of assessors for the evaluation of project proposals. There will be two types of assessors:

- internal assessors: staff of the JTS and the Branch Offices supporting the administrative and eligibility checks of the proposals;
- external assessors: they are recruited through an international call for expression of interest in order to gather a pool of experts. These assessors will be selected by the Managing Authority following the criteria defined by the Joint Monitoring Committee.

### 3.3 NATIONAL BODIES AND AUTHORITIES

#### 3.3.1 NATIONAL AUTHORITIES

In accordance with the Implementing Rules, the National Authority (NA) is the national institutional counterpart of the Managing Authority (MA) in each participating country. Its main functions are:

- take responsibility for the establishment and effective functioning of management and control systems at the national level;
- ensure smooth communication and information, and the overall coordination of the institutions involved at the national level, in Programme implementation, including, *inter alia*, the institutions acting as control contact points and as member of the group of auditors;
- ensure the representation of the country in the Joint Monitoring Committee, in accordance with national procedures.

For Mediterranean Partner Countries, the NA is the ultimate responsible body when it comes to implementing the provisions set out in the financing agreement signed with the European Commission.

Moreover, each NA ensures, either directly or through a national competent body, that appropriate mechanisms are set within each participating country in order to prevent, detect and correct irregularities on their territories.

The NA also undertakes, either directly or through a national competent body, to assist the MA in the recovery process for orders concerning beneficiaries located on its territory.

The details of the coordination mechanisms, and of the measures set to fulfil the above-mentioned obligations deriving from the IR, are reported in the document describing the management and control system.
The following institutions are appointed as National Authority for each participating country:

- Cyprus: Directorate General for European Programmes Coordination and Development.
- Egypt: Ministry of International Cooperation.
- Greece: Ministry of Economy, Infrastructure, Shipping and Tourism (Managing Authority of European Territorial Cooperation Programmes).
- France: Région Provence Alpes Côte d’Azur (Pôle Europe et International), Mission des Projets et Partenariats Méditerranéens (MPPM).
- Israel: Ministry of Foreign Affairs, Europe Division, Department for Multilateral European Institutions.
- Italy: Agenzia per la coesione territoriale (ACT).
- Lebanon: Presidency of the Council of Ministers.
- Malta: Programmes and Projects Directorate within the Funds and Programmes Division (FPD), under the Ministry for European Affairs and Implementation of the Electoral Manifesto.
- Palestine: Prime Minister's Office
- Portugal: Agência para o Desenvolvimento e Coesão I.P.(Cohesion and Development Agency)
- Spain: Ministry of Foreign Affairs and Cooperation - Directorate General for EU General Affairs (Head of Delegation within the JMC) and Ministry of Finance and Public Administration - Directorate General for European Funds – Management unit of the Deputy Directorate General for European Territorial Cooperation and Urban Development.
- Tunisia: Ministry of development, Investment and international cooperation

3.3.2 National Contact Points (Coordination with MA and Tasks)

One National Contact Point (NCP) for each participating country may be appointed by the relevant National Authority (NA) and will be functionally independent from the Control Contact Point and the member of the Group of Auditors.

Indicative Functions:

- Inform potential beneficiaries about funding opportunities and assist them in the preparation of proposals, partner searches and dealing with specific rules of the Programme;
- Support the MA in information, communication and awareness-raising at the national level;
- Support the MA, JTS and NAs in project implementation follow up;
- Support the MA in capitalisation activities at national level;
- Assist beneficiaries during project implementation.
NCPs will be trained by the MA and they will receive assistance to organise specific national thematic events by the Branch Offices.

Technical Assistance funds may be used to contribute to the functioning costs of the NCPs of Mediterranean Partner Countries only. The funds can be equivalent to the cost of the time devoted by one person acting as National Contact Point, either internal or externally subcontracted, who will be reimbursed upon presentation of the related supporting documents each year. The modalities will be defined by each country.

Moreover, TA funds may also be used to cover the costs of activities of NCPs for all participating countries, based on an agreement with each NCP, such as the organisation of events at the national level, participation in programme events etc.

3.3.3 CONTROL CONTACT POINTS (COORDINATION WITH MA AND TASKS)

Each participating country will have to appoint one or more Control Contact Points (CCPs), which will support the (Managing Authority) MA in the control tasks linked to project expenditure verification. CCPs shall be functionally independent from – and if possible belong to a different institution than – other bodies participating in Programme management and control.

The common functions to be guaranteed by each participating country through its CCPs will be to support the MA in:

- Verifying that the co-financed projects have been implemented and that expenditure declared by the beneficiaries has been paid by them and that the payment complies with applicable Union and national law and with the Programme rules. In particular the MA may ask assistance from the CCP in carrying out administrative verifications with respect to each payment request by beneficiaries (such as providing information to the MA on specific national rules, procedures etc.) and on-the-spot verifications of projects (such as attending the verification mission and facilitating the check on the organisation).

- Guaranteeing that the expenditure declared by the beneficiary in support of a request for payment is examined by an auditor or by a competent and independent public officer meeting the criteria set by the Implementing Rules. In particular, the Control Contact Point must endorse that the auditor contracted by an organisation of its nationality involved in the partnership of a financed project meets at least one of the criteria indicated in art. 32.1 of the ENI-CBC Implementing Rules.

Technical Assistance funds may be used to contribute to the functioning costs of the CCP of each participating country. Those funds should be equivalent to the cost of the time devoted by one person acting as CCP, either internal or externally subcontracted, who will be reimbursed upon presentation of the related supporting documents each year. Travel costs regarding on-the-spot verification participation may also be covered by TA funds and reimbursed to CCP institution. The modalities will be defined with each country.

The institutions holding the CCPs in each participating country are:

- Cyprus: Directorate General for European Programmes, Coordination and Development.
- Egypt: Ministry of Finance.
- Greece: Special Service “Certifying and Verifications Authority”, Ministry of Economy, Infrastructure, Shipping and Tourism.
- France: Région Provence Alpes Côte d’Azur (Pôle Europe et International), Direction des Affaires Européennes (DAE).
- Israel: Ministry of Finance, Auditing Unit
- Italy: Agenzia per la coesione territoriale (ACT)
- Jordan: Ministry of Finance.
- Lebanon: Office of the Prime Minister.
- Malta: The Financial Control Unit (FCU) within the Funds and Programmes Division (FPD) Ministry for European Affairs and Implementation of the Electoral Manifesto. This Unit shall report directly to the Director General (FPD) and it will not be involved in the duties pertaining to the National Authority.
- Palestine: Ministry of Finance.
- Portugal: Agência para o Desenvolvimento e Coesão I.P., Unidade de Coordenação FEDER e Fundo de Coesão.
- Tunisia: Contrôle général des services publics CGSP-Présidence du Gouvernement.

Each participating country may define additional functions to CCP, such as:

- Support to MA in auditors’ training;
- Quality control of expenditure verification reports, in coordination with MA.

In the event that a participating country, during the implementation of the Programme, decides to increase the number of functions to be performed by its CCP, the National Authority will have to communicate it to the MA and to the Joint Monitoring Committee.

CCPs will be trained by the MA and they will receive assistance in organising specific national events by the Branch Offices.
4 PROGRAMME IMPLEMENTATION

4.1 SUMMARY OF THE MANAGEMENT AND CONTROL SYSTEMS

4.1.1 OVERVIEW

In accordance with article 30 of ENI-CBC IR, the management and control systems for the Mediterranean Sea Basin programme include:

(a) the functions of each body involved in management and control, including division of functions within each body, and their internal organisation in compliance with the principle of separation of functions between and within such bodies);

(b) procedures for ensuring the correctness and regularity of expenditures declared;

(c) electronic data systems for accounting, storage, monitoring and reporting;

(d) systems for monitoring and reporting when the responsible body entrusts execution of tasks to another body;

(e) arrangements for auditing the functioning of the management and control systems;

(f) systems and procedures to ensure an adequate audit trail;

(g) procedures for prevention, detection and correction of irregularities, including fraud and the recovery of amounts unduly paid, together with any interest;

(h) contract award procedures for technical assistance and project selection procedures;

(i) the role of national authorities and the responsibilities of the participating countries in accordance with Article 31.

The contents of the Description of the Management and Control Systems (DMCS) and its link with the content required in article 30 of ENI-CBC IR are shown in the following table:

<table>
<thead>
<tr>
<th>Structure of THE DMCS</th>
<th>Article 30 of ENI-CBC IR</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Introduction</td>
<td>N/A</td>
</tr>
<tr>
<td>2. Functions, internal organisation and resources for programme management bodies</td>
<td>(a) &amp; (i)</td>
</tr>
<tr>
<td>3. Description of procedures for calls for project proposals, selecting and approving projects</td>
<td>(h)</td>
</tr>
<tr>
<td>4. Description of management procedures</td>
<td>(b), (c), (f), (g) &amp; (h)</td>
</tr>
<tr>
<td>5. Procedures for auditing the functioning of the management and control systems, the accounts and operations</td>
<td>(e)</td>
</tr>
<tr>
<td>6. Modification of THE DMCS</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Some of these items are included in specific sections of the JOP, in particular:

- Points (a) and (i) are already summarised in chapter 3 on programme bodies and authorities.
- Project selection procedures, indicated in point (h) are summarised in the next section of the JOP (see par. 4.3 of the JOP).
- Contract award procedures for technical assistance, also in point (h), is included in another section of the JOP further below (see par. 4.5 of the JOP).

124 The designation process of the MA is described in the JOP section concerning the description of the MA in chapter 3.
• Apportionment of liabilities among the participating countries, which is part of point (i), is dealt with in par. 4.9 of the JOP.

4.1.2 SUMMARY OF MANAGEMENT PROCEDURES

Procedures for ensuring the correctness and regularity of expenditure and revenue declared (section 4.2 in the DMCS)

The programme foresees a set of procedures for ensuring the correctness and regularity of expenditure and revenue declared by the project beneficiaries to the Managing Authority (MA):

• Providing adequate training for the staff of programme bodies and authorities, national concerned bodies and authorities, beneficiaries and auditors;
• Ensuring the set-up of good internal control systems, accounting and archiving of supporting documents by project beneficiaries;
• Providing regular monitoring, follow-up and support by the Joint Technical Secretariat (JTS) to project beneficiaries;
• Establishing verification procedures for declared expenditure and revenue;
• Conducting on-the-spot verifications of projects by the MA & JTS, with support of National Authorities (NAs);
• Undertaking risk analysis and anti-fraud measures;
• Conducting sample checks of the operations by the Audit Authority (AA) with the support of the Group of Auditors.

In accordance with article 32 of ENI-CBC IR, the expenditure declared by the beneficiaries shall be examined either by an auditor or by a competent public officer. Each country defines its own system for the selection of the auditors and the verification of the compliance with its own regulatory requirements. A description of each national system is provided in the DMCS.

All payment requests by beneficiaries, whether intermediate or final, shall be subject to administrative verifications by the MA, after a compliance check by the JTS. The verifications shall be based on an examination of the claim and relevant supporting documentation, such as narrative and financial reports and an Expenditure Verification Report, which shall consist of an individual report per each project partner and a consolidated report. Additionally, a sample of expenditure supporting documents, such as procurement procedures, invoices, proofs of payment and delivery or timesheets, may be requested and examined by the JTS and/or the MA, if the need is indicated by the outcome of the Expenditure Verification Report.

On-the-spot verifications shall be carried out in order to check:

• the execution of the operation;
• the delivery of the products/services and its compliance with the terms and references of the Grant Contract;
• the correctness of the beneficiaries’ financial reports;
- the compliance of the actions and expenditure with community, Programme and national rules.

On-the-spot verifications shall be carried out on a sample basis, and each project shall receive at least one during its lifetime. An annual plan will be defined by the MA, starting in the second year of implementation of the projects selected in the first call for proposals.

Payment procedures (section 4.2.4. in the DMCS)

Beneficiaries will receive the following payments during the execution period of the project:

- An initial payment following the signature of the grant contract of up to 40% of the granted amount.

- A yearly interim payment according to a percentage pre-defined in the calls for proposals and indicated in the Grant Contract, depending on the length of the project, after approval of the corresponding financial and narrative reports, accompanied by an Expenditure Verification Report. Further yearly pre-financing may only be given if the part of the expenditure actually incurred and which is financed through Programme contribution, stands at 70% at least of the last payment (and at 100% of any previous payments) as supported by the corresponding interim report. In the event the project has spent less than 70% of the most recent pre-financing and/or 100% of any previous pre-financing, the amount of the further pre-financing will be reduced by deducting the related amount of unspent resources.

- A balance payment, after approval of the final report, also accompanied by an Expenditure Verification Report.

The apportionment of the grant to be paid at each payment will be established in the calls for proposals and indicated the grant contract. The procedures shall have the following steps:

**INITIAL PAYMENT:**
- Submission of signed grant contract to MA by Lead Beneficiary
- Submission of financial forms to MA
- Compliance check by ITS
- Supervision by Authorizing Officer
- Payment to Lead beneficiary by Accounting Officer
- Payment by Lead Beneficiary to the other beneficiaries (partners)

**YEARLY INTERIM PAYMENTS:**
- Submission of interim report, EVR and request for payment to ITS by Lead Beneficiary
- Compliance check by ITS & calculation of amount to be paid
- Supervision by Authorizing Officer
- Payment to Lead beneficiary by Accounting Officer
- Payment by Lead Beneficiary to the other beneficiaries (partners)

**BALANCE PAYMENT:**

The balance payment will follow the same steps as yearly interim payments, with the following differences:
1. The JTS prepares a final assessment on the results achieved in comparison with the approved project and gives a recommendation on the final balance to be paid.

2. The Authorising Unit takes a final decision on the amount to pay or to recover.

3. In case recovery is needed, the decision of the Authorising Unit is sent to the Accounting Unit.

Recovery of unduly spent amounts (section 4.2.7 in the DMCS)

The MA shall in the first instance be responsible for making the financial corrections required and pursuing recovery in connection with individual or systemic irregularities detected in projects, technical assistance or the Programme.

After issuing a recovery order the financial corrections may involve:

- Reducing the amount of the EU contribution reimbursed to programme bodies receiving Technical Assistance funds;
- Off-setting the cancelled amount against a future payment of an EU contribution to the project beneficiary(ies) or the programme bodies receiving technical assistance funds;
- Recovering the amounts of EU contribution unduly received from project beneficiary(ies) or the Programme bodies.

In case of off-setting, the procedure shall be as follows:

1. A decision is made by the MA on the amount of financial correction, either as a specified amount or a flat rate correction.
2. The MA gives notification to the beneficiary or the concerned body.
3. The beneficiary or concerned body can make an appeal or undertake a contradictory procedure.
4. The MA makes a final decision on the correction.

The steps to be followed to recover from project Beneficiaries shall be:

1. Issue of the recovery order by the Authorising Officer of the MA, registration of debt in the accounting system and delivery of the recovery order to the project’s Lead Beneficiary and the concerned NA.
2. The Lead Beneficiary receives the payment by the stipulated deadline (and inserts the amount into the accounts) or makes a decision to consider the recovery as contentious.
3. Communication to beneficiary and concerned NA if the recovery is not received by the Lead Beneficiary and it was not possible for him/her to recover the amount.
4. If the amount due is not received, initiation of a waiver procedure (IR art. 75.2) or decision to activate the mechanisms in either article 74.4 of ENI-CBC Implementing Rules (for EU Member States) or in article 74.5 (for Mediterranean Partner Countries).

5. Reception of the payment and insertion into the accounting in the case of Member States or submitting of the recovery file to EC in the case of Mediterranean Partner Countries.
In case of waiver of debts, the steps shall be:

1. **Preparation of the justification for waiver by MA**
2. **Submission of waiver proposal by MA**
3. **Decision by JMC**
4. **Communication to beneficiary or concerned body**
5. **Insertion into the accounting**

**Procedures for drawing up the programme accounts (section 4.3. in the DMCS)**

Since 2010, the MA has set up a computerised accounting system to manage the Programme’s funds, and this system will also be used for the period 2014-2020, after developing the needed adaptations. The system is based on SAP accounting software. Therefore, the MA has a computerised processing method by which the system collects, summarises, and reports accounting information.

It is an integrated system organised in the following four modules:

- **Fund Management (FM)**: provides tools for creating, and updating on an on-going basis, the approved budget, tools for managing expenses and revenues and tools for reporting and monitoring, on the basis of regional, national and European legislation.
- **Financials (FI)**: includes details of the accrued expenses, revenues, payments, receipts, assets and liabilities (including recoveries) according to the technique of double-entry accounting.
- **Controlling (CO)**: allows for obtaining financial information for specific objects, such as components (JMC, MA, etc), categories, etc.
- **Project System (PS)**: is used to control the amount of allocated funds to projects (EU contribution to the Programme and national co-financing), articulated by thematic objectives and priorities.

This computerised accounting system has been designed, personalised and adapted, by the MA to meet the specific needs of the Programme, including:

- separate and independent drawing up of accounts;
- separate and mutually incompatible function of the Authorising Officer and Accounting Officer;
- request for signatures of both the Authorising Officer and the Accounting Officer, when needed;
- bank reconciliation, as the software includes reports reconciling the accounts with the balance in the bank account for the programme;
- elaboration of the annual financial report with the amounts allocated to the MA by the Commission, the payments made and amounts recovered by the MA for technical assistance and for projects.

**Monitoring procedures (section 4.4. in the DMCS)**
The aim of project-level monitoring activities shall be to track progress in project implementation, to take remedial action where necessary as soon as possible and to update action plans. It is a joint responsibility of the Programme bodies and the lead beneficiaries of the projects, supported by NAs.

This section identifies and describes the main procedures and the responsible bodies for the following tasks:

- Day-to-day monitoring of the implementation of projects;
- Drawing up of progress and yearly interim reports;
- Result-Oriented Monitoring (ROM) (at project level).

The main procedures and actions to be carried out as part of day-to-day monitoring, and the bodies responsible for those procedures and actions, are:

<table>
<thead>
<tr>
<th>Procedure/Action</th>
<th>Responsible bodies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conducting on-the-spot visits to lead beneficiaries</td>
<td>MA, JTS, BO &amp; NA</td>
</tr>
<tr>
<td>Attending key project events</td>
<td>MA, JTS, BO &amp; NA</td>
</tr>
<tr>
<td>Conducting on-going collection of information on project implementation by means of e-mail and telephone</td>
<td>MA, JTS, BO &amp; NA</td>
</tr>
<tr>
<td>Issuing early warnings</td>
<td>Lead Beneficiary &amp; NA</td>
</tr>
<tr>
<td>Storing monitoring outputs in the Management and information system (MIS)</td>
<td>MA, JTS &amp; BO</td>
</tr>
</tbody>
</table>

The main procedures and actions to be carried out for drawing up reports, and the bodies responsible, are:

<table>
<thead>
<tr>
<th>Procedure/Action</th>
<th>Responsible bodies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Providing written input on the implementation of activities and delivery of outputs (including on output indicators)</td>
<td>Lead Beneficiaries with input from project beneficiaries</td>
</tr>
<tr>
<td>Producing, submitting and correcting six-monthly progress reports</td>
<td>Lead Beneficiaries with input from project beneficiaries</td>
</tr>
<tr>
<td>Producing, submitting and correcting annual interim reports</td>
<td>Lead Beneficiaries with input from project beneficiaries</td>
</tr>
<tr>
<td>Reviewing and commenting on draft progress reports and interim reports</td>
<td>JTS</td>
</tr>
<tr>
<td>Storing and monitoring outputs in the MIS</td>
<td>JTS</td>
</tr>
</tbody>
</table>

The Programme will also carry out an internal ROM plan, in the framework of which it will review the performance of projects funded, with a focus on the likelihood that objectives and results will be achieved and there is need for remedial action.

<table>
<thead>
<tr>
<th>Procedure/Action</th>
<th>Responsible bodies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Drawing up a multi-annual ROM plan for each call, based on a risk assessment</td>
<td>MA</td>
</tr>
<tr>
<td>Contracting – if necessary – an external ROM monitor</td>
<td>MA</td>
</tr>
</tbody>
</table>
Managing the ROM contract and/or the implementation of the ROM plans, and reviewing the plans where relevant

<table>
<thead>
<tr>
<th>Activity</th>
<th>Responsible Party</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collection and review of the relevant project documentation</td>
<td>ROM monitor or MA/JTS</td>
</tr>
<tr>
<td>ROM visits to lead beneficiaries, and if relevant, project partners</td>
<td>ROM monitor or MA/JTS</td>
</tr>
<tr>
<td>Carrying out (additional) interviews with project stakeholders</td>
<td>ROM monitor or MA/JTS</td>
</tr>
<tr>
<td>Producing ROM reports, including recommendations</td>
<td>ROM monitor or MA/JTS</td>
</tr>
<tr>
<td>Monitoring the implementation of ROM recommendations</td>
<td>MA / JTS</td>
</tr>
</tbody>
</table>

Contract management procedures (section 4.1 in the DMCS)

On top of the verification of expenditure and revenue, other main contractual aspects to be monitored are:

- Accounting
- Activities outside the programme area
- Visibility requirements
- Amendments to the grant contract

The MA shall ensure that beneficiaries involved in project implementation maintain either a separate accounting system or a suitable accounting code for all transactions relating to a project. The MA will have the support of the JTS for this task. The support will include:

- clear indication of accounting requirements in the Guidelines for Applicants and Grant Contract;
- a specific section in project reports for the description of the beneficiaries’ accounting provisions;
- provisions regarding specific checks of the project beneficiaries’ accounting systems and specific sections in the model of Expenditure Verification Report included in the Terms of Reference for Auditors.

Specific provisions are detailed in the DMCS for the compliance of the conditions for activities outside the programme area, as well as for visibility requirements.

Concerning amendments to the grant contract, the DMCS includes specific procedures for:

- major contract modifications, which require the approval of the Joint Monitoring Committee;
- minor contract modifications, which require the notification to the JTS and to the Managing Authority.

The Guidelines for Applicants and the Grant Contract shall set the conditions for the distinction between major and minor modifications. Any amendment to the contract, including its annexes, shall be set out in writing.

The amendments may not have the purpose or the effect of making any changes to the contract that would call into question the grant award decision or that would be contrary to the equal treatment of applicants.

The main type of amendments to the grant contract shall be:
Minor amendments will require only notification to the JTS within 30 calendar days from the date in which
the minor modification took place. The JTS will examine the nature of the modification, and in the event it
does not affect the achievement of expected results or it does not call into question specific conditions, the
JTS will simply take note of the minor modification. In the event the minor modification affects the above
mentioned aspects, the JTS will promptly inform the beneficiary who will need to submit a major
modification.

Major modifications will be examined by the JTS, which will prepare its conclusion report and transmit it to
the MA. The Authorising unit of the MA will then check the conclusion report of the JTS and will inform the
Director’s office in order to launch a written procedure within the JMC. If the major change is approved by
the JMC, the MA will then sign an addendum to the Grant Contract with the Lead Beneficiary in order to
allow the major modifications to enter into force.

Use of electronic data systems (section 4.4 in the DMCS)

This section describes the software for the Management and Information System (MIS), which shall be
made available by the Managing Authority for:

• submitting and implementing the evaluation of project proposals;
• programme accounting;
• collecting, recording and storing electronically data on each project;
• collecting, recording and storing data for monitoring, evaluation, financial management, control and
  audit and communication purposes.

The software will be a management system covering the whole programme cycle and allowing:

• management of procedures, including the programme work flow and audit trail;
• monitoring information for all programme bodies, including dashboards and alerts;
• reporting;
• document repository.

Provision of data on projects to the European Commission shall be done through the KEEP system, as well
as through regular reporting sent via e-mail.

Procedure for risk management by Managing Authority (section 4.7 in the DMCS)

Taking into account the principle of proportionality, the MA shall set up a framework for ensuring that an
appropriate risk management exercise is conducted on crucial points and, in particular, in the event of
major modifications to the activities and/or changes of the management and control structures.
The risk is defined as “the possibility of verifying an event having a negative impact on the achievement of objectives”. In close connection with the internal control system, the Managing Authority carries out the risk management as follows:

MA shall manage different risks according to four types of objectives:

- strategic;
- operational;
- reporting;
- compliance.

From both the methodological and approach points of view, the MA will follow the “Guidance note on fraud risk assessment and effective and proportionate anti-fraud measures” elaborated by DG REGIO for the period 2014-2020. Therefore, the MA shall have a proactive, structured and targeted approach to managing risk.

The MA shall use risk self-assessment tools targeting the main situations where key processes in the implementation of the programme can create risk. There will be a yearly assessment, which will conclude how likely and how serious these situations could be, and what is currently being done by the managing authority to tackle them. Four key processes are considered to be most exposed to specific risks:

- project selection;
- procurement procedures to purchase supplies, goods and services;
- implementation and verification of projects;
- authorisation and payments.

As indicated in the above-mentioned guidance note, the assessment shall use the following steps:

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125 Ref. Ares(2013)3769073 - 19/12/2013
The MA shall have the collaboration of NAs, JTS and the Branch Offices in identifying the potential risks in projects and in the system. For that purpose, specific software tools shall be developed, and the MIS will include a specific section for the input to the risk assessment. The conclusions of AA work shall also be taken into account.

At project level, as a result of the risk assessment, the MA will take the following steps on a yearly basis:

- revise the range and type of supporting documentation to be requested from beneficiaries for verification, based on a risk assessment of each type of file or beneficiary;
- define the frequency and coverage of the on-the-spot verifications, which shall be proportionate to the amount of public support to an operation and to the level of risk identified by the MA.

**Information and communication procedures (section 4.9 in the DMCS)**

As a key element of the internal control system, the MA shall ensure that reliable, relevant and timely information relating to every component of the system is communicated up, down, and across Programme and national bodies and authorities, as well as with applicants and beneficiaries. Thus, information sharing and communication will enable the achievement of a constant cycle of risk assessments, control activities, and monitoring – all within the context of the control environment.

Communication channels described in the DMCS provide details to all concerned stakeholders, both at the Programme and project level, to carry out their financial reporting, and operational and compliance responsibilities. For each one of the key processes and procedures during the programme cycle, the DMCS defines:

- The identification of the relevant information, as well as how it is captured and inserted in the MIS (see section 4.4 in the DMCS), and how it is communicated in a timely way to the concerned stakeholders, both internally and externally.
- The unit responsible for the collection and distribution of each piece of information.
- Who has access to the information, either:
  a. through direct formal or informal means (phone, e-mail, etc.);
  b. through meetings and the MIS for Programme bodies and authorities;
  c. through the web-site and events for applicants, beneficiaries and the public in general (see the relevant section for communication strategy in the JOP).
- The detailed procedure, which is described with the support of flow-charts, for ensuring that the flow of information allows for successful control actions, from instructions on responsibilities to summaries of findings, for management actions.
Some examples of formal and informal actions on information and communication linked to the other internal control components are:

<table>
<thead>
<tr>
<th>Component of internal control</th>
<th>Information component</th>
<th>Communication component</th>
</tr>
</thead>
</table>
| **Control environment**      | • Organisational structure document with allocation of human resources with adequate skills  
• Code of ethics | • Regular meetings with heads of units in MA and coordinator of JTS  
• Management messages to MA & JTS staff concerning ethics |
| **Risk assessment**           | • Annual document on risk assessment by MA | • Sharing the assessment with heads of units in MA and coordinator of JTS in order to implement correction actions and define on-the-spot visits plan  
• Sharing the assessment and plan for correction actions to concerned national authorities and bodies (NA & CCP) |
| **Control activities**        | • Written procedures and allocation of responsibilities for prevention, detection and correction of irregularities and fraud  
• Audit report by AA, with the support of Group of Auditors, including programme accounts, management and control systems and a sample of projects | • Regular meetings with heads of units in MA and coordinator of JTS in order to update the procedures  
• Regular update to JMC and concerned stakeholders (CCP, beneficiaries & auditors) on the main recurrent errors, both individual and systemic  
• Transmission of Audit report and recommendations to JMC |
| **Monitoring**                | • Yearly monitoring and evaluation plan  
• Yearly ROM and evaluation reports | • Regular update to JMC on the monitoring and evaluation plan  
• Transmission of ROM and evaluation reports to JMC and concerned bodies and project stakeholders |

With the support of the programme’s MIS (Management and information system), the MA shall ensure that:

- The content of the reported information is appropriate.
- The information is timely and available when required.
- The information is current, or at least the latest available.
- The data and information are correct.
- The information is accessible to appropriate parties.

**Procedures for the management of irregularities and fraud (section 4.2 in the DMCS)**
The prevention, detection and correction of irregularities and fraud are a joint responsibility of the programme bodies and the participating countries and affect multiple procedures described in the DMCS.

The activities for prevention of irregularities, both at programme and project level, may be summarised in four types of actions:

- Information
- Capacity building
- Support
- Control

The main procedures and actions to be carried out, and the responsible bodies, are:

<table>
<thead>
<tr>
<th>Procedure/Action</th>
<th>Responsible bodies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Define adequate and harmonised procedures both at the Programme and national level</td>
<td>MA &amp; NA</td>
</tr>
<tr>
<td>Define clear rules on eligibility of expenditure (including procurement procedures) and treatment of revenue in the application pack for the calls for proposals and technical assistance</td>
<td>MA &amp; NA</td>
</tr>
<tr>
<td>Elaborate a detailed on-line Project Implementation Manual, including national specificities</td>
<td>MA &amp; JTS &amp; NA</td>
</tr>
<tr>
<td>Train staff of all Programme bodies and national institutions concerned with Programme implementation</td>
<td>MA &amp; AA, in collaboration with EC</td>
</tr>
<tr>
<td>Train potential beneficiaries during the calls for proposals on the programme rules</td>
<td>MA, JTS &amp; NA</td>
</tr>
<tr>
<td>Train beneficiaries of approved projects before starting, and during, implementation</td>
<td>MA, JTS &amp; NA</td>
</tr>
<tr>
<td>Define a good project internal control system</td>
<td>Lead beneficiary and beneficiaries</td>
</tr>
<tr>
<td>Train auditors of the projects</td>
<td>MA, CCP &amp; NA</td>
</tr>
<tr>
<td>Inform relevant Programme bodies about recurrent and systemic errors</td>
<td>MA for JTS, CCP &amp; NA</td>
</tr>
<tr>
<td>Inform project beneficiaries about recurrent and systemic errors</td>
<td>MA, JTS &amp; NA</td>
</tr>
<tr>
<td>Provide a question-and-answer section in the Programme web-site on applicable rules and procedures</td>
<td>MA &amp; JTS</td>
</tr>
<tr>
<td>Provide on-going support by JTS officers to project beneficiaries and controllers</td>
<td>MA &amp; JTS</td>
</tr>
<tr>
<td>Conduct a risk analysis</td>
<td>JTS, MA &amp; AA with input from CCP, NA, GoA or any other actor</td>
</tr>
</tbody>
</table>

The main procedures and actions to be carried out for the detection of irregularities and fraud, and the responsible bodies, are:

<table>
<thead>
<tr>
<th>Procedure/Action</th>
<th>Responsible bodies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Produce Expenditure Verification Report (EVR)</td>
<td>Auditors</td>
</tr>
<tr>
<td>Check EVR</td>
<td>Lead Beneficiary, Lead Beneficiary</td>
</tr>
<tr>
<td></td>
<td>Auditor, JTS, MA</td>
</tr>
<tr>
<td>Verify supporting documents</td>
<td>Auditor, JTS, MA &amp; CCP</td>
</tr>
<tr>
<td>Conduct on-the-spot checks</td>
<td>MA &amp; CCP</td>
</tr>
<tr>
<td>Produce progress reports not linked to payment</td>
<td>JTS &amp; MA</td>
</tr>
<tr>
<td>Conduct follow-up &amp; regular monitoring</td>
<td>JTS with support by NA</td>
</tr>
</tbody>
</table>
The irregularities detected by one of the actions previously defined may be:

- individual random errors in a specific beneficiary or project or Programme body using technical assistance;
- systemic or known errors at country level;
- systemic or known errors at programme level.

The MA shall be notified without delay of any irregularity detected by the other concerned bodies/actors. The MA will inform the JMC, which will take the appropriate decisions as needed.

**Procedures for auditing the functioning of the management and control systems, the accounts and operations (section 5 in the DMCS)**

The AA, in collaboration with the Group of Auditors, shall be responsible for auditing the functioning of the programme, as stated in article 28 of the ENI-CBC IR and described in the corresponding section of chapter 3 of the current JOP. The yearly work to be carried out can be summarised as follows:

**Modification of the DMCS (section 6 in the DMCS)**
Modifications to the DMCS may arise as a proposal of the project beneficiaries, BOs, NAs, JTS, MA or AA, and may have the aim of improving the efficiency and effectiveness of the programme and project implementation, or of correcting identified deficiencies in the system.

There may be three types of modifications of the DMCS:

- Modifications affecting procedures at the national level, which shall be communicated by the concerned country to the MA and introduced in the DMCS, as long as they do not affect other procedures and they are in contradiction with the requirements of the ENI CBC IR. JMC shall be informed in writing about the nature of the modification.

- Minor modifications, which shall be approved by the MA. The JMC shall be informed in writing about the nature of the modification.

- Major modifications, proposed by the MA after consultation with the Italian designation body, and approved by the JMC.

In all cases, the revised version of the document shall be made available to all programme authorities and bodies, as well as to the European Commission upon its request.

### 4.2 Timeframe for programme implementation

<table>
<thead>
<tr>
<th>Provisional indicative time-frame for programme implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Submission to EC and adoption</td>
</tr>
<tr>
<td>Designation process</td>
</tr>
<tr>
<td>Period of execution</td>
</tr>
<tr>
<td>Signature/Ratification of Financing Agreements</td>
</tr>
<tr>
<td>JMC meeting</td>
</tr>
<tr>
<td>Recruitment of the JTS</td>
</tr>
<tr>
<td>Launching of the calls</td>
</tr>
<tr>
<td>Evaluation/selection of projects</td>
</tr>
<tr>
<td>Implementation of projects</td>
</tr>
<tr>
<td>Programme closure</td>
</tr>
</tbody>
</table>

### 4.3 Description of project selection procedures

127 The programme will close at the latest on the 30th September 2024, in accordance with art. 15 ENI CBC Regulation (EU) 897/2014

128 Starts at the earliest on the date of the adoption of the programme by the EC, art. 15 ENI CBC Regulation (EU) 897/2014

129 Signature of Financing Agreement by partner countries
4.3.1 Objectives of the project selection process

The main objectives of the selection process adopted by the Programme ENI 2014-2020 are:

- Reducing the time needed for application and evaluation through electronic submission of proposals;
- Improving quality evaluation in order to ensure a better alignment with the Programme strategy. This will be achieved through an improvement of the content of the Guidelines for Applicants with more specific information on what the programme is expecting from proposals, together with the adoption of stricter selection criteria for external assessors which shall receive also concrete training on how to properly assess programme priorities;
- Speeding up and improving the eligibility check through the use of the IT evaluation system (such as the possibility to introduce a pre-registration also including the uploading of the supporting documents);
- Reducing the time needed for the signature of the contracts by simplifying the application pack and, in particular, the budget forms.

4.3.2 Selection process

This procedure is addressed to all actors involved in the preparation, management and execution of the evaluation and selection of projects in the framework of the Joint Operational Programme. It is further detailed in the Description of the Management and Control Systems (DMCS).

All persons involved in the different steps of the evaluation process have to strictly adhere to the following principles:

- **Confidentiality**: Information made available to persons involved in the evaluation process is to be treated as strictly confidential.

- **Objectivity, impartiality and equality of treatment**: Projects have to be assessed alike and treated impartially on their merits, following a review strictly based upon the information they contain and the published selection criteria. All members and assessors of the Project Selection Committee and any observers must sign a Declaration of Impartiality and Confidentiality. Any member, assessor or observer who has or might have an actual or potential conflict of interest with any Applicant and/or co-applicant must declare it and immediately withdraw from the selection procedures. In case of conflict of interest detected, the Chairperson shall bring the case to the attention of the Project Selection Committee, which decides the appropriate measures to be taken. That decision must be recorded and reasons given in the Evaluation Report.

- **Transparency and clarity**: The whole evaluation process will be carried out through the management and information IT system (a specific module for projects evaluation) which will make it possible to track every step by the actors involved in the evaluation process (secure access will be given only to those who have signed a declaration of confidentiality).

In principle, calls for proposals will be restricted: it will be a two-step procedure where any eligible institutions may ask to take part, but only the applicants who have been shortlisted (on the basis of a
concept note in response to the published Guidelines for Applicants) are invited to submit a full proposal. However, one-step procedure may be decided by the JMC.

The whole evaluation process will be carried out by a Project Selection Committee (PSC) composed by a Chairperson and a Secretary (MA staff) and one representative for each participating country. The PSC will be supported by internal assessors (JTS and BOs Staff) and external assessors recruited by the MA on the basis of specific terms of references approved by the JMC. The entire procedure, from the drawing-up of the call for proposals to the selection of successful applicants, is confidential. The Project Selection Committee’s decisions are collective and its deliberations must remain secret. The committee members, assessors and observers are bound to secrecy.

The PSC will make the recommendations on the proposals to be financed to the JMC. The latter will intervene only at the end of each step; it can decide not to follow the recommendations of the PSC in the event there are errors in the evaluation procedure; and it can request re-evaluations. Any rejection has to be motivated and approved by the JMC according to its internal procedures. In any case, the JMC cannot change the score of the assessed proposals.

The assessment process for each of the two steps may be summarised as follows:

**STEP 1: CONCEPT NOTE**

Stage 1 and Stage 2 will be performed by the internal assessors. On Stage 3 (technical evaluation) each proposal is evaluated by two external assessors. The final score is the arithmetical average of the scores given by the two assessors. The completed evaluation grids for each concept note will be sent to the members of the Project Selection Committee.

Stage 4: Decision by the JMC and notification to Applicants

After the first three steps – the opening session, the administrative check and the evaluation of concept notes – the Evaluation Report adopted by the PSC is submitted to the Joint Monitoring Committee, which must then decide whether or not to accept the recommendations of the Project Selection Committee. Following the decision by the JMC on the outcomes of the PSC Evaluation Report, the Managing Authority will provide the outcomes of the evaluation to each Applicant having submitted an application, stating whether it passed the opening and administrative checks and giving the results of the concept note evaluation. The shortlisted Applicants are then invited in writing to submit a full application form.

**STEP 2: FULL APPLICATION FORM**
Stages 1 and 2 and 3 are identical to STEP 1. As far as Stage 3 is concerned (technical and financial evaluation) the quality of the full applications (FAF) is assessed by two external assessors using the evaluation grid containing the selection and award criteria published in the Guidelines for Applicants. Quality criteria from the evaluation grid of concept notes are automatically reported at this stage.

The completed evaluation grids for each proposal must be sent to the Project Selection Committee.

The fourth stage of step 2 is the eligibility check which concerns Applicants and co-applicants of the applications that have been provisionally selected according to their score and within the available financial envelope and for those included in a reserve list. It will be performed by the internal assessors and it will be based on the content of the Declaration by the Applicant and the supporting documents requested by the MA or uploaded in the IT management and information system. In the interests of good administrative practice, the Project Selection Committee can check and then exclude applicants at any stage of the evaluation if it is obvious that the latter does not meet the eligibility criteria.

Stage 5: Conclusions by PSC

The Project Selection Committee drafts its recommendations after the internal assessors have examined the eligibility of the pre-selected proposals. It shall not change the assessors’ scores or recommendations and shall not alter the evaluation grids completed by the assessors.

The PSC must ultimately draw up a list of the proposals to be selected for financing, indicating the score obtained by each proposal, the requested amount of the grant and the percentage of the eligible costs proposed to be financed. Subject to the following considerations, this list is made up of the proposals obtaining the best scores, ranked by order, within the limits of the funds available under the call for proposals.

The same Committee may also draw up, under the same conditions, a ranked reserve list comprising a limited number of proposals that obtained the best scores after those selected for financing. This reserve list is valid for the period stated in the Guidelines for Applicants. The proposals included in that list are likely to receive a grant if funds become available under the call for proposals (if the eligible costs of the selected proposals fall, or it is impossible to sign a contract with the selected applicants, etc).

The final Evaluation Report, covering the eligibility checks, is drawn up and signed by all members following the final meeting of the Project Selection Committee.

Stage 6: decision by the JMC and notification to Applicants of the final results

The MA will send the list of projects recommended by the PSC to the JMC at least 14 calendar days before its meeting. Moreover, the MA will send the list of selected projects to the EC to consult different DGs and EU
Delegations in order to avoid any double funding of projects and to identify possible synergies. Following this consultation the JMC may decide to reject initially recommended proposals. This consultation should take a maximum of 14 calendar days in order to allow the JMC to have the result of this consultation before its meeting.

Once the approval has been given by the Joint Monitoring Committee, the Managing Authority will begin negotiating and signing the grant contracts.

An Applicant believing that it has been harmed by an error or irregularity during the award process may lodge a complaint to the Managing Authority in a maximum period of 30 calendar days from reception of the notification of the evaluation results.

The detailed complaint procedure will be described in the Guidelines for Applicants.

4.3.3 INDICATIVE TIMETABLE FOR THE SELECTION OF PROJECTS
The indicative time-table for each call for proposals is expected to be about one year from the launching of the call for proposals, depending on the minimum time from the launch to the submission of proposals and on the actual number of proposals received.

4.4 DESCRIPTION OF TYPES OF SUPPORT PER PRIORITY

To attain its thematic objectives and priorities, the Programme will launch calls for proposals to implement standard, strategic and capitalisation projects. The proposals may be presented by actors organised in Mediterranean cross-border partnerships under the calls for proposals launched in line with the procedure specified in chapter 5.3. of the Joint Operational Programme. The Programme aims at increasing the quality of the projects selected, to pool the resources and to widen the impact at the level of the Mediterranean Sea Basin.

Based on prior programming experience, the thematic objectives and priorities were narrowed down, to allow for a better alignment of the projects with more specific cross-border needs and challenges that have been identified. This approach is expected to ensure the cross-border added value when selecting standard and strategic projects under the Programme’s thematic objectives and priorities.

As in ENPI CBC MED 2007-2013, the ENI CBC MED 2014-2020 Programme foresees “standard” and “strategic” projects. In addition, the new Programme will introduce “capitalisation” projects. Subject to further specification by the JMC after the mid-term evaluation, the aim of capitalisation projects will be to disseminate the best results and capitalise on the most promising experiences of ENI CBC MED 2014-2020. To achieve this objective, these types of projects will have a dedicated call, which will be launched after those for standard and strategic projects. The call will be open to any applicant, whether or not they are a beneficiary of the previous calls of ENI CBC MED 2014-2020.
Upon approval of the JMC, the MA will launch at least one call for proposals for each type of project (standard, strategic, and capitalisation). The JMC may decide to open or restrict the calls to some of the Programme objectives and/or priorities.

The type of projects and calls are as specified as follows:

<table>
<thead>
<tr>
<th>Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard</td>
<td>The standard projects will have a demonstration character, providing pilot examples in a specific field of expertise, while ensuring networking among relevant stakeholders.</td>
</tr>
<tr>
<td>Strategic</td>
<td>The strategic projects will guarantee a deeper focus on emerging needs identified by Terms of References approved by the JMC. They will support an extended impact on the selected priorities and a clear contribution to EU and national policies in the region.</td>
</tr>
<tr>
<td>Capitalisation</td>
<td>The capitalisation projects will promote the exploitation and/or widest dissemination of the successful practices and results of previously financed projects.</td>
</tr>
</tbody>
</table>

Both calls for standard and strategic projects will have an allocation of 45% of the total available funds. The remaining 10% will be allocated to the call for capitalisation projects.

The procedures to launch the calls for proposals, and to select and implement all types of projects, will be detailed in the Guidelines for Applicants, drafted by the MA with the support of the JTS and approved by the JMC for each call.

According to article 49 of the ENI-CBC Implementing Rules, projects may be funded provided that they:

(a) deliver a clear cross-border cooperation impact and common benefits as described in the Programming Document, and demonstrate added value to EU Union strategies and this Programme;

(b) are implemented in the Programme area of the participating countries indicated in the calls for proposals;

(c) are integrated projects, where each beneficiary implements a part of the activities of the project on its own territory, and common benefits are achieved for all of them.

Projects satisfying these criteria may be partially implemented outside the Programme area by beneficiaries located in the Programme’s participating countries, provided that the following conditions are met:

(a) these activities are necessary for achieving the project’s objectives and they benefit the Programme area;

(b) the total amount allocated under the Programme to activities outside the Programme area does not exceed 20% of the Union contribution at both project and Programme level.

More specific criteria on the implementation of project activities outside the eligible areas will be defined in the Guidelines for Applicants for each call for proposals.

The following specifications are adopted for the different type of calls:
In the projects’ selection phase, an added value will be recognised among those projects promoted by coherent partnerships from the content, geographical and financial point of view.

The Programme will ensure a balanced allocation of resources among EU and MPCs beneficiaries. This condition is proved when at least the 50% of the project budget is used to fund activities in MPCs. The technical implementation of this rule will be detailed in the Guidelines for Applicants of each call for proposals.

The Programme will introduce a performance assessment of the quality of project implementation. The assessment will be carried out by the JTS and based on pre-defined objective criteria previously approved by the JMC and included in the grant contract. Following the assessment, the JMC will decide the appropriate measures to be taken.

The co-financing rate to be provided by the project partnership shall not be less than 10% of the total costs of the project. It will be decided upon by the JMC and will be specified in the Guidelines for Applicants for each call for proposals.

In order to support a better quality of project, costs related to the preparation of project proposals are considered as eligible, provided that they are limited to travel costs, up to a maximum of €10,000. The modalities to recognize these costs as eligible will be decided by the JMC and indicated in the Guidelines for Applicants.

Sub-granting will be promoted, in order to facilitate wider participation of all actors, up to a maximum of €60,000 per third parity. It will be especially encouraged in Thematic Objective 4, because sub-grants facilitate the participation of relevant stakeholders in the actual implementation of project activities.

The Programme is open to public and private bodies established in the participating countries, and international organisations, in accordance with the provisions of the ENI Regulation and ENI-CBC Implementing Rules, and with the other applicable EU and national legal frameworks.

Aid granted by participating countries under the programme shall comply with the rules on State aid within the meaning of Article 107 of the Treaty of the functioning of the European Union and – where applicable - with State aid provisions of any bilateral agreements between the participating countries and the EU. The conditions and modalities to comply with these rules will be specified in the Guidelines for Applicants in each call for proposals.

The Joint Monitoring Committee, through the calls for proposals, can focus on certain categories of eligible actors, according to the different thematic objectives and priorities concerned.

---

<table>
<thead>
<tr>
<th>Minimum ceiling EU contribution</th>
<th>Standard</th>
<th>Strategic</th>
<th>Capitalisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum countries in partnership</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Minimum MPC in partnership</td>
<td>1</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Recommended maximum nr. of beneficiaries</td>
<td>7</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Maximum beneficiaries from same country</td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Maximum duration(^{130})</td>
<td>3 years</td>
<td>4 years</td>
<td>1-2 years</td>
</tr>
</tbody>
</table>

\(^{130}\) The JMC may decide about further extension that could be granted to an approved project.
## 4.5 Planned Use of Technical Assistance and Contract Award Procedures

### 4.5.1 Planned Use of Technical Assistance Funds

The indicative allocation of the technical assistance budget is described in the table below.

<table>
<thead>
<tr>
<th>POSTINGS</th>
<th>TOTAL 2014-2020</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ENI FUNDS 2014-2020</td>
<td>CO-FINANCING</td>
</tr>
<tr>
<td><strong>A</strong> JOINT MONITORING COMMITTEE SUB-TOTAL</td>
<td>€ 1.098.032,52</td>
<td>€ 0,00</td>
</tr>
<tr>
<td>JOINT MONITORING COMMITTEE</td>
<td>€ 647.381,55</td>
<td>€ 0,00</td>
</tr>
<tr>
<td>JMC MEETINGS (INCLUDING TRAVEL AND SUBSISTENCE COSTS FOR 2 MEMBERS PER PARTICIPATING COUNTRY) AND HEADS OF DELEGATION MEETINGS (INCLUDING TRAVEL AND SUBSISTENCE COSTS FOR 1 MEMBER PER PARTICIPATING COUNTRY)</td>
<td>€ 450.650,97</td>
<td>€ 0,00</td>
</tr>
<tr>
<td>RENT OF THE ROOMS FOR THE JMC MEETINGS, CATERING, NOTE TAKING, INTERPRETING IN 3 LANGUAGES (FR, EN, AR), PRODUCTION OF MATERIAL</td>
<td>€ 450.000,00</td>
<td>€ 0,00</td>
</tr>
<tr>
<td><strong>B</strong> PROJECTS SELECTION COMMITTEE SUB-TOTAL</td>
<td>€ 1.090.800,00</td>
<td>€ 0,00</td>
</tr>
<tr>
<td>PROJECTS SELECTION COMMITTEE</td>
<td>€ 184.800,00</td>
<td>€ 0,00</td>
</tr>
<tr>
<td>PSC MEETINGS INCLUDING TRAVEL AND SUBSISTENCE COSTS FOR 14 MEMBERS FOR 6 MEETINGS (2 PER EACH OF THE 3 CALLS)</td>
<td>€ 906.000,00</td>
<td>€ 0,00</td>
</tr>
<tr>
<td>ASSESSORS’ REMUNERATION AND COSTS OF PARTICIPATION TO TRAINING OF EXTERNAL ASSESSORS FOR A TOTAL OF 6 TRAININGS</td>
<td>€ 222.000,00</td>
<td>€ 0,00</td>
</tr>
<tr>
<td><strong>C</strong> MANAGING AUTORITY SUB-TOTAL</td>
<td>€ 3.610.348,93</td>
<td>€ 2.320.947,51</td>
</tr>
<tr>
<td>MANAGING AUTORITY</td>
<td>€ 2.213.720,74</td>
<td>€ 2.320.947,51</td>
</tr>
<tr>
<td>PERSONNEL (INCLUDING INTERNAL AND EXTERNAL)</td>
<td>€ 552.236,70</td>
<td>€ 0,00</td>
</tr>
<tr>
<td>PERSONNEL TRAVEL ALLOWANCES (INCLUDING SUBSISTANCE)</td>
<td>€ 63.027,89</td>
<td>€ 0,00</td>
</tr>
<tr>
<td>DATA PROCESSING AND OFFICE EQUIPMENT</td>
<td>€ 109.363,59</td>
<td>€ 0,00</td>
</tr>
<tr>
<td>FINANCIAL COSTS</td>
<td>€ 450.000,00</td>
<td>€ 0,00</td>
</tr>
<tr>
<td>SET UP AND MANAGEMENT OF THE MONITORING SYSTEM</td>
<td>€ 222.000,00</td>
<td>€ 0,00</td>
</tr>
<tr>
<td>MA EXPERTS FOR DRAFTING TORS AND EXPERTS FOR THE MID-TERM AND FINAL EXTERNAL EVALUATION OF THE PROGRAMME</td>
<td>€ 6.727.663,59</td>
<td>€ 0,00</td>
</tr>
<tr>
<td>STAFF</td>
<td>€ 6.727.663,59</td>
<td>€ 0,00</td>
</tr>
</tbody>
</table>

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135
<table>
<thead>
<tr>
<th>Category</th>
<th>Budget 2007</th>
<th>Budget 2008</th>
<th>Revised Budget 2008</th>
<th>Increase/Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>JTS PERSONNEL TRAVEL ALLOWANCES (INCLUDING SUBSISTANCE)</td>
<td>€ 365.000,00</td>
<td>€ 0,00</td>
<td>€ 365.000,00</td>
<td>1,43%</td>
</tr>
<tr>
<td>JTS STAFF SELECTION</td>
<td>€ 31.000,00</td>
<td>€ 0,00</td>
<td>€ 31.000,00</td>
<td>0,12%</td>
</tr>
<tr>
<td><strong>DECENTRALIZED MANAGING STRUCTURES SUB-TOTAL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AQABA SUBTOTAL</td>
<td>€ 790.057,02</td>
<td>€ 458.357,23</td>
<td>€ 1.248.414,25</td>
<td>4,90%</td>
</tr>
<tr>
<td>STAFF COSTS</td>
<td>€ 573.165,55</td>
<td>€ 458.357,23</td>
<td>€ 1.031.522,78</td>
<td>4,05%</td>
</tr>
<tr>
<td>TRAVEL AND FUNCTIONS COSTS (EQUIPMENT ETC.)</td>
<td>€ 216.891,47</td>
<td>€ 0,00</td>
<td>€ 216.891,47</td>
<td>0,85%</td>
</tr>
<tr>
<td><strong>VALENCIA SUB-TOTAL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>STAFF COSTS</td>
<td>€ 783.820,73</td>
<td>€ 541.468,57</td>
<td>€ 1.325.289,30</td>
<td>5,20%</td>
</tr>
<tr>
<td>TRAVEL AND FUNCTIONS COSTS (EQUIPMENT ETC.)</td>
<td>€ 164.901,14</td>
<td>€ 0,00</td>
<td>€ 164.901,14</td>
<td>0,65%</td>
</tr>
<tr>
<td><strong>COMMUNICATION PLAN, INFORMATION and TRAINING ACTIVITIES sub-total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>INTERNATIONAL SEMINARS ORGANISED BY THE MA, THE JTS WITH THE SUPPORT OF</td>
<td>€ 690.000,00</td>
<td>€ 0,00</td>
<td>€ 690.000,00</td>
<td>2,71%</td>
</tr>
<tr>
<td>BOS, COMMUNICATION ACTIVITIES LINKED TO CALL FOR PROPOSALS AND PROJECTS</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PROMOTION</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NATIONAL SEMINARS ORGANISED BY BRANCH OFFICES</td>
<td>€ 350.000,00</td>
<td>€ 0,00</td>
<td>€ 350.000,00</td>
<td>1,37%</td>
</tr>
<tr>
<td>COMMUNICATION ACTIVITIES LINKED TO CALL FOR PROPOSALS AND PROJECTS</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PROMOTION</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DOCUMENTS AND INFORMATION MATERIAL (managed by MA)</td>
<td>€ 400.000,00</td>
<td>€ 0,00</td>
<td>€ 400.000,00</td>
<td>1,57%</td>
</tr>
<tr>
<td>DOCUMENTS AND INFORMATION MATERIAL (managed by BOs)</td>
<td>€ 20.000,00</td>
<td>€ 0,00</td>
<td>€ 20.000,00</td>
<td>0,08%</td>
</tr>
<tr>
<td>WEBSITE AND INFORMATION CAMPAIGNS BASED ON THE COSTS INCURRED DURING</td>
<td>€ 120.000,00</td>
<td>€ 0,00</td>
<td>€ 120.001,00</td>
<td>0,47%</td>
</tr>
<tr>
<td>2007-2013 PROGRAMMING PERIOD</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ORGANISATION OF TRAINING SEMINARS BY MA AND JTS SUPPORTED BY BRANCH</td>
<td>€ 60.000,00</td>
<td>€ 0,00</td>
<td>€ 60.002,00</td>
<td>0,24%</td>
</tr>
<tr>
<td>OFFICES</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ORGANISATION OF NATIONAL TRAINING SEMINARS BY BRANCH OFFICERS SUPPORTED</td>
<td>€ 477.000,00</td>
<td>€ 0,00</td>
<td>€ 477.003,00</td>
<td>1,87%</td>
</tr>
<tr>
<td>BY MA AND JTS</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>AUDIT AUTHORITY AND GROUP OF AUDITORS sub-total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AUDIT AUTHORITY PERSONNEL</td>
<td>€ 542.225,02</td>
<td>€ 1.265.191,72</td>
<td>€ 1.807.416,75</td>
<td>7,09%</td>
</tr>
<tr>
<td>AUDIT AUTHORITY TRAVEL AND FUNCTIONNING COSTS</td>
<td>€ 212.647,18</td>
<td>€ 0,00</td>
<td>€ 212.647,18</td>
<td>0,83%</td>
</tr>
<tr>
<td>GROUP OF AUDITORS (TRAVEL AND SUBSISTANCE COSTS FOR ITS MEETINGS (15</td>
<td>€ 301.933,02</td>
<td>€ 0,00</td>
<td>€ 301.933,02</td>
<td>1,18%</td>
</tr>
<tr>
<td>MEETINGS FORESEEN)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ANNUAL AUDIT OF MA EXPENSES FOR TA AND OF PAYMENTS TO PROJECTS</td>
<td>€ 340.000,00</td>
<td>€ 0,00</td>
<td>€ 340.000,00</td>
<td>1,33%</td>
</tr>
</tbody>
</table>
In order to guarantee a smooth start of the Programme, the following preparatory actions will be carried out in 2016 after the JOP has been adopted by the EC:

1. Preparation and organisation of the first meeting of the JMC to adopt ToRs for the JTS recruitment and to start preparing the launching of the first call for proposals;
2. Setting up the Audit Authority and designation of the MA.

To this regard the following costs are expected to be incurred by the MA and the AA and they will be covered as reported in the table below:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>MA Staff</td>
<td>€ 126.492,40</td>
<td>€ 126.492,40</td>
</tr>
<tr>
<td>JMC Meetings (costs based on 3 days, including 2 days of meeting and 1 day for travels)</td>
<td>€ 68.500,00</td>
<td>€ 68.500,00</td>
</tr>
</tbody>
</table>

131 Subject to the adoption of the relevant modifying decision 2007-2013.
### 4.5.2 Contract Award Procedures

The MA, Audit Authority and BOs will manage the technical assistance funds, to purchase equipment, services and to contract external staff (for contracting external staff please refer to paragraphs 3.2.3; 3.2.4 and 3.2.5).

The MA and the Audit Authority, being an Italian public administration, will use the Italian public procurement law.

The Valencia BO will use the Spanish national legislation while the Aqaba Special Economic Zone Authority will adopt the European Union regulations including PRAG as framework for its operational procedures respecting ASEZA’s regulations and procedures. According to art. 37.1 “b”, the relevant procurement rules followed by the Aqaba BO will be described in the financing agreement signed between Jordan and the EC.

Valencia Branch Office will advance all its expenditures and then its eligible costs will be reimbursed by the MA on the basis of the annual expenditure verification report on the BO expenditures and accounts.

Aqaba Branch office will receive yearly Technical Assistance funds as pre-financing according to the conditions set in a specific agreement between the Managing Authority and the Aqaba Branch Office.

Technical Assistance funds may be used to finance the salaries and related travel costs of the CCPs and those of the NCPs (only for MPCs), however the concerned institutions will advance the costs and, upon submission of the relevant supporting documents, will be reimbursed each year by the MA.

### 4.6 Monitoring and Evaluation

#### 4.6.1 Description of Monitoring and Evaluation Systems

The MA will set up a dedicated Management and information system (MIS) as an IT tool for Programme management covering the whole Programme and project life cycle. The main objectives and scopes of the MIS are: project selection (evaluation of applications); project management, “from contracting to closure” (e-submission of technical and financial reports, follow up of activities, outputs, results and indicators); handling of irregularities and recoveries; and reporting functions (i.e. authorised users can access a wide range of pre-defined reports that assist in effective Programme monitoring).

The computerised systems for the 2014-2020 Programme will be based on the experience gained during the implementation of the previous Programme. It will be developed further, with various modules (e.g.
negotiation phase of the contracts, tools for efficient monitoring and evaluation of the projects, and improvement of functions available online for the beneficiaries of project management tools). All key data will be available in real time according to dedicated modules, which follow the Programme and Project Cycle Management (from application to project closure).

The JMC, MA and JTS will have full rights of access to the system in most cases, with different levels of access rights among them. All Programme structures (e.g. Branch Offices, National Contact Points, etc.) will have access to the system, with different writing/reading rights, depending on their roles.

4.6.2 Monitoring and Evaluation Plan

In compliance with art. 78 of ENI CBC Implementing Rules, the MA will draw up an annual Monitoring and Evaluation plan based on the European Commission’s guidance and evaluation methodology. The annual plan will be submitted to the European Commission no later than 15 February of each year, starting from 2016 until 2023.

The Monitoring and Evaluation plan of the ENI CBC MED Programme (i.e. formulation and update) takes into account the following elements:

a) Indicators, target values and sources of verification;
b) Baselines for the indicators set by the projects;
c) Frequency of external result-oriented monitoring and its recommendations;
d) Frequency of internal result-oriented monitoring and follow up actions (performed by the MA);
e) Type of evaluations needed, their timing and results;
f) Frequency and content of project progress reports (project lead partners and partners);
g) Programme timetable of implementation and reporting requirements.

The MA and the JTS will apply the Result Based Management approach (RBM) to the ENI CBC MED funded projects. The RBM approach focuses on clearly defined accountability for results and requires monitoring and self-assessment of progress towards results, including reporting on performance based on the Indicative Monitoring and Evaluation Plan (see ANNEX 2 - Indicative Monitoring and Evaluation Plan).

The Programme monitoring will be done through a combination of tools:

- A specific module of the MIS (Management and information system);
- Analysis of Programme performance indicators;
- Analysis of the internal project reports (to check the progress, take remedial action, update action plans, and allow on-going data collection and preparation of progress reports);
- Monitoring missions (usually annual missions to review the performance of approved projects and the Programme for further improvements);
- Mid Term Evaluation of the Programme;
- Final evaluation of the Programme.
4.7 THE COMMUNICATION STRATEGY

This section, drafted in accordance with article 79 of Commission Implementing Regulation (EU) No 897/2014 of 18 August 2014, contains the communication strategy of the Programme for the entire implementation period.

The ultimate goal of the strategy is to contribute to the diffusion of the general objective of the ENI CBC MED Programme, fostering wide awareness of the opportunities offered and results achieved, in order to promote the magnitude of mutual interests and long-term objectives of cooperation between the EU and Partner Countries in the Mediterranean area.

The body responsible for the communication strategy is the Managing Authority, which shall ensure:

- appropriate information to the public;
- adequate visibility of the Union contribution to the Programme and projects;
- reinforced public awareness of the Union action;
- the creation of a consistent image of Union support in all participating countries.

General objectives

The strategy is carried out by means of the definition of general objectives to be achieved through Annual Information and Communication Plans, which are designed consistently with the needs of the Programme during its different phases of implementation.

In coherence with the above-mentioned EU Regulation, the strategy foresees the following three general objectives:

- to raise awareness of potential beneficiaries and the public on both shores of the Mediterranean about the aims and opportunities of the Programme and to involve all of them in its promotion;
- to ensure adequate visibility of the Programme and of the cooperation between the European Union and Partner Countries in the Mediterranean area;
- to promote the diffusion of the results achieved under the Programme, in order to foster the exploitation and capitalisation of good practices and valuable experiences.

Phases of implementation

The achievement of the general objectives will take into consideration the following phases:

- Programme launch, during which communication covers the general promotion of the Programme as a platform for enhancing cooperation in the Mediterranean area as well as the diffusion of funding opportunities offered by the call for proposals.
- Implementation, when communication efforts cover the promotion of the activities as they are undertaken by project beneficiaries, the support provided to them by the managing structures and dissemination of results achieved by funded projects.
• Capitalisation phase, covers the exploitation of the results achieved by the Programme and funded projects, focusing on the exchange of experience and diffusion of good practices to concerned stakeholders within and outside of the cooperation area.

**Target groups**

The target audience will differ depending on the nature of information to be disseminated, the type of communication channels to be adopted and the type of information needs.

The following target groups will be addressed by the communication strategy:

- potential applicants and partners, who should be informed properly, efficiently and in a timely manner about funding opportunities;
- local, regional, national and multilateral institutions involved in policy-making; these should be provided with information on the results achieved;
- the general public, who should be aware of the existence of the Programme and its impact on population and territories;
- the media and press, who should be engaged in the promotion of Programme in order to reach audiences that are normally not aware of its work;
- EU delegations/institutions, which should be informed about the concrete achievements and impact of the Programme;
- project beneficiaries and partners, who will contribute to the visibility of the Programme and its image in the cooperation area.

At the internal level, the MA shall ensure continuous and smooth information and communication flows among the other Programme bodies (JMC, BOs, NCPs, JTS), in order share a common understanding of the state of development of the Programme.

**Bodies involved**

The following bodies, whose functions have been described in accordance with the provisions of EU Regulation No 897/2014 and Chapter 3 “Programme managing structures” of the Joint Operational Programme, are involved in the implementation of the communication strategy:

- European Commission, to which the annual information and communication plan is submitted by the MA;
- Joint Monitoring Committee, which approves the annual information and communication plan proposed by the MA;
- Managing Authority (MA), which draws up the annual information and communication plan and coordinates its implementation and bodies involved in ensuring that the support of the European Union to the Programme is acknowledged at any level;
- Joint Technical Secretariat, which supports the MA in the implementation of the information and communication plan, including providing assistance to project beneficiaries in the design and implementation of their information and communication activities;
- Branch Offices, which contribute to the drafting of information and communication strategy and its implementation at local level;
- National Contact Points, who support the MA in information, communication and awareness-raising actions and in monitoring project communication activities at the national level;
- Project beneficiaries, who prepare an information and communication plan for the whole duration of the project (to be approved by the MA), and implement it, ensuring adequate visibility of the EU and Programme support.

Main communication channels and tools

- Programme website
- Social media
- Media and press
- Conferences and events
- Mailing lists
- Newsletters
- Audio visual material
- Promotional and informative materials

Budget
The indicative budget of the Programme for communication activities is €2,117,000.00, corresponding to 8.30% of the total Technical Assistance budget.

Implementation
The implementation of the communication strategy will be ensured through Annual Information and Communication Plans approved by the JMC and sent to the European Commission not later than 15 February.

Each Annual Plan, in keeping with the specific phases of implementation of the Programme and related needs, will detail a series of actions and activities that aim to raise the awareness of the public and other target groups on the objectives of the Programme and opportunities offered, ensure visibility of EU support and highlight the results achieved.

For instance, as described below in the Information and Communication Plan, during the first year of implementation (which is specifically dedicated to the launching of the Programme and the first call for proposals), public awareness and visibility of EU support will be ensured through the following measures:

- organisation of events;
- promotion in the media;
- promotion through a website and social media;
- dissemination of informative and promotional material;
- enhancement of relations with relevant institutions.
In the following years, as projects are funded, besides the above mentioned measures, new activities will be undertaken in order to enhance awareness and visibility, also at the project level, including:

- promotion of the activities implemented by project beneficiaries and partners;
- support to beneficiaries and partners, in order to ensure adequate visibility for their projects;
- wide dissemination of results achieved.

**Monitoring and evaluation**

The MA will inform the JMC and the European Commission about progress in implementing the communication strategy and measures taken to ensure the visibility of the EU and the Programme.

The Annual Information and Communication Plans will contain a set of quantitative and qualitative indicators to assess the efficiency and impact of actions and activities carried out.

### 4.7.1 INDICATIVE INFORMATION AND COMMUNICATION PLAN FOR THE FIRST YEAR

**Assumptions**

The plan for the first year has been designed in consideration of the results of a consultation conducted with the beneficiaries of projects funded under the ENPI CBC Med Programme. It is also consistent with a series of lessons learnt from the 2007-2013 period and related key challenges as described below.

**Lessons learnt**

- Communication proved to be a key dimension at Programme level in promoting the aims and results of cross-border cooperation in the Mediterranean and in creating a community of actors and stakeholders united by common goals and interests.

- Considering the importance of communication, and the fact that the Programme is not a new initiative anymore, the strategy to be implemented should take advantage of the current level of awareness and seek to consolidate and expand the target audience.

- The local dimension of communication activities needs to be strengthened in order to increase the ownership of the Programme in the eligible territories.

- The search for partners and the creation of qualified and stable partnerships are major challenges, which should be supported from the early stages of Programme implementation, before the calls are launched.

- Access to information concerning the Programme, calls for proposals and results achieved, need to be improved, to ensure that users can easily and quickly find what they are looking for.

**Key challenges**

- Communication will continue to play an essential role in the implementation of the 2014-2020 Programme, with dedicated financial and human resources, and greater attention will be paid to the effectiveness, efficiency and impact of communication activities.

- Given the level of awareness of the Programme in the cooperation area, the promotion of the calls for proposal will be increasingly focused on building capacity of potential beneficiaries, as a way to
improve the quality of project proposals. Specific information campaigns and actions will target media and key institutions/stakeholders of the cooperation area.

- Greater attention will be paid to the local dimension of communication activities: more events will be organised at territorial level, with a view toward reaching an increased and diversified audience of potential beneficiaries and encouraging the participation of new territories. Events will showcase examples of projects implemented by local organisations, in order to highlight their impacts and key elements for success.

- More effective tools will be designed, in order to ensure networking among project applicants, matching and pooling of project ideas and creation of competitive and balanced partnerships able to submit quality proposals. Attention will be paid to the timely implementation of partner search support tools, meaning these will be available before the calls are launched.

- Information will be made accessible more easily and in a more timely manner, in order to guarantee its diffusion and understanding among the widest possible audience. Improvements in this area will be mainly addressed to the website as key source of information about the Programme.

Structure of the 2016 Information and Communication Plan

As mentioned above, the communication strategy is based on three general objectives, which are connected with different phases of the Programme’s implementation.

During the first year, only the first two general objectives will be addressed by the information and communication plan: in fact, year 2016 will be marked by the launch of the first call for proposals. The wide dissemination of the call and capacity building of potential beneficiaries will be the main focuses of the communication activities to be implemented.

In addition, starting a new Programme means producing a renewed set of information material and an updated website: this will be the second focus for the first year of communication activities.

Finally, the Managing Authority, in collaboration with the other bodies involved in the implementation of the communication strategy, will seek to raise the awareness of media/press, local and national institutions, EU delegations and other concerned stakeholders.

The basic structure of the indicative Information and Communication Plan 2016 is shown in the tables below, and the full draft of the Plan is annexed to the Joint Operational Programme (Annex 3).

<table>
<thead>
<tr>
<th>Specific objectives</th>
<th>Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1 Launch the new Programme</td>
<td>1.1.1 Organisation of a launching conference</td>
</tr>
<tr>
<td>1.2 Promote the first call for proposals</td>
<td>1.2.1 Organisation of informative events</td>
</tr>
<tr>
<td></td>
<td>1.2.2 Production of dissemination material</td>
</tr>
<tr>
<td></td>
<td>1.2.3 Promotion of the call for proposals in media</td>
</tr>
<tr>
<td></td>
<td>1.2.4 Design of a dedicated section on the Programme website</td>
</tr>
</tbody>
</table>
**Objective 2 - Ensure adequate visibility of the Programme and of the cooperation between the European Union and Partner Countries in the Mediterranean area**

<table>
<thead>
<tr>
<th>Specific objectives</th>
<th>Actions</th>
</tr>
</thead>
</table>
| 2.1 Ensure Programme visibility in the cooperation area | 2.1.1 Development and management of the Programme website  
2.1.2 Management and updating of social media  
2.1.3 Production and dissemination of a communication kit  
2.1.4 Drafting and diffusion of newsletters |
| 2.2 Enhance relations with institutions and the media | 2.2.1 Participation in external events  
2.2.2 Creation/reinforcement of links with EU delegations  
2.2.3 Organisation of a media campaign |

### 4.8 RULES ON ELIGIBILITY OF EXPENDITURE

#### 4.8.1 NO PROFIT PRINCIPLE

Grants shall not have the purpose or effect of producing a profit within the framework of the project.

However, in the case of sub-grants, the exceptions to the non-profit rule set out in point (b), (c) and (e) of Article 125(4) of Financial Regulation (EU, Euratom) No 966/2012 shall apply. This provision refers specifically to:

- Study, research or training scholarships paid to natural persons
- Other direct support paid to natural persons most in need, such as unemployed persons and refugees
- Low value sub-grants

Where a profit is made, the Managing Authority (MA) shall be entitled to recover the percentage of the profit corresponding to the Union contribution to the eligible costs actually incurred by the beneficiary to carry out the project.

For this purpose, profit shall be defined as a surplus of the receipts over the eligible costs incurred by the beneficiaries (Lead Beneficiary and partners), when the request is made for payment of the balance.

#### 4.8.2 FORMS OF GRANTS

In conformity of article 47 of ENI-CBC Implementing Rules, grants shall take a combination of the two following forms:

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132 Low value grants shall be considered to be those grants which are lower than or equal to 60.000€, as stated in Rules of Application of Financial Regulation (Commission Delegated Regulation (EU) No 1268/2012)
4.8.3 ELIGIBILITY OF COSTS

In conformity with points 1 and 2 of article 48 of ENI-CBC Implementing Rules, grants shall not exceed an overall ceiling expressed as a percentage and an absolute value indicated in the Grant Contract, which is to be established on the basis of estimated eligible costs.

Eligible costs are costs actually incurred and paid by the project beneficiaries (Lead partner and partners), which meet all of the following criteria:

(a) they are incurred during the implementation period of the project. In particular:

i. Costs relating to services and works shall relate to activities performed during the implementation period. Costs relating to supplies shall relate to delivery and installation of items during the implementation period. Signature of a contract, placing of an order, or entering into any commitment for expenditure within the implementation period for future delivery of services, works or supplies after expiry of the implementation period do not meet this requirement; cash transfers between the lead beneficiary and the other beneficiaries may not be considered as costs incurred.

ii. An exception is made for costs relating to final reports, including expenditure verification, audit and final evaluation of the project, which may be incurred after the implementation period of the project.

iii. Costs incurred should be paid before the submission of the final reports; the costs of the final reports may be paid afterwards, provided they are listed in the final report together with the estimated date of payment. MA may request proof of the actual payment before transferring the final balance.

iv. Procedures to award contracts, as referred to in Article 52 of ENI-CBC Implementing Rules and following, may have been initiated and contracts may be concluded by the beneficiaries before the start of the implementation period of the project, provided the provisions of Article 52 and following have been respected.

(b) they are indicated in the project's estimated overall budget;

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133 In conformity with article 51 of ENI-CBC Implementing Rules
(c) they are necessary for project implementation;

(d) they are identifiable and verifiable, in particular being recorded in the accounting records of the beneficiary and determined according to the accounting standards and the usual cost accounting practices applicable to the beneficiary;

(e) they comply with the requirements of applicable tax and social legislation;

(f) they are reasonable, justified, and comply with the requirements of sound financial management, in particular regarding economy and efficiency\textsuperscript{134};

(g) they are supported by invoices or documents of equivalent probative value, as well as adequate proofs of payment.

In conformity with point 4 of article 48 of ENI-CBC Implementing Rules, in order to allow the preparation of strong partnerships, costs incurred before submission of the grant application by projects to which a grant has been awarded are eligible provided that the following conditions are also met:

(a) they are incurred after the publication of the call for proposals;

(b) they are limited to travel and subsistence costs of staff employed by the beneficiaries;

(c) they do not exceed the amount fixed in the call for proposals (up to a maximum of 10,000 euro);

(d) they are proven by supporting documents

The following direct costs of the beneficiary shall be eligible:

(a) the costs of staff assigned to the project under the following cumulative conditions:
   i. they relate to the costs of activities that the beneficiary would not carry out if the project was not undertaken, as shown in detailed timesheets;
   ii. they must not exceed those normally borne by the beneficiary unless it is demonstrated that this is essential to carry out the project\textsuperscript{135};
   iii. they relate to actual gross salaries including social security charges and other remuneration-related costs;

(b) travel and subsistence costs\textsuperscript{136} of staff and other persons taking part in the project, provided they exceed neither the costs normally paid by the beneficiary according to its rules and regulations nor the rates published by the Commission at the time of the mission, if reimbursed on the basis of unit costs (per diems);

(c) purchase or rental costs for equipment (new or used) and supplies specifically for the purpose of the project, provided they correspond to market prices;

(d) the cost of consumables specifically purchased for the project;

(e) costs entailed by contracts awarded by the beneficiaries for the purposes of the project;

\textsuperscript{134} As described in Article 30 of Financial Regulation (Regulation (EU, Euratom) No 966/2012)

\textsuperscript{135} The exceptions will be duly indicated in the Grant Contract or have the prior written approval of the MA

\textsuperscript{136} Detailed rules on travel and subsistence costs will be included in the Application Pack and the Grant Contract
(f) costs deriving directly from requirements imposed by the Grant Contract and the project (such as information and visibility operations, evaluations, external audits, translations) including financial service costs (such as costs of bank transfers and financial guarantees).

The following costs relating to the implementation of the project shall not be considered eligible:

(a) debts and debt service charges (interest);
(b) provisions for losses or liabilities;
(c) costs declared by the beneficiaries and already financed by the Union budget;
(d) purchases of land or buildings for an amount exceeding 10% of the eligible expenditure of the project concerned;
(e) exchange-rate losses;
(f) duties, taxes and charges, including VAT, except where non-recoverable under the relevant national tax legislation, unless otherwise provided in appropriate provisions negotiated with CBC partner countries;
(g) loans to third parties;
(h) fines, financial penalties and expenses of litigation;
(i) contributions in kind as defined in Article 14(1) of ENI-CBC Implementing Rules.\(^\text{137}\)

The expenditure incurred by sub-grantees shall follow the same rules.

The procurement rules applicable to the projects are defined in article 52 to 56 of the ENI-CBC Implementing Rules. In accordance with article 52, if the implementation of a project requires procurement of goods, works or services by a beneficiary, the following rules shall apply:

- where the beneficiary is a contracting authority or a contracting entity within the meaning of the Union legislation applicable to procurement procedures, it may apply national laws, regulations and administrative provisions adopted in connection with Union legislation or rules of paragraph 2 of article 52;
- where the beneficiary is an international organisation, it may apply its own procurement rules if they offer guarantees equivalent to internationally accepted standards;
- in all other cases, rules indicated in paragraph 2 of article 52 shall apply.

Participation in the award of procurement contracts for actions financed under the ENI CBC MED PROGRAMME will be subject to the rule of nationality as set by art. 8.1 and 8.2 of the Common Implementing Rules (EC Regulation 236/2014).

Moreover all supplies purchased under a procurement contract financed under the ENI CBC MED PROGRAMME are subject to the rule of origin as set by art. 8.4 of the said Common Implementing Rules.

Further details will be included in the Guidelines for Applicants of each call for proposals.

\(^{137}\) Any provision of non-financial resources free of charge. The cost of staff assigned to a project or programme shall not be considered a contribution in kind.
In accordance with article 67 of the Implementing Rules on the use of the euro, expenditure incurred in a currency other than the euro, by project beneficiaries, shall be converted into euro using the monthly accounting exchange rate of the Commission for the month during which the expenditure was submitted for examination in accordance with Article 32(1).

Technical Assistance expenditures incurred in a currency other than the euro shall be converted into euro using the monthly accounting exchange rate of the Commission for the month in which the expenditure was incurred.

4.9 THE APPORTIONMENT OF LIABILITIES AMONG THE PARTICIPATING COUNTRIES

According to art. 74 of the EC Regulation No 897/2014 “where the recovery relates to systemic deficiencies in the Programme management and control systems, the Managing Authority shall be responsible for reimbursing the amounts concerned to the Commission in accordance with the apportionment of liabilities among the participating countries as laid down in the Programme”.

Systemic deficiencies are errors found in the management and control systems of the Programme which may lead to a need for a financial correction and for which a clear responsibility of a Programme body or participating country may not be identified.

Notwithstanding the provisions set by the Commission Implementing Regulation n. 897/2014 on the financial corrections, when detected, the systemic deficiency shall be immediately brought to the attention of the JMC for its consideration. The JMC could convey its comments, opinions and recommendations to the MA. When article 73 applies, the MA will submit them to the EC within two months in reply to its provisional conclusions and for its consideration with a view to ensuring a fair decision on the nature of the error and on the application of the financial correction.

The criteria for apportionment of liabilities among the participating countries shall be the following:

- if the systemic deficiency concerns the Programme circuits related to the use of the technical assistance funds by the MA, BOs and/or the Audit Authority, the country of the administration hosting the Programme body responsible for the use of the technical assistance funds shall have the final responsibility for reimbursing to the Programme accounts the amount identified as a result of the financial correction;
- if the systemic deficiency concerns one specific country, this country shall be responsible for reimbursing to the Programme accounts the amount identified as a result of the financial correction;
- if the systemic deficiency concerns the whole system, each country shall be responsible for reimbursing to the Programme accounts the amount representing the percentage of the financial correction applied to the expenditure incurred by the beneficiaries of the respective country and declared by the MA to the European Commission.

4.10 THE RULES OF TRANSFER, USE AND MONITORING OF CO-FINANCEING

4.10.1 CO-FINANCING PRINCIPLE

Article 12 of ENI-CBC Implementing Rules states that co-financing shall amount to at least 10% of the Union contribution – that is €20,905,781. This minimum amount shall come from the contribution of project beneficiaries and the salaries of internal staff of the Managing Authority and the Branch Offices.

The percentage of Union contribution to projects will be defined in the calls for proposals and the grant contracts, in accordance with the percentages indicated in section 4.4 of this JOP.
Under the co-financing principle, as stated in article 183 of the Rules of Application (RAP) of the Financial Regulation (Commission Delegated Regulation (EU) No 1268/2012), the resources that are necessary to implement the programme will not be provided entirely by the Union contribution.

The same article 183 of the RAP indicates that co-financing of grants may take the following forms:

- Beneficiaries’ own resources;
- Financial contribution by EU Member States (EUMS) or Mediterranean Partner Countries;
- Financial contributions by third parties, from sources other than the Union, EUMS and MPCs.

Together with the Union contribution, these sources of co-financing shall constitute the project receipts, as defined by the article 125(5) of the Financial Regulation (EU, Euratom) No 966/2012.

The Programme will not consider as co-financing the income generated by the project, therefore if any income is generated by the partnership during project implementation, it will lead to a reduction of ENI Programme contribution.

4.10.2 USE AND MONITORING OF CO-FINANCING

The Grant Contract or its financial annex shall include detailed rules on the sources and use of the co-financing by the project beneficiaries. The co-financing will be monitored and included in the Programme accounting, through the declaration on expenditure and receipts prepared by the beneficiaries. These will be verified by a controller and will be part of the requests for payment of the grant.

Co-financing by the Managing Authority and Branch Offices for technical assistance shall come from staff who are partly financed, or not financed, with the Union’s contribution to the Technical Assistance funds. These contributions will be monitored and included in the Programme accounting through the yearly expenditure declaration, which will be part of the annual accounts.

4.10.3 TRANSFER OF PROGRAMME FUNDS TO PROJECTS

When a project is approved, a grant contract, and its annexes detailing the conditions and level of funding, will be offered and then signed between the Managing Authority and the Beneficiary. Upon entry into force of the Grant Contract, a pre-financing payment, of up to a maximum of 40% of the amount granted to the project, shall be transferred to the Beneficiary within 45 calendar days.

Projects shall submit, at least once per year, in an interim report, together with an expenditure verification report issued by auditors meeting the requirements set by art. 32 of ENI CIR regulation N. 897/2014.

Any further pre-financing payments will be made within 45 calendar days from the submission to the MA of the interim report including a request of payment.

Further pre-financing may only be given if the part of the expenditure that has been actually incurred and which is financed through Programme contribution, stands at least at 70% of the last payment (and at 100% of any previous payments) as supported by the corresponding interim report.

In the event the project has spent less than 70 % of the latest pre-financing and/or 100% of any previous pre-financing, the amount of the further pre-financing will be reduced by deducting the related amount of unspent resources.
Depending on the length of project duration, the Grant Contract will define the payment percentages of further pre-financing and final balance, according to the conditions set in the Calls for Proposals.

The Managing Authority will establish the amount of each further pre-financing, including the final balance, on the basis of an evaluation, carried out by the Joint Technical Secretariat, of each interim and final report. The Managing Authority will therefore establish the amount of eligible expenditures to be considered in the calculation of the above mentioned thresholds (70% of the last pre-financing received and 100% of any previous pre-financing received). Any non-eligible expenditures reported will not be considered as part of the portion of the grant already transferred. In the event that the eligible costs actually incurred by the partnership during the project are lower than the amounts received as pre-financing, the Managing Authority will apply its rate of funding to the actual costs, and the Beneficiary will, where applicable, be required to repay any excess amounts already transferred by the JMA under the pre-financing payment(s) received.

4.11 IT SYSTEMS FOR REPORTING AND EXCHANGE OF DATA BETWEEN THE MA AND THE EC

According to the indication given by the EC, when developing the Programme Management Information System (MIS), the MA will adopt a compatible system with the KEEP database as a source of information on the projects supported by the ENI CBC 2014-2020 Programmes. This will enable the EC to obtain directly through KEEP the majority of information and data on the financed projects without further details from the annual implementation report.

During the programming period 2007-2013, the JMA already implemented the possibility to automatically export the relevant data on projects implementation from the MIS and transfer them to KEEP. Thus this function needs only to be updated following the structure proposed by KEEP experts for the 2014-2020 programming period.

4.12 LANGUAGES ADOPTED BY THE PROGRAMME

Languages to be used for the implementation of the Programme ENI CBC Mediterranean Sea Basin are the following:

- **Programme languages**: English, French and Arabic;
- **Project languages**: English or French.
- **Legal and arbitration languages**: English and French;

The Joint Operational Programme is drafted in English and French, with a summary in Arabic.

The **Programme languages** are used for Programme documents and dissemination material, as well as in Programme meetings and events.

In all procedures and documents referring to each project (from the submission of the application to the final report), the partnership should choose one of the two **projects languages**.

All requests of information addressed to the Programme managing bodies and the related answers should be drawn up in English or French.
The legal and arbitration languages are used for grant contracts and for the administrative and legal procedures relating to the management of the Programme. When required, the Programme managing bodies may also use their official language for internal administrative and legal procedures.

4.13 Modification and Closure of the Programme

According to art. 6 of the ENI Regulation 897/2014, any modification to the JOP will be made on the basis of the procedure described below:

- For minor adjustments of the Programme which do not significantly affect its nature and/or its objectives such as cumulative, changes up to 20% of the originally allocated Programme contribution to each thematic objective or technical assistance, the Managing Authority will propose them to the JMC for its prior approval and then the MA will inform the Commission of any of these changes. The notification to the EC will be made at the latest in the next annual report submitted after the modification has been approved by the JMC and the MA will also provide the Commission with all necessary additional information;

- For major modifications which will have a substantial impact on the Programme implementation such as the cases foreseen by the said art. 6 in its paragraph 2, the JMC may propose to amend the text of the JOP. The proposed modifications shall be duly justified and transmitted by the MA to the European Commission. The EC shall assess the information provided and, it may submit its observations or requests for clarification to the Managing Authority which shall provide the additional information. Within five months of the submission of the request for revision, the Commission shall approve it provided that all Commission observations have been duly taken into account. Any revision of the Programme shall be adopted, in line with art. 6 of the said ENI regulation, by a decision of the Commission and it may require the modification of the financing agreements. The entry into force of the revision for MPCs will depend on the entry into force of the modification of the respective financing agreement.

As far as the Programme closure is concerned, it will be carried out according to art. 19 of the ENI Regulation 897/2014.
ANNEXES
A. SWMTNs SYNOPTIC TABLES PER TOs

**MICRO, SMALL AND MEDIUM-SIZED ENTERPRISES**

<table>
<thead>
<tr>
<th><strong>STRENGTHS</strong></th>
<th><strong>MEDIUM TERM NEEDS (MTNs)</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Geographical proximity, and a market of approximately 400 million people</td>
<td>• Strengthen the role of Local Authorities in the propagation of an entrepreneurial culture, through the provision of quality training and business development services, business coaching and specialist expertise in the fields of innovation and technological advance dissemination at a sectoral level and knowledge accumulation in the region</td>
</tr>
<tr>
<td>• For MPCs, Europe is the first foreign partner (in terms of FDIs and trade)</td>
<td>• Support innovative and fast growing start-up enterprises or preferably consortia of enterprises, with a particular focus on young and women entrepreneurs and facilitate the protection of their Intellectual Property Rights and commercialisation where applicable.</td>
</tr>
<tr>
<td>• Consolidated network of business relationship already existent</td>
<td>• Strengthen and support euro-Mediterranean networks and value-chains in traditional (agro-food, tourism, textile/clothing, etc.) and non traditional sectors (innovative ideas solutions for urban development, eco-housing, sustainable water-related and other clean technologies, renewable energy, creative industries, etc.)</td>
</tr>
<tr>
<td>• The Euro -Mediterranean Charter For Enterprises (MED Charter) and its implementation provided a framework for improving the business environment in the Euro-Mediterranean area and make it uniform</td>
<td>• Support business creation by economic and academic diasporas, with a specific focus on young entrepreneurs</td>
</tr>
<tr>
<td>• The regulatory environment for business in the Southern Neighbourhood improved in 2012</td>
<td>• Promote integrated business development services to support entrepreneurs along the different stages of the business cycle (from feasibility studies, to marketing and promotion, to internationalization and partnering)</td>
</tr>
<tr>
<td>• Existence of programmes of administrative reform, of programmes dedicated to SMEs and innovation support services (such as incubators and venture-capital funds)</td>
<td>• Support cluster cooperation and internationalization, in order to overcome the dimensional limit and create synergies to enter a globalised economy</td>
</tr>
<tr>
<td>• The region is already positioned along some global value chains (automotive, textile, agri-food, and logistics)</td>
<td>• Develop mentoring and coaching programmes, especially to help young entrepreneurs in setting up their own businesses including courses to improve financial skills of MSME owners and start-ups, as well as their ability to present a convincing business proposal, properly communicate business performance and liaise with financial institutions</td>
</tr>
<tr>
<td>• MSMEs represent more than 50% of total workforce and over 90% of overall enterprises in the region, and accounting for a significant portion of export and GDP</td>
<td>• Introduce productivity enhancement programmes and encourage high productivity sectors, supporting innovation and knowledge intensity enterprises</td>
</tr>
</tbody>
</table>

**WEAKNESSES**

- Heterogeneous business supporting policies, fiscal legislation, standards and trade regulations
- In MPCs large employers, public and private, have tended to dominate product markets, enjoy privileged access to banking systems
- Uneven presence of innovative SMEs across the Countries
- Uneven level of public sector investment in science and technology education and R&D
- MSMEs losing ground in terms of competitiveness and leading to a predominance of necessity-driven, “survivalist enterprises”
- Uneven level of “culture of entrepreneurship” among Countries of the area
- Skill mismatches between qualification and labour market requirements
- Labour market rigidities, inefficient bureaucracy, access to finance are among the main entry barriers for MSMEs
- Transparency related to “behind the borders” barriers and implementation of facilitation of trade and transportation between the EU-Mediterranean region.
- Lack of Mutual Recognition Agreements that facilitate and affect trade in services in the EU-Mediterranean Region.
### TOURISM

#### STRENGTHS

- Tourism is a major pillar of the economies of the area
- Travel and tourism are human resource intensive and in 2012 contributed directly to 7.7 million jobs and indirectly to almost 20 million jobs (through ancillary activities)
- Growth projections are high over the long term, according to UNWTO, and ecotourism is considered among the fastest growing segment of the tourism industry
- The Mediterranean is endowed with a vast array of natural resources and historical/archaeological/eno-gastronomic heritage
- There is wide consensus on the importance of ecotourism and its “positive impact on income generation, job creation and education, and thus on the fight against poverty and hunger”; Morocco facilitated the recent approval (2012) of a UN resolution titled “Promotion of ecotourism for poverty eradication and environment protection”
- Investing in greening of tourism can reduce operating costs

#### WEAKNESSES

- Strong market positioning, not yet translated into a distinctive brand image (one Mediterranean=>many Mediterraneans)
- Focused on one product: “sun, sand and beach” tourism, which still represents the basis of Mediterranean tourism; in many destinations prevalence of mass low cost type of tourism
- Sector extremely vulnerable to external shocks, persisting political unrest and uncertainty can negatively affect performance
- Seasonality of demand affects the sector
- A significant part of the revenues from tourism does not benefit the economy of the host country or region (leaks out)
- National strategies not all reflecting sustainable tourism among priorities; lack of eco-certification and labelling at the Mediterranean level
- Natural environment increasingly at risk
- Increased pressures on cultural heritage and societies
- Growing impact of information technology and communications and difficulties to cope with
- Reduced competitiveness in EUMCs, also thanks to higher operating costs; need to

#### MEDIUM TERM NEEDS (MTNs)

- Share a common vision, improve cooperation and form strategic alliances between Mediterranean Institutions
- Improve tourism strategies’ sustainability and joint (public, private sector, CSOs) planning for sustainable tourism
- Diversify into new segments and niches, such as eco-tourism and VolunTourism
- Develop integrated tourism model (i.e. better integrated into the natural, social and economic local contexts), including innovative and effective communication tools
- Develop policies and strategies to support a better distribution of the added-value through fair local partnerships
- Enhance the e-Marketing and support adoption of innovative forms of commercialisation and marketing
- Minimise resource use, production of waste, reduce the impact of tourism transport
- Conserve and valorise natural and cultural heritage
- Engage private sector in green tourism
- Support vocational training for tourism
- Support capacity building and develop human resources within the sector
- Enhance participation and involvement of local communities in tourism management
- Support awareness raising activities to highlight the importance of tourism for sustainable development, as a career of choice and poverty alleviation
### Innovation and Technology

#### Strengths

- Importance of innovation is recognised by EUPCs and MPCs and embedded in main bilateral Agreements
- Entities from non-European Mediterranean Countries that are associated to the seventh Framework Programme have had the opportunity to participate and be funded through the FP7 at the same conditions as those in EU Member States
- There is availability of human capital in the Mediterranean area, with high educational levels
- There are over 100 public universities in MPCs
- Number of scientific publications is on the rise
- Number of researchers is increasing
- Technology parks, business incubators and technology transfers offices are in place in most of the Countries, as well as centres of excellence

#### Weaknesses

- Expenditure on research and development as a % of GDP is generally low, both in Southern and Northern Mediterranean Countries
- There is an uneven level of innovation culture across the Programme Countries
- Number of researchers is still low in MPCs
- Scientific publications are produced by a small number of universities in MPCs
- Availability of skilled workforce for upgrading industry is limited
- Low level of innovation-related management skills is in the public and private sectors
- Around 90% of spending on research and development in MPCs comes from the public sector as against around one third in the European countries. Private sector is scarcely involved in funding research centres and technological parks, in the MPCs
- The financing system for innovative activities (venture capital) is weak

#### Medium Term Needs (MTNs)

- Support a system of governance for innovation (both at basin and at national levels), multiplying synergies among different players
- Adapt the vision and objectives of the national strategy to the level of development of the economy
- Improve policy coordination and Set clear responsibilities.
- Collect internationally comparable data on R&D and innovation
- Strengthen capacities of public Bodies and Institutions in charge of innovation
- Facilitate technological transfer and commercialisation of research results, strengthening the linkages between research and industry
- Find suitable ways to involve the private sector in funding research and innovation
- Support MSMEs in accessing research and innovation through clustering, improving access and availability of venture capital funds
- Create a platform to facilitate cooperation, partnership and exchanges of information and best practices on cross-cutting innovative projects
- Strengthen research exchange programmes and cooperation among Mediterranean Universities
- Create/advance innovation support structures (e.g. technology transfer systems and tools, innovation accelerators, availability of relevant know-how on Intellectual Property Management issues)
- Develop vocational training in support to innovation
- Improve inter-cluster cooperation, for a faster internationalization and a better access to H2020 for Mediterranean innovative SMEs and research labs
- Support the value chains addressing the specific needs of Mediterranean sustainable and smart cities (mobility, risk management, energy management, decision helping systems...)
### SOCIAL INCLUSION AND POVERTY ALLEVIATION

#### STRENGTHS
- Social policies and objectives are integral to the EU’s external relations and partnerships and social inclusion is one of the four priorities of the 2011 to 2013 regional indicative programme of the ENP.
- EUPCs have a well-established system of welfare.
- In MPCs, family and neighbourhood are highly valued and represent a solidarity net; informal social safety nets are widespread.
- Both EUPCs and MPCs are committed to alleviate poverty and reduce unemployment, especially among youth.
- Young people represent the human capital for future growth and can be a major driver for development.
- The social economy (co-operatives, NGOs, etc.) can complement State interventions.
- The role of social and solidarity economy is widely recognized in the area: there are more than 400,000 social enterprises which give job to more than 6 million people across Algeria, France, Italy, Morocco, Portugal, Spain and Tunisia.
- Form of cooperation in the social economy sector already exist; the Euro-Mediterranean Network for Social Economy (ESMED) is operational since 2000 in promoting cooperation and dialogue between social economy bodies from the north and south of the Mediterranean.
- Programs of mutual cooperation between Mediterranean Public Administration are already in place.

#### WEAKNESSES
- Persistent economic crises impacted the social system badly.
- European system of welfare is in crisis, exacerbated by the economic situation.
- In the MPCs, ‘income support’ measures are often employed and implemented through food and fuel subsidies, rather than social protection schemes.
- There is a growing portion of population at risk of poverty in the Programme area.

#### MEDIUM TERM NEEDS (MTNs)
- Create institutional mechanisms of cooperation between public administration, private and community sectors to ensure sustainable governance of socio-economic development.
- Support cooperation among Institutions for the set-up of laboratories of “ideas” for innovative social services.
- Establish durable partnership between public administration and social economy actors for sharing ideas and best practices and positive experiences (e.g. youth guarantee schemes and others).
- Support local administration in establishing permanent mechanism of collaboration and dialogue (‘fora”) with the private sectors (to support young generation through learning on the job and facilitating their entrance the labour market).
- Strengthen women participation in the economy; support women’s enterprise creation and management; develop vocational training to facilitate women participation to labour force.
- Mainstream and promote social inclusion into all areas and levels of policymaking through the participation of public bodies, social partners, NGOs and other relevant actors.
- Expand aid to youth entrepreneurship, also in partnership with the banking sectors.
- Support social and solidarity economy actors, also in terms of improving capacities and cooperation with public administrations for services’ provision.
- Unemployment rate is rising steadily, especially among youth
- Inequality – across administrative sub-units and gender-related – is on the rise
- In the MPCs, access to services is limited, especially in rural areas
- A rising portion of young people is entering the NEETs (young people Not in Employment, Education and Training) trap
- Market rigidities, skill mismatches are among the key drivers of youth unemployment

### WATER MANAGEMENT

#### STRENGTHS
- Water is a renewable resource and an important ecosystem service, with important provisioning and regulating functions
- A number of international and regional processes and initiatives targeting water are in place (the Millennium Development Goals, the World Summit for Sustainable Development Targets, the Protocols under the Barcelona Convention and the UNEP/Mediterranean Action Plan Mediterranean and the Strategy for Sustainable Development, etc.)
- At the European level, the Water Framework Directive (2000) has marked an important step as it has stressed the importance of water management by river basin - the natural geographical and hydrological unit - instead of according to administrative or political boundaries
- Most of the Mediterranean Countries are devoted to the principles of Integrated Water Resources Management and most of the Countries have accordingly revised their legislations in this direction
- Population access to potable water is above the global average (covering 90% of the population)
- Some progress has already been done in almost all Countries of the Programme area with respect to overall water-use efficiency (domestic and irrigation combined)
- Wastewater, if adequately treated, is an opportunity
- Non-conventional water supply technologies and practices (re-use of treated wastewater, desalination plants) have already been supported in the area
- A Mediterranean Network of Basin organisation, whose members include among others Cyprus, France, Greece, Israel, Italy, Jordan, Lebanon, Libya, Morocco, Palestine, Portugal, Spain and Turkey, already exist as part of INBO (the International Network of Basin Organisations) and promotes an integrated water resources

#### MEDIUM TERM NEEDS (MTNs)
- Support application of demand-side approaches to water management, to increase efficiency and sustainable use of the resource
- Reduction of non revenue water in water supply system
- Encourage use of non-conventional water supply (properly assessing benefits and risks), to reduce pressure on water resources
- Encourage joint trans-national planning and cooperation at the level of sub-basin or basin, consistently and complementary to other international and regional initiatives
- Encourage integration of water conservation objectives, flood risk assessment and management, and droughts management, into (local) territorial planning and support cooperation among local Authorities in this respect
- Reinforce Administration capacities to manage sustainably and efficiently water, integrating water supply and demand interventions, also through exchange of pilot experiences and cooperation initiatives
- Encourage the participation of stakeholders in the decision making process regarding the water policy sector and the water resource planning
- Support initiatives aimed at finding innovative and technological solutions to increase water efficiency in agriculture, also through improved agronomic practices
- Strengthen awareness support measures to advocate value of water; reinforce local partnerships between consumers and administrations to introduce measures to save water
management at the river basin level

**Weaknesses**

- Water availability in the Mediterranean basin is limited and its capacity to self-generate varies according to space and time; some Countries are exploiting non-renewable water resources.
- Water resources are unevenly distributed across Mediterranean, with Countries in Southern and Eastern shores in ‘water stress’.
- The Mediterranean basin is considered as a global “hot-spot” in terms of climate variability and change and he climate change scenarios for 2050 predict a reduction in rainfall and a rise in temperatures, which is expected to impact further on water availability.
- Water withdrawals – due to population growth, urbanization and economic development – are increasing and this could lead to water shortages in long-term scenarios.
- Water-use inefficiencies affect the drinking-water and irrigation sectors.
- Policies for water management have mainly focused on the supply side, to extend water supply through infrastructural projects, and to a very limited extent on the demand side.
- Water scarcity is exacerbated by water quality deterioration and the lack of effective water management.
- Many local Authorities in the Mediterranean have weak planning, managerial and operational capacities with respect to water management.
- Weak multi-level governance and law enforcement still affect effectiveness of water policies.
- Low-level involvement of the stakeholders in the decision making process regarding the water policy sector and the water resource planning.
- Lack of streamlining procedures for the use of innovative tools for the sustainable water management.
- Over 20 million inhabitants still have no access to improved water services.
- The final draft of the Strategy for Water in the Mediterranean has not yet been approved, due to political reasons.

**Waste Treatment and Recycling**
STRENGTHS

- Europe has successfully de-coupled wealth and economic growth from waste generation
- EU has set a number of waste management policies and issued directives which are moving towards a better harmonisation of sectoral legislations
- The importance of sound waste management policies is shared and recognised in MPCs and reflected in a number of bilateral and multilateral agreements
- EUMCs have technical and managerial know-how, as well as technologies, that can be shared with southern Mediterranean countries
- Waste is a resource
- Sound waste management is pivotal in ensuring resource efficiency and pursuing sustainable growth
- EUPCs apply integrated waste management systems, using different technologies and tools (landfill, along with incineration, recycle and re-use technologies) and have a 100% collection coverage of municipal solid waste
- Great quantities of agricultural and high-organic-fraction municipal waste make possible a larger diffusion of biological treatment, which is characterised by the lowest amount of waste residues to be disposed in landfill plants.
- Most Countries of the Programme area have signed international Conventions on waste (the London Dumping Convention (1972) and its London Protocol, MARPOL, and the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal) and committed to bind national legislations and regulations to international requirements
- The Regional Marine Pollution Emergency Response Centre for the Mediterranean Sea (REMPEC) is operational since many years to contribute to preventing and reducing pollution from ships and combating pollution in case of emergency

WEAKNESSES

- Implementing effective waste management is more challenging in areas where institutional capacities are weak
- Different legislation and regulations make difficult to get to a comprehensive factual analysis of waste and to set “Mediterranean” shared policies and standards
- There is an uneven level of development between the Northern and Southern shores of the Mediterranean, in terms of technologies applied, infrastructure and management systems
- Municipal waste generation in the MPCs is still increasing
- Municipal waste generation in some EUPCs (notably, Malta, Cyprus, Italy, and Spain) still have to be reduced toward its approximation to the average of EU countries

MEDIUM TERM NEEDS (MTNs)

- Enhance institutional capacities to plan, implement, monitor and control effective waste management
- Establish an inter-institutional dialogue and knowledge-exchange platforms on waste management best practices (managerial, financial and economic) toward the harmonised development of relevant institutional capacities within the Program Area
- Increase awareness regarding waste management processes and the life cycle of waste materials, in order to improve valorisation of materials and a shift in perspective from waste being entirely a burden, but also an opportunity
- Share common frameworks in order to preserve Mediterranean basin condition (CO₂ sequestration, valorisation of toxic waste into other products)
- Generate a MED-wide set of standards for recycling and compost
- Raise public awareness on the importance of a sound management of wastes, with particular reference to source-separated-collection collection
- Reduce municipal waste generation
- Increase use of biological treatment, with the view of reducing the amount of waste residues to be disposed in landfill. This entails source-separated-collection and/or effective sorting of mixed waste streams
- Assess the market absorption capacity for compost and recycled products in order to define realistic targets for biological treatment spreading
- Eliminate the unsound disposal of waste, by progressively establishing an adequate mix of treatment and disposal facilities
- Minimise the incidence of landfill disposal through source-separated-collection and improvement of the mix of treatment and disposal facilities
- Raise capacities of local and Port Authorities to manage residues generated on board ships, through integrated on-land and sea waste policies and waste handling plans, and undertake effective control and monitoring through ICT tracking systems
- Share experiences in waste and water recycling from traditional industries (olive oil production, tanning industry, tourism, etc.)
- Raise awareness on health-associated risks for waste pickers and launch initiatives of social inclusion (e.g. alternative employment, income generation, etc.)
Some European Mediterranean Countries still rely to a great extent on landfill
Low collection coverage and unsound disposal of municipal wastes characterise MPCs
Waste products are still not sufficiently valorised as an economic resource both by the
general public and businesses to the extent that they could and should be
Certain wastes have a viable resale value which is not exploited systematically, but
which could exploit the entire value chain of materials from the perspective of a life
cycle analysis
Low-income rural areas are characterised by a reduced capacity to pay fees toward
the economic sustainability of waste management systems
Low awareness on the importance of a sound management of wastes in low-income
rural areas makes more difficult the implementation of initiatives to improve waste
management standards
Intentional oil pollution (caused by ships) occurs in the Mediterranean

### RENEWABLE ENERGIES AND ENERGY EFFICIENCY

#### STRENGTHS
- RE represent a natural competitive advantage for the area
- RE have the potential to increase Countries’ energy security through reliance on an
  indigenous, inexhaustible resource
- There is a growing demand for energy in the Mediterranean, especially in the MPCs
- Solar energy resource is larger than all other renewable energy resources
- Some interconnected grids between Northern and Southern shores Countries are
  already in place and some other are under construction. This would allow MPCs to
  export REs to Europe and take advantage of European feed-in tariffs.
- PV can be built close to consumers (e.g. on building roofs)
- Solar thermal electricity (STE) and solar photovoltaic electricity (PV) are competitive
  against oil-fuelled electricity generation in sunny Countries, usually to cover demand
  peaks, and in many islands
- As the current pace of costs reduction, solar energy is expected to reach
  competitiveness on a large scale in less than ten years
- Off-grid solar PV can transform the lives of those people currently deprived of access
to electricity
- Solar photovoltaic plants use on average seven times more labour than coal-fired
  plants to produce the equivalent quantity of megawatt hours
- EE improvements offer large potential for emission reductions and more affordable
  and cheaper conditions for low-income private housing

#### MEDIUM TERM NEEDS (MTNs)
- Reinforce exchange of experiences on technical and tangible implementation of renewable
  energy projects, allowing for local administrations in the region that have successfully
  implemented renewable energy projects to provide training for neighbouring countries to
  enhance the sharing of expertise and experience (also building on results of research
  cooperation projects, such as the RESSOL-MEDBUILD or others in the FP7 or others)
- Promote the implementation of diversified and innovative applications in the target
  regions through cross-border’s transfer of technologies, know-how and best practices on
  the solar energy
- Support an integrated approach to solar energy, fostering the deployment of the whole set
  of technologies that would facilitate the use of solar energy
- Improve the knowledge on the existing market availability and comparative cost-benefit of
  the referred innovative technologies for decentralised in-building applications
- Develop and implement long-term renewable energy training programs designed to
  develop a critical mass of locally trained personnel with technical skills, especially for
  operation and maintenance (O&M)
- Reinforce cooperation between research centres, private sector and local public
  Administrations from the EU and from MPCs, also in view to support innovative actions in
  renewable energies (with specific focus on solar energy and biomass energies from
  agricultural waste)
- Identify and quantify the non-technical (i.e. societal, economic and environmental) costs
WEAKNESSES

- All renewable energy sources offer a mixture of environmental benefits and risks (among the latter, for instance, the disturbance on migratory bird species and impacts on intrinsic aesthetic value of landscape, sound and visual impacts for wind energy; solar energy impacts include land use and habitat loss, water use, and the use of hazardous materials in manufacturing).
- RES account only for a limited share of the region’s primary energy supply (8% in 2009, while around 18% of electricity supply originate from renewable energy).
- Today solar electricity in most markets is not yet able to compete without specific incentives.
- Development of interconnection grids remain a big challenge.
- There is poor knowledge of renewable energy sources and their potential, by the private sector, the general public especially in the MPCs.
- Few Countries so far have elaborated comprehensive policy sets. Deployment of solar energy technologies entails costs. In order to tackle this issue, adequate incentives and integrated policies (approaching holistically other energy sector, such for instance the fossil fuel set of public policies and subsidies) must be implemented in order to create a conducive market setting.
- The average energy consumption of the building sector has increased by around 1% per year since 1990.
- No global funding scheme for building EE upgrades.

and benefits of renewable energies

- Identify and promote measures and procedures to improve consumption habits, organising necessary training programs; support information campaigns to promote energy saving practices, the use of renewable energy, reinforcement of building and promote “smart consumers”.
- Examine feasibility, costs and benefits of introducing smart grids in pilot areas of MPCs.
- Support local administrations’ exchange of experiences and transfer of innovation aimed at improve EE.
- Define and coordinate the implementation of possible changes in energy-consuming processes or equipment systems.
- Support cost-effective approaches to renovations relevant to the building type and climatic zone.

ICZM

STRENGTHS

- Mediterranean coasts are rich, yet fragile, ecosystems with solid maritime traditions and valuable tangible and intangible cultural heritage.
- Mediterranean has been recognised as one of the world top 25 biodiversity hotspots.
- Ecosystem services provided by the Mediterranean coasts sustain livelihoods of local communities, fishermen and families who live in these territories.
- All coastal Countries have recognised Mediterranean intrinsic value and adhered to a set of international Convention (Barcelona Convention) and related Protocols and have committed to pursue an Ecosystem Approach.

MEDIUM TERM NEEDS (MTNs)

- Incorporate the Ecosystem-Based management approach to ICZM into local development planning, through the improvement of intra-territorial coordination among different stakeholders.
- Support spatial planning and implementation capacities of involved Institutions, promoting exchange of experiences and best practices across Mediterranean Countries.
- Promote the initiative of coastal administrations at regional/departmental level paying a special attention to cross-border agreements involving shared programmes and macro-projects.
The coastal states of the Mediterranean Sea have also established Marine Protected areas, as well as fisheries protection zones (FPZ) and ecological protection zones (EPZ).

The EU has undertaken a number of regulatory steps to support ICZM, including the Marine Strategy Framework Directive, which enshrines in a legislative framework the ecosystem approach.

An Action Plan for the reduction of marine litter is under preparation by MEDPOL/MAP.

The prevalence of artisanal fisheries represents an important advantage in terms of sustainability for the Mediterranean.

There has been a 50% growth rate in maritime transport between 1997 and 2006 and 10% for container traffic in the Mediterranean, contributing significantly to economy revenues and dynamics.

Only in the EUMCs there are over 4000 marinas and 6 million leisure boats which contribute significantly to the tourism economy.

Environmental sustainability can be the key to trigger economic growth (especially in the tourism sector) without compromising natural assets, but rather using environment as an opportunity.

**Weaknesses**

- The Protocol on Integrated Coastal Zone Management, entered into force in 2011, but it has been ratified by a limited number of Countries.
- National sectoral jurisdictions and decision-making framework is fragmented, with a multiplicity of actors.
- The complex interactions among the different competing uses and sectors of coastal lands and sea would require applying an integrated planning, inspired by the principle of ecosystem. However, the approach to ICZM is still sectoral.
- Differences still exist about the coastal regulation in the Mediterranean region and particularly to construction limits set by law (legal framework); for instance not all Mediterranean countries have set up a framework law for coastal zones.
- Uncontrolled tourism development and urban sprawl impact severely coastal environment; unplanned tourism, maritime transport and overfishing represent other potential threats to the marine environment.
- Coastal erosion, caused by sediment balance upsetting, affects 40% of Mediterranean littorals with a loss of environmental assets and sandy beaches for tourism industry and provoking salt ground water intrusion; besides the lack of sediment transport, hindered by unavoidable inland work (dikes, land protection, river banks, reforestation, etc.) forces to find alternative resources of sand for beach maintenance.

- Foster policies for the acknowledgment as Mediterranean strategic resources of the coastal zones and the marine/coastal sediments through innovative actions for their sustainable use.
- Encourage the adoption of innovative and user-friendly softwares and tools to enhance adaptive systemic planning through active participation of key stakeholders and communities and systematization of existing knowledge and available datasets (e.g. those created to implement specific actions of the 7FP, see table on main projects funded).
- Improve the knowledge of systemic dynamics and interactions between environmental and socio-economic factors, to improve understanding of the processes of change and better monitor and plan for sustainable development.
- Support networks of existing MPAs and in the process of elaborating and supporting sustainable plans for an effective management of protected areas.
- Raise local communities awareness on the principles, benefits and opportunities of the “blue economy” to change habits of production and consumption.
- Encourage the involvement of interest groups/users association in planning (fishermen, tourism operators, etc.) and implementation of sustainable ICZM, through co-management approach.
- Promote and valorise the maritime culture and small scale fisheries tradition in the Mediterranean Sea, with particular regards to sustainable fisheries.
- Encourage the adoption of technologies for the management of fishery resources in the perspective of sustainable fishing and safety at sea.
- Maintain or restore biodiversity and ecosystem functioning in coastal seabeds.
- Protect coastal populations, economies and infrastructures, and set-up risk prevention plans (erosion and submersion).
- Reduce inputs to the sea of chemical contaminants from watershed.
- Climate Change (sea level rise, increased frequency in storms) adds its effects to coastal erosion threatening Mediterranean littorals by flood and compromising natural habitats like wetlands.
- Despite efforts already undertaken, marine litter - mainly a by-product of land-based actions such as urbanization and increased industrial activity – represent still a serious problem for Mediterranean coasts.
- Planning and implementation capacities for ICZM are still weak across Mediterranean Institutions and reflect a national fragmented and uncoordinated setting.
- Some of the poorest regions of the Mediterranean are increasingly dependent on natural resources and local ecosystem services and the loss of terrestrial or marine biodiversity could pose a serious problem for their economic growth and particularly for the long-term sustainability of local communities.
- The spatial and seasonal concentration of tourism flows amplifies its impact on the environment.
- The costs of building and operating wastewater treatments are high.
- Mediterranean fish landings represent 1% of total world landing, but its surface is only 0.8% of the total oceans' surface.
## B. FINANCIAL TABLES

**TABLE B-1:** Yearly provisional financial appropriations for commitments and payments envisaged for each thematic objective and technical assistance

### Programme Financial Table

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</tr>
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</table>

** Subject to a mid-term review of the programme

* The amounts concerning the committed funds have been provided by the EC.
C. CURRENT ORGANISATIONAL CHART OF THE PRESIDENCY OF THE AUTONOMOUS REGION OF SARDINIA
D. ORGANISATIONAL AND FUNCTIONAL CHART OF THE MANAGING AUTHORITY

* According to the Regional Law, the Units are completely independent from the MA director and they are fully responsible for their procedures.
## TABLE B-2: provisional amounts of EU contribution and co-financing for the whole programming period for each thematic objective and technical assistance

**Thematic objectives by source of funding (in euro)**

<table>
<thead>
<tr>
<th>Thematic Objective 1</th>
<th>EC Funding (a)*</th>
<th>Co-financing (b)</th>
<th>Co-financing rate (in %) (c)**</th>
<th>Total funding (d) = (a)+(b)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Business and SMEs development)</td>
<td>45.156.487,39</td>
<td>5.017.387,49</td>
<td>11,11%</td>
<td>50.173.874,88</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Thematic Objective 2</th>
<th>EC Funding (a)*</th>
<th>Co-financing (b)</th>
<th>Co-financing rate (in %) (c)**</th>
<th>Total funding (d) = (a)+(b)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Support to education, research, technological development and innovation)</td>
<td>33.867.365,54</td>
<td>3.763.040,62</td>
<td>11,11%</td>
<td>37.630.406,16</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Thematic Objective 3</th>
<th>EC Funding (a)*</th>
<th>Co-financing (b)</th>
<th>Co-financing rate (in %) (c)**</th>
<th>Total funding (d) = (a)+(b)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Promotion of social inclusion and fight against poverty)</td>
<td>33.867.365,54</td>
<td>3.763.040,62</td>
<td>11,11%</td>
<td>37.630.406,16</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Thematic Objective 4</th>
<th>EC Funding (a)*</th>
<th>Co-financing (b)</th>
<th>Co-financing rate (in %) (c)**</th>
<th>Total funding (d) = (a)+(b)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Environmental protection, climate change adaptation and mitigation)</td>
<td>75.260.812,32</td>
<td>8.362.312,48</td>
<td>11,11%</td>
<td>83.623.124,80</td>
</tr>
</tbody>
</table>

| Technical Assistance | 20.905.781,20 | 4.585.965,03 | 21,94% | 25.491.746,23 |

| Total | 209.057.812,00 | 25.491.746,23 | 12,19% | 234.549.558,23 |

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ANNEX 1 - CONSULTATION PROCESS

ANNEX 2 - INDICATIVE MONITORING AND EVALUATION PLAN

ANNEX 3 - INDICATIVE INFORMATION AND COMMUNICATION PLAN FOR THE FIRST YEAR