

**Greece – the former Yugoslav
Republic of Macedonia
IPA Cross-Border Programme
2007-2013**

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Glossary of Acronyms

Acronym	Description
CBC	Cross-Border Co-operation
CC	Candidate Countries
ERDF	European Regional Development Fund
IPA	Instrument for Pre-Accession Assistance
NP	Neighbourhood Programme
PCC	Potential Candidate Countries
ICT	Information and Communication Technologies
WLAN	Wireless Local Area Networks
NUTS	Nomenclature of Territorial Units for Statistics
UNESCO	United Nations Educational, Scientific and Cultural Organization
PHARE	Poland, Hungary, Assistance for Restructuring their Economies
ISPA	Instrument for Structural Policies for Pre-Accession
SAPARD	Special Accession Programme for Agriculture and Rural Development
IUCN	International Union for the Conservation of Nature

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Legal Basis

- Council Regulation (EC) No 1085/2006 establishing an Instrument for Pre-Accession Assistance (IPA);
- Commission Regulation (EC) No 718/2007 implementing Council Regulation (EC) No 1085/2006 establishing an Instrument for Pre-Accession Assistance (IPA).
- Communication from the Commission to the Council and the European Parliament, Instrument For Pre-Accession Assistance (IPA), Multi-Annual Indicative Financial Framework for 2008-2010
- Multi-Annual Indicative Planning Document for the former Yugoslav Republic of Macedonia

Executive Summary

In the **Programming Period 2007-2013** the EU has introduced a **new strategic approach**, in order to ensure a better co-ordination of programmes and activities for the **Member States** and for neighbouring **candidate and potential candidate countries**. Lessons learnt in the 2000-2006 period led to the decision to combine **internal and external funds under one single umbrella**. In this context the **Instrument for Pre-accession Assistance (IPA)** dedicates a significant part of its resources to **Cross-Border Co-operation**, promoting sustainable economic and social development in the border areas and assisting co-operation for addressing common challenges in fields such as environment, natural and cultural heritage, public health and the prevention of and fight against organised crime.

The present **IPA Cross-Border Programme Greece/the former Yugoslav Republic of Macedonia** is the product of a bilateral "**Task Force**", responsible for the joint and interactive planning effort between the two countries.

The eligible area is composed of the following NUTS III (or equivalent) regions:

- Florina, Pella, Kilkis and Serres in **Greece** and
- Pelagonia, Vardar and Southeast in **the former Yugoslav Republic of Macedonia**.

In addition Thessaloniki in **Greece and** Southwest in **the former Yugoslav Republic of Macedonia** will form part of the programme area under the territorial flexibility rule.

The Strategy of the Programme is based on a detailed **analysis** of the programme area and the resulting **SWOT** underlining the significance of the location of the programme area. **Global Objective** of the programme is to **enhance convergence in the programme area by promoting sustainable local development**. This objective will be pursued along two Strategic Priorities.

On the one side the Programme will enhance the co-operation among economic actors and stakeholders through common approaches for the support of local economic activities, the development of local human resources and the protection human health as pillars for sustainable local economic development.

On the other side the Programme devotes its resources also to the protection and promotion of the environmental and cultural potential in the programme area as a mean for sustainable local development.

The Priority Axes of the Programme are defined below:

- **Priority 1:** "Enhancement of cross-border economic development", aiming at the promotion sustainable economic development through common interventions and facilitate cross-border relations: Priority 1 will be implemented by four Measures focusing on the promotion of entrepreneurship, the enhancement of Human Resources, the development of sustainable tourism and protection of public health through cross-border activities.
- **Priority 2:** "Enhancement of the environmental resources and cultural heritage of the programme area" aiming to promote common actions for the protection of the natural and cultural environment and the mobilisation of the natural and cultural resources: Priority 2 will be implemented by two Measures focusing on the promotion and protection the environmental resources and natural and cultural heritage of the area.
- **Priority 3:** "Technical Assistance" aiming at the successful and smooth implementation of the Programme and the enhancement of high quality cross-border co-operation.

The Programme Greece – the former Yugoslav Republic of Macedonia is going to be implemented under **the transitional approach**.

The participating countries shall set up a **Joint Monitoring Committee**, ensuring the quality, effectiveness and accountability of the programme operations. They shall also set up a **Joint Steering Committee**, with the exclusive responsibility for selecting the operations to be funded under the IPA cross-border Programme.

The **Managing Authority** of the Programme is the CIP INTERREG at the Ministry of Economy and Finance in Thessaloniki, Greece. It shall be responsible for managing and implementing the IPA CBC Programme in accordance with the principle of sound financial management.

In the former Yugoslav Republic of Macedonia, the **Deputy Prime Minister for European Affairs** is designated as the National IPA Coordinator, who acts as the representative of the former Yugoslav Republic of Macedonia vis-à-vis the Commission and shall be responsible for co-ordinating the participation of the former Yugoslav Republic of Macedonia in the IPA cross-border Programme. The **Ministry of Local Self Government** has been designated by the National IPA Coordinator as the Cross-Border Co-operation Coordinator.

The Managing Authority shall set up a **Joint Technical Secretariat**, located in Thessaloniki. An **Antenna** will be located in **Bitola**. The Joint Technical Secretariat (JTS) shall assist the Managing Authority, the Joint Monitoring Committee and the Joint Steering Committee in carrying out their respective duties.

Beneficiaries will generally be **public and public equivalent bodies** from the eligible areas of the two countries. They will be invited to submit their **project proposals** using standardised application procedures during **open, public calls for proposals**.

1 Introduction

1.1 The Greece/the former Yugoslav Republic of Macedonia IPA Cross-Border Programme

(1) In the New Programming Period 2007-2013 the EU has inaugurated a new strategic approach, seeking better co-ordination of programmes and activities for the Member States and for the candidate and potentially candidate countries. Especially in the field of Cross-Border Co-operation, which in South-eastern Europe has experienced significant changes since the beginning of the 2000-2006 period evolving from the Interreg IIIA/CARDS to the Neighbourhood programmes, the Community Initiative INTERREG has evolved to a full Objective of the EU Cohesion Policy to be funded by the Structural Funds. EU Cohesion Policy aims at reducing the economic, social and territorial disparities which have arisen particularly in countries and regions whose development is lagging behind, and in connection to economic and social restructuring, and to the ageing of the population. The «European Territorial Co-operation» Objective includes three Strands, Cross-Border, Transnational and Interregional Co-operation, wherein the Cross-Border Strand aims at strengthening co-operation through joint local and regional initiatives.

(2) In addition, the Commission has introduced the new Instrument for Pre-accession Assistance, replacing the 2000-06 pre-accession financial instruments PHARE, ISPA, SAPARD, the Turkish pre-accession instrument, and the financial instrument for the Western Balkans CARDS. IPA covers the countries with candidate status (currently Croatia, the former Yugoslav Republic of Macedonia and Turkey) and potential candidate status (Albania, Bosnia and Herzegovina, Montenegro and Serbia including Kosovo according to UNSCR 1244). Component 2 of the IPA is addressing all IPA countries and is dedicated to Cross-Border Co-operation. In the scope of IPA, Cross-Border Co-operation, such co-operation can pursue one or more of the following broad objectives:

- promoting sustainable economic and social development in the border areas;
- working together to address common challenges in fields such as environment, natural and cultural heritage, public health and the prevention of and fight against organised crime;
- ensuring efficient and secure borders;
- promoting joint small scale actions involving local actors from the border regions.

(3) In the past, there have been significant efforts to harmonise and coordinate the frameworks of cross-border co-operation under the Structural Funds and the pre-accession financial instruments, including for Interreg III and CARDS in 2000-2006 period. The lessons from this process have led to the decision to combine internal and external co-operation funds under one single umbrella. The present IPA Cross-Border Programme Greece/the former Yugoslav Republic of Macedonia is the product of the joint planning effort between the two countries seeking to take full advantage of the new possibilities offered within the Instrument for Pre-accession Assistance Framework.

1.2 Eligible Areas

(4) According to Article 88 of the IPA Implementing Regulation, for the purposes of cross-border co-operation between one or more Member States and one or more beneficiary countries, the eligible areas for financing shall be NUTS III level regions (or equivalent) along borders between the Community and the beneficiary countries, taking into account potential adjustments needed to ensure the coherence and continuity of the co-operation action,

Hence the seven (7) NUTS III (and equivalent) regions along the border of the two countries (Florina, Pella, Kilkis and Serres on the Greek side and Pelagonia, Vardar and Southeast from the side of the former Yugoslav Republic of Macedonia) are included in the eligible area.

(5) According to Article 97 of the IPA Implementing Regulation, NUTS III regions (or equivalent) along land borders between the Community and the beneficiary country are eligible areas for the purposes of cross-border co-operation. Article 97 foresees the possibility to finance expenditure incurred in implementing operations or parts of operations up to a limit of 20% of the amount of the Community contribution to the cross-border programme in NUTS III regions (or equivalent) areas adjacent to the eligible areas for that programme. Hence the regions of Thessaloniki and Southwest are included in the eligible area due to their size and functional role they have in the programme area.

(6) The inclusion of Thessaloniki is based on the fact that the region is a geomorphological continuation of the Pelagonia massif and geologically stands at the western end of the Serbomacedonian massif. The rock formations comprise a continuous belt of metamorphic and ophiolitic formations of pillow lavas, dolerites, and upper mantle cumulative rocks stretching from the area of Veles to Thessaloniki bay. The hydrographic system which predominates in the entire eligible area is the hydrologic basin of the Axios/Vardar river – Doirani lake. These water bodies are shared between the two countries and constitute an excellent opportunity for both countries

to co-operate for the preservation of the water quality and the environment in general. Thessaloniki city maintains an important commercial port, has played a significant role in cultural and scientific exchanges in the broader area of Balkans over several centuries, and is a strong commercial and financial centre of northern Greece.

(7) The parts of the Southwest region in the former Yugoslav Republic of Macedonia, which belong to the Balkan Green Belt, hosts many protected areas (ten protected areas, two National Parks, seven Natural Monuments and one Natural Reserve). A part of the National Park "Galicica" belongs territorially to the Municipality of Resen (in the Pelagonija Region), which is included in the eligible area. Another part belongs to the Municipality of Ohrid, Southwest region. In the effort to secure integrated protection and management of the ecosystem and sustainable usage of the natural resources, the need for including the Southwest region into the eligible area is considered essential. Also, the Ochrid – Prespa region has been identified as a potential area for cross-border co-operation by the International Union of the Conservation of Nature (IUCN).

(8) With participation of the above mentioned regions in the Programme, it will be easier to fulfil objectives related to the Lisbon strategy:

- because of the fact that many research institutions, universities and additional regional resources and competences have their seats in them; and
- due to geographical and historical connection of the two additional regions to the core programme area.

(9) In addition, through the extension of the eligible territories, added value and higher level of cross-border co-operation will be achieved with the activities, which will have a broader impact on the development of the overall territory.

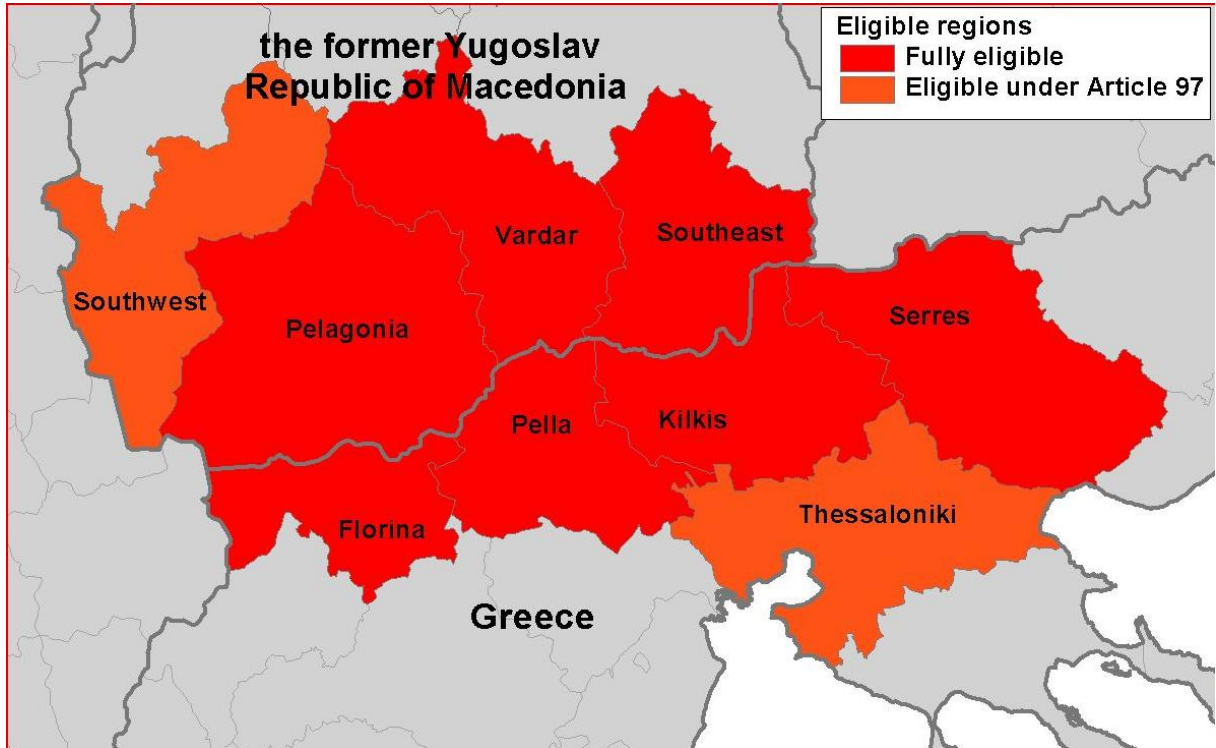
(10) The programme area has a border length of 246km (21km of lakes), covering an area of **29,259** km² and a population of 2.222.629. It is composed of the following regions:

Table 1: Eligible regions in the programme area

Greece				
NUTS III¹	Capital	Population	Area	Status
Florina	Florina	52.340	1.924	Fully eligible according to Article 88 of the IPA-IR.
Pella	Edessa	138.761	2.506	Fully eligible according to Article 88 of the IPA-IR.
Kilkis	Kilkis	81.710	2.519	Fully eligible according to Article 88 of the IPA-IR.
Serres	Serres	196.247	3.790	Fully eligible according to Article 88 of the IPA-IR.
<i>Thessaloniki</i>	<i>Thessaloniki</i>	<i>946.864</i>	<i>3.683</i>	<i>Subject to Article 97 of the IPA-IR.</i>
the former Yugoslav Republic of Macedonia				
NUTS III	Seat of the Statistical Office	Population	Area	Programme Status
Pelagonia	Bitola	238.136	4.717	Fully eligible according to Article 88 of the IPA-IR
Vardar	Veles	154.535	4.041	Fully eligible according to Article 88 of the IPA-IR
Southeast	Gevgelija	171.416	2.739	Fully eligible according to Article 88 of the IPA-IR
<i>Southwest</i>	<i>Ohrid</i>	<i>221.546</i>	<i>3.340</i>	<i>Subject to Article 97 of the IPA-IR</i>

¹ In Greece a NUTS III region is a “Prefecture”, in the former Yugoslav Republic of Macedonia the eligible region is a “Planning region of regional development”.

Figure 1: The Greece/the former Yugoslav Republic of Macedonia IPA Cross-Border Programme area



1.3 The Programming Process

(11) By the decision of the two countries, a bilateral "Task Force" for the elaboration of the new Greece/the former Yugoslav Republic of Macedonia IPA Cross-Border Programme was established. Members of the Task Force came from the relevant national authorities of the two countries including representatives from the European Commission. They have provided valuable information on the situation in the programme area, and the lessons learnt from the predecessor Neighbourhood Programme. Stakeholders and authorities responsible for the environment and gender aspects have also been consulted throughout the programming process.

(12) On 22.09.2006 the programming process started with a kick-off meeting held in Thessaloniki, followed by six Task Force Meetings, two in Skopje, one in Bitola and three in Thessaloniki:

- TF meeting in Skopje , defining the basic orientation of the Programme,
- TF meeting in Thessaloniki , agreeing on the Programme structure,
- TF meeting in Skopje, approving the first draft version of the Programme,

- TF meeting in Thessaloniki concerning the Programme and the Implementing Provisions thereof.
- TF meeting in Bitola, finalising the Programme and discussing the Implementing Provisions before submission
- TF meeting in Thessaloniki, finalising the Implementing Provisions and agreeing on the procedure for submission of the Programme

(13) Before the submission of the programme, the two participating countries proceeded to public consultations in order to incorporate comments and observations before the submissions. Beyond publishing the programme and disseminating information about it via mass media, two Public Consultation events were arranged, addressing potential beneficiaries:

- One public consultation in Kilkis (Greece) presenting and discussing the programme to potential beneficiaries
- One public consultation in Kavardaci (former Yugoslav Republic of Macedonia), presenting and discussing the programme to potential beneficiaries.

(14) During the programming process, the Taskforce was supported by three external expert teams on:

- Specific chapters of the Programme,
- The Ex-ante evaluation and
- The Strategic Environmental Assessment.

(15) To ensure broad regional and sector acceptance, as well as participation of social partners and stakeholders, the draft Programme was made available for public consultations in both countries. The Strategy and Priorities were presented and openly discussed. All representatives were invited to stress their viewpoints about the programme and give feedback as regards the final priorities. All respective feedback, along with the findings of the Ex-ante Evaluation and the Strategic Environmental Assessment, was taken into consideration for the formulation of the final Programming Document, while the discussion that followed the presentation of the new Programme further ensured that the initiatives and categories of project ideas proposed have a complementary rather than overlapping role to the regional and national strategies of both countries. The results of the consultation were continuously integrated in the programming document.

(16) The final Programming Document has been sent for approval to the European Commission and will be validated by the National authorities of both participating countries. Taking into

consideration all national policies and Programmes, the formulated Programme ensures the meeting of the needs of the programme area, complementing but not overlapping the actions and initiatives undertaken at the national and regional level. A final Task Force meeting, to take account of the comments received from the European Commission, was held in Thessaloniki on 21 February 2008.

2 Analysis of the socio-economic environment

2.1 Demography and spatial patterns

(17) The total population of the programme area is 2.362.158. (1.597.919 persons **(68%)** live in Greece, and 764.239 **(32%)** live in the former Yugoslav Republic of Macedonia. The total area covers 29.259 km² (14.422 km² in Greece and 14.837 km² in the former Yugoslav Republic of Macedonia.). 46.7% of the total population (1.033.145 persons) live in the NUTS III regions of Florina, Pella, Kilkis, Serres, Pelagonia, Vardar and Southeast. (469.058 in Greece and 564.087 in the former Yugoslav Republic of Macedonia) and the rest of the population in the two adjacent areas of Thessaloniki and Southwest. The metropolitan area of Thessaloniki gathers 46% of the total population in a single NUTS III area, and the Southwest region gathers a little more than 9% of the total population of the eligible areas. Apart from the metropolitan area of Thessaloniki, other major urban centres are Bitola (95.000), Prilep (76.000), Serres (56.000), Veles (55.000), Ohrid (55.700) Strumica (54.000), Kavadarci (38.000), and Kilkis, Edessa, Giannitsa and Gevgelja with around 25.000 inhabitants each. As a general rule in the former Yugoslav Republic of Macedonia eligible areas, towns tend to be larger with smaller tendencies of suburbanisation than in Greece.

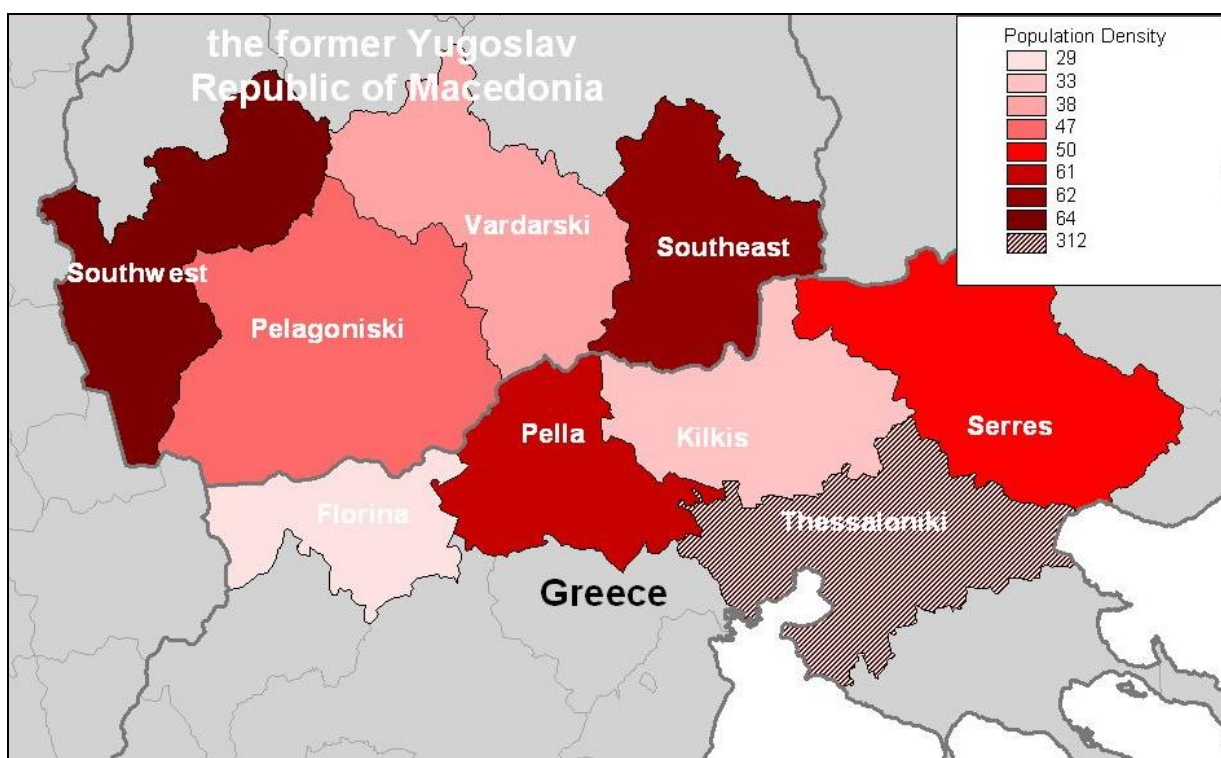
(18) In the Greek eligible areas there is a clear spatial imbalance in favour of Thessaloniki. Improvements in the accessibility networks have strengthened even further this metropolitan area at the cost of adjacent prefectures (e.g. Pella and Kilkis).

(19) Hence the programme area is characterised by a very high degree of urbanisation of almost 80% and a spatial concentration in the vicinity of the Axios/Vardar River and plain. A notable exception is the north-western part with the towns of Ohrid, Bitola and Prilep which illustrates a relatively independent development due to the accessibility barriers of the landscape and the resulting travelling times from and to the other centres of the programme area. Hence the border area is unique in its urban character, differing from the majority of European border areas, which are usually rural and isolated.

Table 2: Population in the programme area

Greece					
NUTS III	Census 2001	Current (2005)	Persons below 20	Persons over 65	Ratio male/female
Florina	54.768	55.210	13.167	10.075	1,04
Pella	145.747	148.190	33.058	25.705	1,01
Kilkis	89.056	91.828	18.552	18.015	1,05
Serres	200.561	203.093	40.495	77.258	0,99
<i>Thessaloniki</i>	946.864	1.099.598	237.061	149.491	0,94
The former Yugoslav Republic of Macedonia					
NUTS III	Census 2002	Current (2005)	Persons below 14	Persons over 65	Ratio male/female
Pelagonia	238.136	237.579	42.448	35.828	n.a. at NUTS III
Vardar	154.535	133.168	25.119	15.006	n.a. at NUTS III
Southeast	171.416	171.637	33.983	18.281	n.a. at NUTS III
<i>Southwest</i>	221.546	221.855	51.787	22.438	<i>n.a. at NUTS III</i>
Total	2.222.629	2.362.158	495.670	372.097	-

Figure 2: Population Density



(20) The population development in the programme area is relative stable with minor population increases due to natural reasons and migration. Both sides of the border have balanced age

structures with a larger percentage of young population in the former Yugoslav Republic of Macedonia. Population density ranges from 29 persons/km² in Florina up to the tenfold figure of 312 persons/km² in Thessaloniki. The respective national averages are 84 for Greece and 79 for the former Yugoslav Republic of Macedonia. The programme area is hence more sparsely populated (apart from obvious exceptions) than the rest of the respective country. Female to male ratio is comparable between the eligible prefectures in Greece and the national average in the former Yugoslav Republic of Macedonia. The effort for equal opportunities for all citizens is hampered mainly because of disparities within the individual regions including micro-regions with declining populations.

2.2 Geography and Environment

(21) The cross-border eligible area is extremely rich in natural resources. During the long geological history, influences from relief, climate, soil etc. have contributed to create a rich mosaic of ecosystems. The border area is characterised by highly varied flora, fungi, fauna and natural habitats. The dominant terrestrial ecosystem types are forests, mountains and grasslands. Aquatic ecosystem types are rivers (Axios/Vardar) and its watershed, lakes, wetlands, marshes, swamps and temporal waters. The cross-border area is characterised also by the existence of many protected areas.

(22) The main characteristics of the programme area along the border line are the Prespa Lakes with the adjacent plains of Florina and Resen in the west, the mountain range of Voras reaching up to 2560m, the Axios/Vardar Valley, the Doirani/Dojran Lake and Beles/Belasica mountain range, reaching up to 2029m in the East. In the south the Gulf of Thermaikos and the Axios/Vardar plain and Delta dominate. The area has fossil fuel reserves in Florina (lignite) and significant deposits of decorative rock (granite, marble, bauxite) as well as mineral and thermal springs.

(23) The main river of the area is the cross-border Axios/Vardar. It originates a few kilometres north of Gostivar, passing through Gostivar, Skopje, Veles and crosses the Greek border near Gevgelija, Polykastro and Axioupoli before flowing into the Aegean Sea in Central Macedonia west of Thessaloniki. It is 388 kilometres long, and drains an area of around 25,000 km². The river is a major source for irrigation of the fertile plains of Kilkis and Thessaloniki and also a recipient of pollutants and wastewater from the settlements it crosses. The Delta under along with the adjacent Loudias and Aliakmon rivers with a total area of 11.808km² are a protected RAMSAR site. Another important river is located in the east of the programme area namely in the Serres prefecture. The Strymon/Struma springs at the Vitosha Mountain in Bulgaria. Its hydrologic catchment basing extends from the former Yugoslav Republic of Macedonia through Bulgaria to

Greece. It enters Greek territory at the Kula village and flows into the Aegean Sea, near Amphipolis in the Serres prefecture with a total length of 125km.

(24) At the western edge of the programme area the important Prespa lakes are located. Megali Prespa/Prespanskoto Ezero has a total surface of 190 km², divided between Albania, the former Yugoslav Republic of Macedonia and Greece. The Natural Reserve Ezerani on the Prespa Lake has been included in the Ramsar List since 1995 and Doyran Lake was added in 2007. Small Prespa Lake is shared only between Greece (138 km² drainage area; 43.5 km² surface area) and Albania (51 km² drainage area; 3.9 km² surface area). The area is protected as a National Park and as a special protection area under EU directive 79/409, and also as a RAMSAR wildlife habitat. The region remained undeveloped till the 1990s when it began to be promoted as a tourist destination. The area was declared a Transnational Park in 2000, initiating numerous cross-border co-operation projects. Other important natural lakes are the Ohrid (a UNESCO World Heritage site since 1979) lake in the south-west, Doirani/Dojran and Lake Kerkini (both RAMSAR wildlife habitats) in the east. Several ongoing initiatives for the development of ecological networks in the former Yugoslav republic of Macedonia are incorporated in the cross-border region. In particular, the Emerald network (figure 5) is of special conservation interest. At present, the Emerald network includes sixteen sites of special conservation interest. The most important of them are SNR Ezerani on the Prespa Lake, Belchisko Blato, SNR Tikves, NP Galichitsa, NP Pelister and Natural Monuments (Markovi Kuli, Doyran Lake, Demir Kapija, Orlovo Brdo, Alshar, Monospitovo Swamp, Smolare and Kolesino Waterfalls).

(25) The mountains of the area are rich in flora and fauna and have not been seriously affected by human activity. A large number of protected areas exist e.g. NATURA 2000 sites in Greece and Emerald sites within the Green Belt Initiative along the borders of the former Yugoslav Republic of Macedonia. The Pan-European Ecological Network indicates the cross-border area as an important corridor for some migratory species that should be protected. The "Balkan Green Belt" initiative envisages the creation of an ecological network for transboundary co-operation in nature conservation and sustainable development. The Green Belt passes along the border of the former Yugoslav Republic of Macedonia with Albania, Greece and Bulgaria, and ranges from one to several tens of kilometres. An action plan aimed at preserving the area's bio-diversity has been developed. Nevertheless, pressure on natural resources is growing through urban sprawl and the expansion of outdoor activities and especially winter sports, although the size and impact of the interventions is of a moderate scale.

Figure 3: Lakes Ohrid, Megali Prespa/Prespansko Ezero and Mikri Prespa



Figure 4: Green Belt initiative, protected areas, on the side of the former Yugoslav Republic of Macedonia (marked in dark green colour)

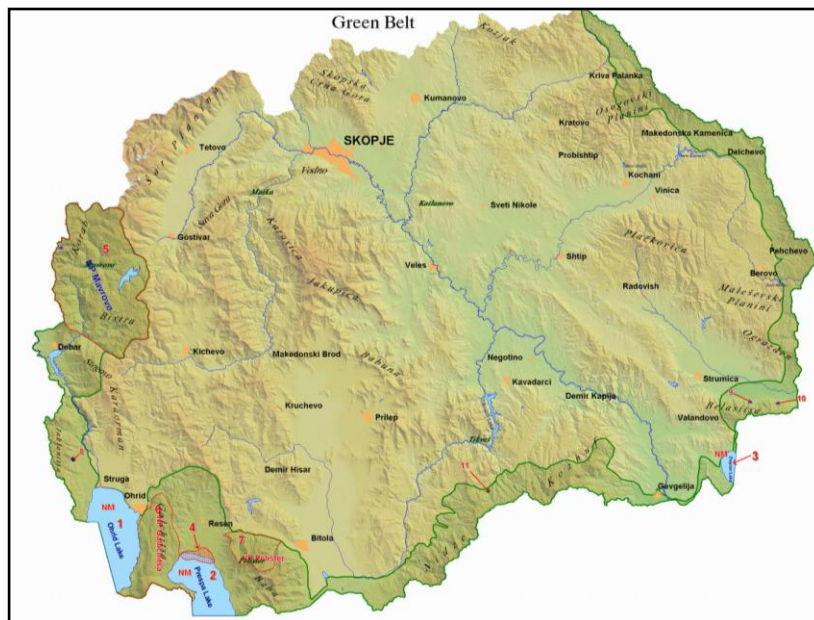


Figure 5: Emerald network in the former Yugoslav Republic of Macedonia

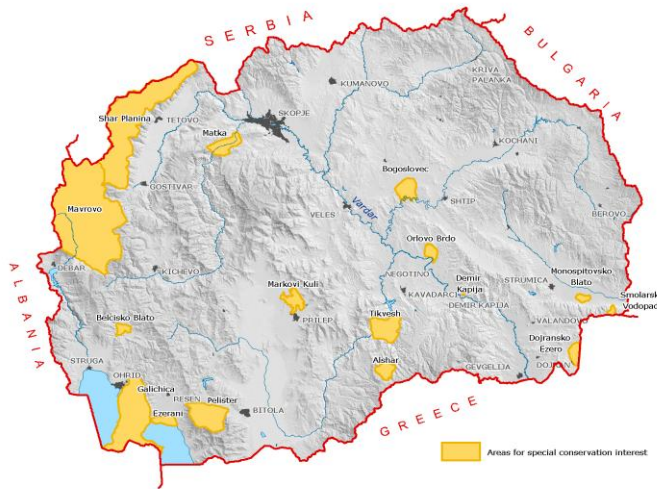
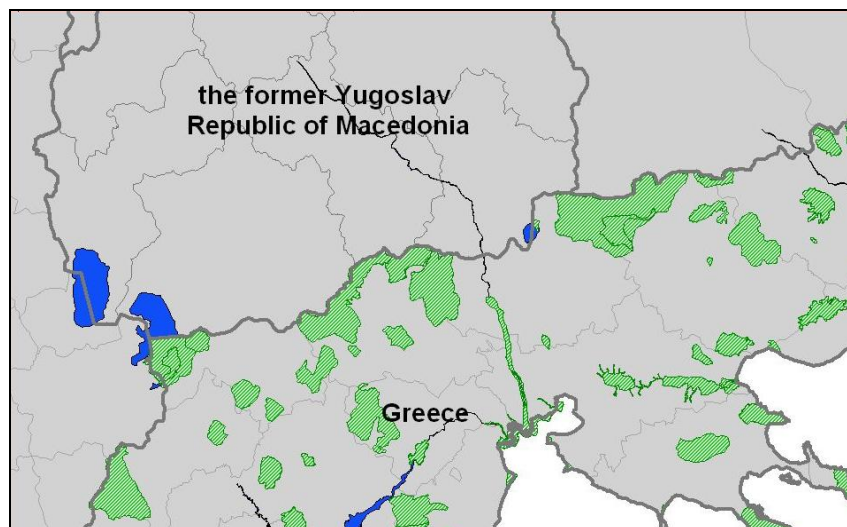


Figure 6: NATURA 2000 sites in the Greek programme area



(26) The programme area is also rich in economically interesting natural resources. Significant deposits of economic importance include marble, lignite, mineral resources and geothermal fields. Fertile irrigable plains cover a high percentage of the area and provide significant wealth to the rural population while at the same time requiring a pro-active environmental protective regime.

(27) Sedimentary deposits of coal are mainly located in the Amyntaion area in Florina prefecture, and it is anticipated that they are going to continue being extracted until 2050. Also the Suvodol and Brod Negotino open pit mines in Pelagonia which feed the Bitola Power plant are expected to reach their end of their operational lives in the next few decades.

(28) The main environmental risks and hazards are caused by human activities. Industrial brownfields and contamination, hot-spots as e.g. in Veles, insufficient sewage treatment and release of waste in the rivers, pollution of the Axios/Vardar River and exhaustion of the aquifers in the coastal zone due to irrigation are the most common problems.

2.3 Economy

(29) The programme area has been neglected for many years, which has delayed the creation of a stable environment for the economic development. However reforms in the last 6 years and the perspective of EU membership for the former Yugoslav Republic of Macedonia, and an intensified economic presence of Greek enterprises with a significant number of cross-border investments within the eligible areas, are some of the reasons for considerable improvement of the situation. However most of the investments made in the cross-border area, are due to their attraction by cheap labour and do not necessarily have a long term character or the intention to establish themselves in the local markets. The economic situation of the cross-border eligible area can be characterised as being still very weak.

(30) The **agricultural** sector is an important field of employment for the programme area with the obvious exception of Thessaloniki. The main occupation of the population lies in agricultural activities. Again topography defines a Western and Eastern Zone of agricultural activity. The eastern zone contains the regions of Vardar, Southeast, Pella, Kilkis, Serres and Thessaloniki. The western zone is composed of the regions of Southwest, Pelagonia and Florina. The West is characterised by agricultural and livestock production, including wheat, beans, grapes, fruits and tobacco (Prilep area). In the East, cultivation along the Axios/Vardar valley and the lower Axios-Vardar Plain and Delta is characterised by the production of wheat, barley, corn, tobacco, cotton, sugar-beets, industrial tomato, rice, livestock and dairy products, while the Pella region stands out with a significant level of fruit production. Pella and the adjacent Imathia districts are world leaders in peach production. Grapes and wine production have increased in importance in the last decade in the areas of Kavardaraci and Negotino and in Pella and Thessaloniki prefectures. In general the agricultural sector shows a large variety of cultivations. However disparities are evident in productivity, export orientation and the education level of the farmers between the plains and the hinterland.

(31) Industry has been developed in the former Yugoslav Republic of Macedonia especially around the Veles area (including metallurgy). However the disintegration of Yugoslavia, the loss of traditional markets and the impact of transition on the economy has led the industry to decline. In the southern part of the programme area Thessaloniki is an important industrial location. However industry is also in relative decline mainly due to lack of innovation and

competitiveness. In the energy sector, the situation is stable or in decline. In the area of Bitola there are three units each of 225 MW with planned retirement/rehabilitation from 2013. The situation in the energy sector is similar in Greece with a relative stable Power Production sector in the Florina district. Geothermal fields are a potential energy source which has not been exploited yet but have been drawing attention from public bodies and investors alike. The food processing industry is well developed in Pelagonia, Pella, Thessaloniki and Serres including dairy products, sugar refineries, vegetable processing units, beverages and cattle-food industry which are all closely interrelated with the primary sector. The industrial zones of Thessaloniki and Kilkis are the main locations of industrial activities. Generous investment incentives of the Central Government and of the Regional Operational Programme of Central Macedonia and proximity to Thessaloniki have created a significant industrial cluster in Kilkis. This cluster includes among other new innovative industries, such as the biggest factory of photovoltaic elements in the Balkans. Nevertheless most industrial activity is oriented towards Thessaloniki and simply benefits from the territorial benefits provided by the government policy.

(32) The significance of the **tertiary** sector is rapidly growing in the entire programme area. Services including finance institutions and innovative industries are well developed in the metropolitan area of Thessaloniki and also important in some other larger centres such as Bitola. Tourism is becoming increasingly important; however the potentials of alternative and thematic tourism are not yet fully appreciated.

(33) Tourism has been growing rapidly. However the sector has been catering only for a domestic clientele. For example, the city of Ohrid is the prime domestic destination in the former Yugoslav Republic of Macedonia but has attracted limited visitors from Greece. In general there is an abundance of opportunities including thermal/spa tourism, entertainment and leisure activities, religious trails, mountaineering opportunities and cultural events. These opportunities have not yet attracted extra-regional attention and are used in a moderate way, thus setting a fertile base for the development of sustainable tourism.

(34) Overall **trends** are indicating a promising development. While agriculture will continue to decline in numbers, the new Common Agricultural Policy and the national rural development plans will guarantee a certain level of income for the farmers. The exploitation of the demand for organic products and the high quality of farming products from the area can be used as a development factor. The comparative advantages of the industrial sector are located in the availability of cheap labour in the former Yugoslav Republic of Macedonia and on regional state aids in Greece. Both advantages will change. Wages are expected to raise in the mid-term as a result of rising demand in the programme area. In the same time the NUTS 2 regions of Central

Macedonia and West Macedonia are Convergence Objective Phasing out regions in the 2007-13 Programming Period. Thus State Aid ceilings will be affected in the mid term.

(35) Trends show that agriculture and industry will continue to decrease in importance but can benefit and be stabilised through a reorientation towards ecological and high quality products (especially foodstuff). The tertiary service appears to be the most promising one due to the possibilities offered by the continuous intensification of cross-border economic relations, the upgrade of the metropolitan area of Thessaloniki and the city of Bitola as gateways, and the possibilities of decentralisation of services offered by new technologies and government policies.

Table 3: Economy of the programme area

Greece						
NUTS III	GDP per capita	Total GDP (million EUR)	Number of Enterprises	Enterprises in Tourism and Culture	Unemployment Rate	State aids
Florina	13.230	721	4.115	26	15,2	Zone B (up to 30% Cash grant / Leasing subsidy)
Pella	11.685	1.700	10.914	45	9,3	Zone B (up to 30% Cash grant / Leasing subsidy)
Kilkis	15.421	1.340	6.124	13	15,7	Zone B (up to 30% Cash grant / Leasing subsidy)
Serres	10.095	1.937	14.198	22	6,5	Zone B (up to 30% Cash grant / Leasing subsidy)
<i>Thessaloniki</i>	<i>17.384</i>	<i>19.378</i>	<i>90.646</i>	<i>128</i>	<i>8,9</i>	<i>Zone A (up to 20% Cash grant / Leasing subsidy)</i>
The former Yugoslav Republic of Macedonia						
NUTS III	GDP per capita (PPP in €)²	Total GDP (PPP in €)	Number of enterprises	Enterprises in Tourism and Culture	Unemployment rate³	State aids
Pelagonia	2.395	566	21.814		39,9	
Vardar	2.248	347	11.413		43,9	
Southeast	2.159	371	15.683		34,4	
<i>Southwest</i>	<i>1.525</i>	<i>339</i>	<i>17.038</i>		<i>42,4</i>	

² Source: Data and indicators for the communities in the former Yugoslav Republic of Macedonia

³ Source: State Statistical Office, Census of population 2002.

Table 4: Economy Sectors of the programme area

Greece						
NUTS III	Agriculture (% of labour force)	Agriculture (% of GDP)	Industry (% of labour force)	Industry (% of GDP)	Services (% of labour force)	Services (% of GDP)
Florina	26.85%	13%	22.19%	26%	46.37%	52%
Pella	44.35%	18%	17.14%	18%	36.21%	55%
Kilkis	24.59%	11%	27.75%	37%	40.73%	42%
Serres	36.39%	15%	16.47%	15%	42.86%	61%
<i>Thessaloniki</i>	5.04%	2%	26.66%	25%	62.75%	64%
The former Yugoslav Republic of Macedonia⁴						
NUTS III	Agriculture (% of labour force)	Agriculture (% of GDP)	Industry (% of labour force)	Industry (% of GDP)	Services (% of labour force)	Services (% of GDP)
Pelagonia		18,0%		34,8%		47,2%
Vardar		17,6%		35,4%		47,0%
Southeast		38,1%		16,8%		45,0%
<i>Southwest</i>		7,7%		27,6%		64,7%

(36) There are 21.814 registered enterprises in Pelagonia, 11.413 in Vardar, 15.683 in Southeast and finally 17.038 in the Southwest district. The GDP per capita for the entire country was in 2005 2.295 EUR. At national level the primary sector contributed to the GDP by 9%, the secondary sector by 29% and the tertiary sector by 62%. For comparison the split in the Southwest district is approximately 24% in agriculture, 26% in industry and 50% in the tertiary sector. These numbers indicate the less industrialised and tourism-oriented character of the region. The pattern is similar in Pelagonia and Southeast, whereas Vardar has a slight stronger secondary sector. As to the employment pattern on national level, the primary sector occupied 18.44% of the labour force, the secondary sector 29.67% and the tertiary sector 51.87%. Unemployment was 38% nationwide. (Source: State Statistics Office)

⁴ Data not available

(37) The structure of the economy reveals the internal disparities of the area. Low income, high unemployment and a large agricultural sector on the one side are confronted with dynamic metropolitan areas. The tertiary sector is rapidly rising, thus micro-regions with high agriculture dependency and older population tend to fall behind. SMEs are the mainstay of entrepreneurial activity; however their impact on reducing unemployment is limited. Female and young employees are especially affected by seasonal unemployment which is higher than the national average (e.g. in Greece 9%)

Figure 7: GDP per capita in the programme area



(38) Greece and the former Yugoslav Republic of Macedonia have developed significant trade relations. 15,5% of the exports from the former Yugoslav Republic of Macedonia are directed towards Greece and 9,1% of its imports come from Greece. Greek imports from the former Yugoslav Republic of Macedonia grew from 97 Million € in 2004 to 169 Million € in 2005 (approximately 75% increase). Exports also grew from 255 Million € in 2004 to 271 Million € in 2005 (approximately 6,4% increase). The most important products traded between the two

countries are: iron and steel, clothing, fossil fuels, boilers - machines, electric machines, plastics, fruits and vegetables, cotton, knitwear and meat.

(39) Greek foreign investment in former Yugoslav Republic of Macedonia reached in 2005 approximately 82 Million. €, whereas in 2004 it reached approximately 107 Million €. While there is no data on the location of foreign investment, most enterprises concentrated their activities either in the capital city of Skopje or in the programme area.

2.4 Education and R&D

(40) The programme area demonstrates an extensive and adequate network and number of primary and secondary schools. The general level of the schools is good, especially in the urban centres. Rural areas are also reasonably served with 1,493 primary and 488 secondary schools in Greece. In the eligible area of the former Yugoslav Republic of Macedonia there are 351 primary and 83 secondary schools⁵. The accessibility of schools is relatively unproblematic.

(41) The programme area boasts a substantial number of tertiary institutions, especially in the Thessaloniki district. While universities of the region are very active in international and interregional collaboration, bilateral cross-border co-operation has been weak. The co-operation developed mainly under Interreg IIIA/ CARDS between the Aristotelian University of Thessaloniki and the University of West Macedonia/Department of Balkan Studies on the one side and the Sv. Klement Ohridski University in Bitola on the other side was encouraging but remained on an ad-hoc level.

(42) The number of graduates is comparable to the national averages. However lack of sufficient employment opportunities drives many young highly educated persons in the metropolitan centres of Skopje and Thessaloniki. The development of curricula (e.g. Department in Florina) offered to local needs helps to reverse the trend but the impact is still not noticeable.

(43) Vocational training and human resources development is also unevenly distributed. Almost all vocational training institutes are concentrated in Thessaloniki, while the regional centres have centres of limited capacity.

⁵ Source: Ministry of Local Self Government.

Table 5: Education of the programme area

Greece			
NUTS III	Post-secondary schools and technological foundations	Universities	Other
Florina	TEI of Western Macedonia	University of West Macedonia	
Pella		University of Macedonia	
Kilkis	TEI of Thessaloniki		
Serres	TEI of Serres		
Thessaloniki	TEI of Thessaloniki	Aristotle University of Thessaloniki University of Macedonia	American College of Thessaloniki CITY College, Affiliated Institution of the University of Sheffield
The former Yugoslav Republic of Macedonia			
NUTS III	Secondary schools with vocational training	Universities ⁶	Other
South west	2	State University "St. Clement Ohridski" – Bitola (Faculty of tourism and catering industry – Ohrid).	Private European University of Ohrid (Faculties of economics, political sciences, information technology, Art and Design) FON – Private University – Struga (Faulties of Law, Political Sciences and International relations, Applied foreign languages, Detectives and Security and management, Environment)
Pelagonia	13	State University "St. Clement Ohridski" – Bitola (Faculties of Technical Sciences, Pedagogy, Biotechnical Sciences, Administration and IT management, Highly specialized school of Health Care)	
Vardarski	5		
Southeast	6	State University "Goce Delcev" – Stip (Faculties of Economics, Law, Agriculture, Music, Art, Information technology, School of Health Care.) State University "St. Kiril and Methodija" – Skopje (Faculties of Mining, Geology and Pedagogy – Stip)	

⁶ Source: Ministry of Education

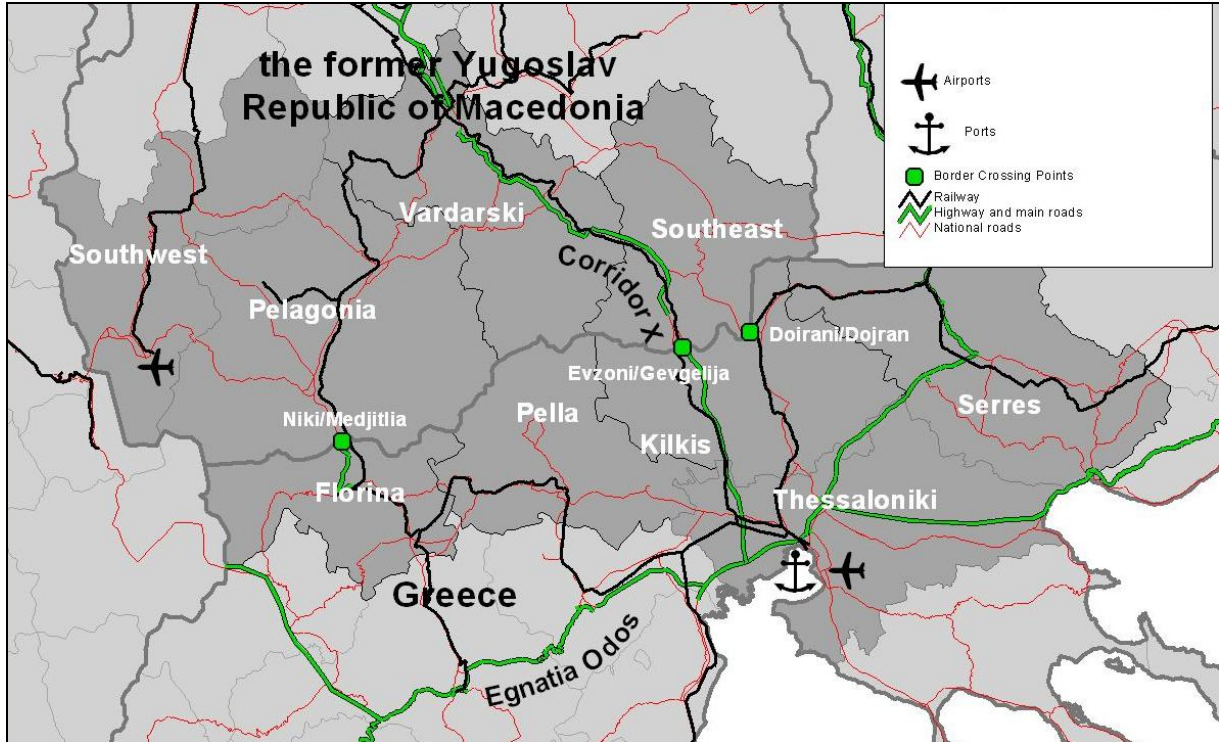
(44) In the field of research and development there is no data at the regional level. However research and development is concentrated in the prefectures and districts where the major universities have their seats (i.e. in Pelagonia and Thessaloniki). In Greece the figures for expenditure on R&D were in 2001 and 2003 respectively at 0,64% and 0,63% of the GDP. In 2003 less than 30% (28,2%) of that was funded by industry 21,6% was funded from abroad and 46,4% was funded by the government. In the former Yugoslav Republic of Macedonia the national expenditure on R&D as a % of GDP fell between 2001 – 2003 from 0,32 to 0,22. For comparison, In the EU 25, in 2003, 1,9% of the GDP was spent on R&D. (Source: Eurostat)

2.5 Accessibility

(45) Two important motorways cut across the programme area. Pan-European Corridor X with a general N-S direction connects Salzburg to Ljubljana - Zagreb - Beograd - Niš - Skopje - Veles – Thessaloniki. The Egnatia Odos (E90) with E-W direction connects Igoumentsa to Kipi. Two vertical axes of Egnatia Odos, the Kozani-Florina-Niki to the West and Malgara-Evzoni to the East connect Egnatia Odos to the core of the eligible area. Branch C of European Corridor X will connect Veles-Prilep-Bitola-Niki. The completion of Corridor X will be implemented in a co-ordinated effort of the Secretariat of European Affairs and the Hellenic Ministry of Foreign Affairs. Part of the project cost will be financed by the Greek Plan for Economic Restructuring of the Balkans. A further Pan-European Corridor affecting the programme area is Corridor VIII from Durrës to Varna, crossing near Ohrid.

(46) Local accessibility patterns in the area are defined by the topography of the area and the Voras mountain which is a natural barrier in the middle of the programme area. There are three crossing points: Niki/Medjitlia to the west, and Evzoni/Gevgelija and Doirani/Dojran to the east. The regional secondary network is of mixed quality with inadequate infrastructure mainly in the Veles-Prilep-Bitola axis and the Florina-Pella link.

Figure 8: Accessibility in the programme area



(47) Investment in transport and in particular road infrastructure has been significant. The motorway connecting Skopje to Gevgelija has been modernised with PHARE funding and consists of dual carriageway for its entire length with the exception of the area between Miletkovo and Demir Kapija and some parts still under construction. Egnatia Odos (including funding from the Cohesion Fund, the European Regional Development Fund, the Trans European Networks-Transport, national funds and the European Investment Bank) is also mainly complete, while the vertical axes are expected to be operational by 2010.

(48) Further accessibility points of the programme areas are the railway connections, the port of Thessaloniki and the airports. The railway is part of the connection between Central Europe and Thessaloniki and the Aegean sea, but its significance in passengers' traffic has declined. Rail transport is also limited to bulky cargo due to the absence of attractive multi-modal nodes. Secondary connections from Veles to Bitola and from Thessaloniki to Florina are of negligible impact. Kilkis is serviced by the Thessaloniki-Alexandroupolis-Istanbul axis which is expected to gain in importance. The port of Thessaloniki is of super-regional importance as the single most important gateway into large parts of the Balkan Peninsula and a central node for shipping and commerce to and from the hinterland. The inevitable development of the area west of Thessaloniki as a logistics centre requires investments in multimodal connections combining the vicinity of the port and the crossing of Corridor X (E75), Egnatia (E90) and the railway axes Belgrade-Thessaloniki and Thessaloniki-Alexandroupolis. Finally the area is serviced by two

international airports, the "Makedonia" international airport in Mikra, east of Thessaloniki and the "Apostle Paul" international airport in Ohrid. Both airports are an important destination for regional routes and charter flights in the holiday season.

(49) Telecommunication infrastructure is well developed. Terrestrial and cellular telephony coverage is sufficient. Internet connectivity is equal to the national average. Most centres in the southern zone are covered by ADSL lines, whereas in the entire territory of the former Yugoslav Republic of Macedonia is covered with WLAN access. An important development for the programme area is the development of the South-Eastern European Research and Education Network aiming at the interconnection of Research and Education Networks of the former Yugoslav Republic of Macedonia, Bosnia and Herzegovina, Bulgaria, Greece, Hungary, Serbia, Romania and their connection to GEANT (a multi-gigabit pan-European data communications network, reserved specifically for research and education use). Certain parts of the network are financed under the Greek Plan for the Economic Restructuring of the Balkans.

2.6 Health and Social Protection

(50) The main urban centres are equipped with sufficient health infrastructure including state hospitals, health centres and sanatoria. Especially the area of Thessaloniki has emerged as a medical services centre of super-regional importance concentrating large hospital centres like the Papageorgiou hospital, the Papanikolaou hospital, the 424th General Military Hospital, the AHEPA University Hospital and the Interbalkan Medical Centre. These medical centres have state of the art facilities and can play an important role in the cross-border area acknowledging the international trend for large central hospitals and efficient medical transportation systems.

(51) Primary health care in the rural areas is basic but adequate. Emergency and search and rescue mechanisms exist but have deficits in equipment and organisation. Taking into account the high level of accessibility of the region, the development of mobile treatment units and medical evacuation services will be of key importance.

2.7 Culture

(52) Cultural heritage represents one of the most important potentials in regional cross-border development from the social, economic and environmental aspect. The programme area is rich in cultural resources including numerous significant ancient sites like Heraclea and Pella which are of world importance. There is also a large number of medieval monasteries, chapels and churches, which have been nodes of vivid religious and lay networks for centuries. The programme area also boasts a large number of important historical towns, villages and settlements that present architectural heritage. Ohrid has been a UNESCO World Heritage Site

since 1980. The southern part is particularly famous for its concentration of historical monuments, churches, monasteries (monastery of St. Naum, the medieval church St. Sofia, etc.) and frescoes dating from the Byzantine period–to the XIX century. The archeological site of Vergina and the Palaeochristian and Byzantine monuments of Thessaloniki are part of the UNESCO World Heritage List, and the area of Prespes Lakes is included in the tentative UNESCO World Heritage List.

(53) The cultural infrastructure of the city of Thessaloniki has been greatly reinforced, through a number of projects, which included the improvement of museums (e.g. the Archaeological Museum, the Museum of Byzantine Culture), the enhancement of Roman and Byzantine monuments, as well as Contemporary Culture events.

(54) Living culture is also very active with cultural events and festivals organised in the region like the music festival “summer of Ohrid”, the Bitola classical music festival, Video-art festival and International Amateur Documentary film festival, the periodical exhibition of Modern Art in Florina (which awards talented young artists) and the Thessaloniki Film Festival, International Bookfair, Cinema Museum, Biennale Visual Arts.

(55) Finally, the region is rich in diversified culinary traditions and handcrafts. These traditions could play an important role in the promotion and the tourism offer of the region but, so far, are largely underestimated. There is a significant number of museums, culture centres and sites, which can support the promotion of the local culture potential.

2.8 Administration and planning capacity

(56) The districts of the programme area are NUTS III level. The Greek prefectures belong to the NUTS II regions of Western Macedonia (Florina) and Central Macedonia (Pella, Kilkis, Serres and Thessaloniki). In these NUTS II regions most administrative bodies have acquired substantial administrative and planning capacity due to the implementation of large multi-annual Regional Operational Programmes within the Structural Funds Framework.

(57) The former Yugoslav Republic of Macedonia has established a one-tier local government system. Units of local self-government are municipalities. The territory of the country is divided into 84 municipalities and the City of Skopje as a special unit of local self-government. For the purposes of protection and enhancement of the common interest the municipalities may form associations. The municipalities may co-operate with units of local self-government of other states, as well as international organisations of local communities, and may be members of international organisations of local governments. There is one Association of Units on Local self-government – ZELS. According to the new Law on Regional Development, adopted in May 2007,

there are eight planning regions for regional development, on the equivalent of NUTS III level: Pelagonia, Vardar, Northeast, Southwest, Skopje, Southeast, Poloski and East region. The law will serve as a basis for the institutional structure for regional development by the end of 2007.

(58) In the field of cross-border co-operation the Community Initiative INTERREG and the external co-operation programme PHARE-CBC have been a very positive experience and have set the foundations for successful co-operation. However implementation modalities and administrative constraints have limited genuine co-operation. Hence public bodies have developed marginal capacity in bilateral planning and implementation. Non-governmental organisations and especially business associations have been able to fill this gap and are expected to play an important role in the future too.

(59) Within the cross-border region, there are some Euroregions, which cover parts of the cross-border area as well as areas outside the eligible area (in Albania and Bulgaria).

2.9 Lessons learnt in the former programming periods

(60) Cross-border Co-operation in the area was initiated with the INTERREG II/EXTERNAL BORDERS programme of 1994-1999. This was the first major opportunity for an institutionalised co-operation between the 2 countries. This process was continued and strengthened with **the Interreg IIIA Greece/the former Yugoslav Republic of Macedonia 2000-2006 Programme**. The Programme was developed jointly between Greece and the former Yugoslav Republic of Macedonia, and was approved early in 2002. Structural Funds assistance (ERDF) amounted to EUR 73 million out of a total budget of EUR 103 million. Assistance to the former Yugoslav Republic of Macedonia was made available from the CARDS programme with a total CARDS budget of 7.4 Million EUR.

(61) The programme identified three priorities (apart from a priority on technical assistance) for cross-border co-operation, namely:

- Priority 1: Cross-border infrastructure including actions like upgrading connections of the border areas with the former Yugoslav Republic of Macedonia, creating and modernising border crossing installations, customs facilities and border control, and security installations.
- Priority 2: Economic development and employment including actions like co-operation between firms, promoting cultural and tourist resources and new employment opportunities.

- Priority 3: Quality of life, environment and culture focusing on actions protecting and improving the natural environment and the quality of public health services.

(62) On 06.02.2006, the existing cross-border co-operation programme between Greece and the former Yugoslav Republic of Macedonia was updated to a **Neighbourhood Programme**. The first joint call for Proposals was published on 17.11.2006. 161 proposals were submitted in total, 7 of these (4%) dealt with cross-border infrastructure, 24 with entrepreneurship (15%), 45 with tourism (28%), 30 with training and 55 with the environment (34%). Applicants came from 4 prefectures and were mainly local authorities including some NGOs and other non-profit organisations. Implementation progress was exceptionally good in Priority 1, average in Priority 2 and good in Priority 3. Commitments have till today reached 100% and absorption is currently at 50%.

(63) The dual structures of ERDF and CARDS made co-ordination among projects and partners difficult. At the programme level, the late change of the programme to a Neighbourhood Programme has enabled the two countries to come closer to each other, though with some difficulties. Co-operation on this level including bilateral meetings of the Monitoring and Steering Committees, exchange of information and decision making, evolved considerably.

(64) A Joint Technical Secretariat, a Joint Monitoring Committee and a Joint Selection Committee have been established. The need for establishing these new joint structures combined with the differences in the legal framework have delayed the two countries in introducing fast implementation techniques for the programming period 2000 – 2006. As the set up of the joint structures proved to be time consuming, the first joint Call for Proposals was published on November of 2006 (many of the awarded projects are currently still being implemented).

(65) On the other hand, the experience gained in setting up the joint structures has contributed to the better preparation of both countries in terms of coping with the new demands for the 2007-13 programming period.

(66) It is expected that the characteristics of the new IPA instrument providing a single legal base, the joint management structures that permit the representation of the authorities of both sides and the implementation of the programme through joint cross-border projects selected through open call for proposals and led by a "lead partner", will greatly promote the cross-border cooperation between the two countries.

3 SWOT Analysis

(67) The socio-economic background of the programme area represents one important input for implementing the SWOT analysis. Additionally to the present analysis, regional plans and programmes and other strategic documents along with the opinions of the Programming Group have been taken in consideration.

(68) The programme area is far from being a homogenous region – neither between the two countries nor within the single participating districts themselves. First of all the area is strongly urbanised and by interregional standards has, apart from the agricultural sector, a potent industrial base. The primacy of Thessaloniki is a considerable advantage, providing the programme area with economic, administrative and entrepreneurial resources. On the other hand, the metropolitan area of Thessaloniki also causes a serious imbalance since its force of attraction inevitably impacts on all other centres. This has been the case in Greece with all smaller centres in the periphery and the same is expected to happen with the areas in the former Yugoslav Republic of Macedonia which are adjacent to the E75. The Bitola-Prilep area could be an exception, mainly due to their relative remoteness, at least until Egnatia Odos and its vertical axes are completed. At the same time rural settlements of the programme area have different needs and capacities, requiring a detailed case by case approach in order to overcome their problems and keep up with their regional centres.

(69) The following SWOT analysis concentrates on the joint strengths and weaknesses and opportunities and risks being aware of the diversities in economic level, structure and development processes and also in the institutional framework.

Table 6: SWOT Analysis

Sector	Strengths	Weaknesses	Opportunities	Threats
Demography and accessibility	<p>Polycentric network of cities</p> <p>Strategic position on the Corridor X (E75) and Egnatia Odos (E90) crossroad</p> <p>Advanced primary transport infrastructure;</p> <p>Port of Thessaloniki as a gateway;</p> <p>Advanced ICT infrastructure;</p>	<p>Dominance of Thessaloniki and spatial imbalances</p> <p>Secondary road network inadequate</p> <p>Migration to third countries from the programme areas of the former Yugoslav Republic of Macedonia</p> <p>Restricted cross-border mobility of the people</p>	<p>Completion and Funding of TEN-T and related projects (e.g. Egnatia Odos and Corridor X);</p> <p>WLAN expansion in the former Yugoslav Republic of Macedonia;</p> <p>Development of South East Europe data communications network</p>	<p>Internal marginalisation of the smaller centres due to accelerated development of metropolitan areas</p> <p>Urban sprawl and rising consumption of un-replenished natural resources</p>
Geography, Environment and Culture	<p>Natural environment and valuable ecosystems; including geothermal fields</p> <p>Numerous rivers and lakes</p> <p>Fertile plains and favourable climate for agriculture;</p> <p>Rich cultural and natural heritage and developed environmental and cultural institutions ;</p> <p>Landscape suited for outdoor activities</p> <p>Winter sports</p> <p>Networks and cultural exchanges reinforced during the past cross-border experience.</p>	<p>Pollution of common water resources and water bodies</p> <p>Co-operation in the field of environmental protection is still weak</p> <p>No common plan/actions on environmental protection</p> <p>Weak preservation of numerous natural and cultural monuments;</p> <p>Weak institutional capacities in the field of environmental protection and monitoring</p> <p>Lack of master plans for the maintenance and enhancement of arch. sites and hist. monuments</p> <p>Lack of management plans for protected areas in the non-Member State</p>	<p>EU focus on environmental protection policies including a trans-boundary dimension</p> <p>Enrichment of cultural activities in the frame of free time management</p> <p>Promotion of natural, historical and cultural heritage</p>	<p>Pollution in adjacent areas affecting the eligible area,</p> <p>Climate change.</p> <p>Heavy pressure on the natural and cultural environment from uncontrolled construction activity.</p>
Economy	<p>Export oriented and competitive agricultural sector in the Greek prefectures;</p> <p>Strong industrial clusters in certain areas</p> <p>Growing cross-border tourism;</p>	<p>Sub-regions with high dependency on traditional agriculture;</p> <p>Low level of innovation in most industries;</p> <p>High level of unemployment in specific rural areas</p>	<p>Rapid economic recovery in the former Yugoslav Republic of Macedonia;</p> <p>Growing bilateral trade</p> <p>Rising consumer demand for alternative tourism and organic farming;</p>	<p>Strong and growing development and income disparities between urban and rural areas,</p> <p>High trend industry relocation outside of the area of interest</p>
Education, R&D, Health and Social Protection	<p>Availability of competent research institutes and Universities</p> <p>Young population with high interest in the adoption of ICT</p>	<p>Regional and demographic disparities in the education level of human resources;</p>	<p>Telemedicine</p>	<p>Ageing population</p>
Administration and state bodies capacities	<p>Acceptance of new technologies</p> <p>Active NGO Network</p> <p>Positive experience of cross-border co-</p>		<p>Stable political relations between the 2 countries;</p> <p>Candidate status of the former</p>	<p>Delays in institutional framework for regional development in the former Yugoslav Republic of</p>

Sector	Strengths	Weaknesses	Opportunities	Threats
	operation and cross-border investments (add to analysis);		Yugoslav Republic of Macedonia and regional focus of Structural Funds Management in Greece; Trends for state decentralisation	Macedonia

4 Programme Strategy

4.1 Strategy Framework

(70) The Programme strategy is the result of the interaction of the following elements:

- EU strategic decisions as laid down in the Community Strategic Guidelines on Cohesion (2006/702/EC),
- The specific needs and challenges of the programme area between Greece and the former Yugoslav Republic of Macedonia as presented in the analysis and SWOT of the present document,
- The scope of a cross-border co-operation programme as outlined in the relevant regulations (e.g. Article 9, Council Regulation (EC) No 1085/2006 on IPA).

These elements design the outline of the strategy and define the placement of the Global and Specific Objectives and corresponding Priorities of the Programme.

(71) The basic logic underlying the formulation of the Strategy is the definition of “policy responses” to the Strengths, Weaknesses, Opportunities and Threats identified.

Taking in account the limited funds of the Programme the policy responses are defined by the possible combination of:

- Strengths and Opportunities in order to accelerate developments in suitable fields;
- Strengths or Opportunities against Weaknesses in order to overcome existing shortcomings or
- Strengths or Opportunities against Threats in order to mobilise the existing potentials.

(72) The fundamental conclusions from the analysis of the programme area and the SWOT underline the significance of the location of the programme area. The Programme area is located on an important crossroads for the development of the entire South-East Europe and Mediterranean Space. The national and EU policies are investing in the improvement of the accessibility infrastructure and in the connection of the metropolitan growth areas. These trends are reinforced by rising cross-border trade and the dynamic of Greek investment across the border. The existing universities are competent and capable of providing skilled graduates able to maintain the development momentum. The invaluable nature and culture are also dominant components in the development of the area, especially concerning the development of sustainable tourism but also in the quality of life of the local population. On the other hand the

border is still a considerable barrier, while the large socio-economic disparities between the 2 countries and also within the individual eligible regions themselves and the limited co-operation in crucial cross-border issues such as environment and health are confronting the region with essential challenges. EU policies are seen as an important external component which either intervenes in areas which can not be addressed by the Programme -such as state reforms through the IPA Component 1 or through infrastructure investments through the Regional Operational Programmes of the Greek NUTS II regions- or provides incentives and political legitimation in issues such as the exploitation of renewable energy sources or the protection of the environment, hence providing for the ignition of locally driven sustainable development.

4.2 Application of EU principles

(73) This chapter addresses the EU principles on the promotion of sustainable development and the promotion of the equal opportunities and non-discrimination and describes how the programme will pursue these horizontal objectives.

(74) Principle: Promotion of sustainable development: Development in this programme area is taking place in highly sensitive areas. As a horizontal principle, sustainability must be part of all actions. A special consideration is whether activities are confronted with different user demands. Sustainable concepts are especially requested and implemented in regional and environmental development, the further development of national and nature parks, but also in sector activities, e.g. tourism, leisure economy, technical infrastructure (energy). The principle of sustainability aims at providing relevant development conditions to the living generation, without decreasing the development possibilities for future generations. To reach this point, there have to be taken into consideration the 4 dimensions of sustainability, the environmental, the economic; the social and last but not least the cultural one.

- **Environmental sustainability** means the environmental friendly use of natural resources, the improvement of the quality of the environment, the protection of biodiversity and risk prevention for humans and the environment,
- **Economic sustainability** means to create a future oriented economic system and to increase economic capability and competence for innovation,
- **Social sustainability** means social balance, the right for human life and the participation of the population in policy and society,
- **Cultural sustainability** means to safeguard cultural vitality of a society, through support for cultural activities and cultural heritage and programs as a corner-stone for sustainable community development.

(75) In the programme context that would mean that all envisaged actions respect the four dimensions of sustainability. The overall Objectives Structure and the resulting Priorities show direct links to these dimensions, addressing environmental protection and improvement, promoting a future oriented economic system based on knowledge and innovation and underlining social equality and public participation as a vital part of the planning and building of sustainable communities.

(76) Principle: Promotion of equal opportunities and non-discrimination: The implementation of the activities will be in line with European and national policies for equal opportunities and non-discrimination. Equal opportunities is no separate topic, but is the basic principle for each single activity. By inclusion of equal opportunities in all concepts and activities there should be achieved balance and fairness within the society. In the programme context that would mean that all priorities offer tools and opportunities to discriminated groups to improve their situation, while preventing or minimising negative developments in the fields of equal opportunities and non-discrimination. These elements are respected in all Priorities addressing participation and accessibility for everyone and promoting the inclusion of all citizens in the development processes.

4.3 Objectives and Priorities

(77) Hence, the Programme Strategy is structured along one Global Objective and two Strategic Priorities which will be achieved within two Priorities. These two Priorities will be accompanied by a Priority on Technical Assistance aiming at successful programme implementation.

(78) The Global Objective of the programme is to enhance convergence in the programme area by promoting sustainable local development.

(79) The Global Objective is addressing sustainability in its economical, social, cultural and environmental components, thus taking into account the need to specify and focus, on the one hand, on the socio-economic dimension and, on the other, on the undividable whole of nature and culture and their interactions in this programme area.

(80) On the one side the Programme will enhance the co-operation among economic actors and stakeholders through common approaches for the support of local economic activities, the development of local human resources and the protection of human health as pillars for sustainable local economic development.

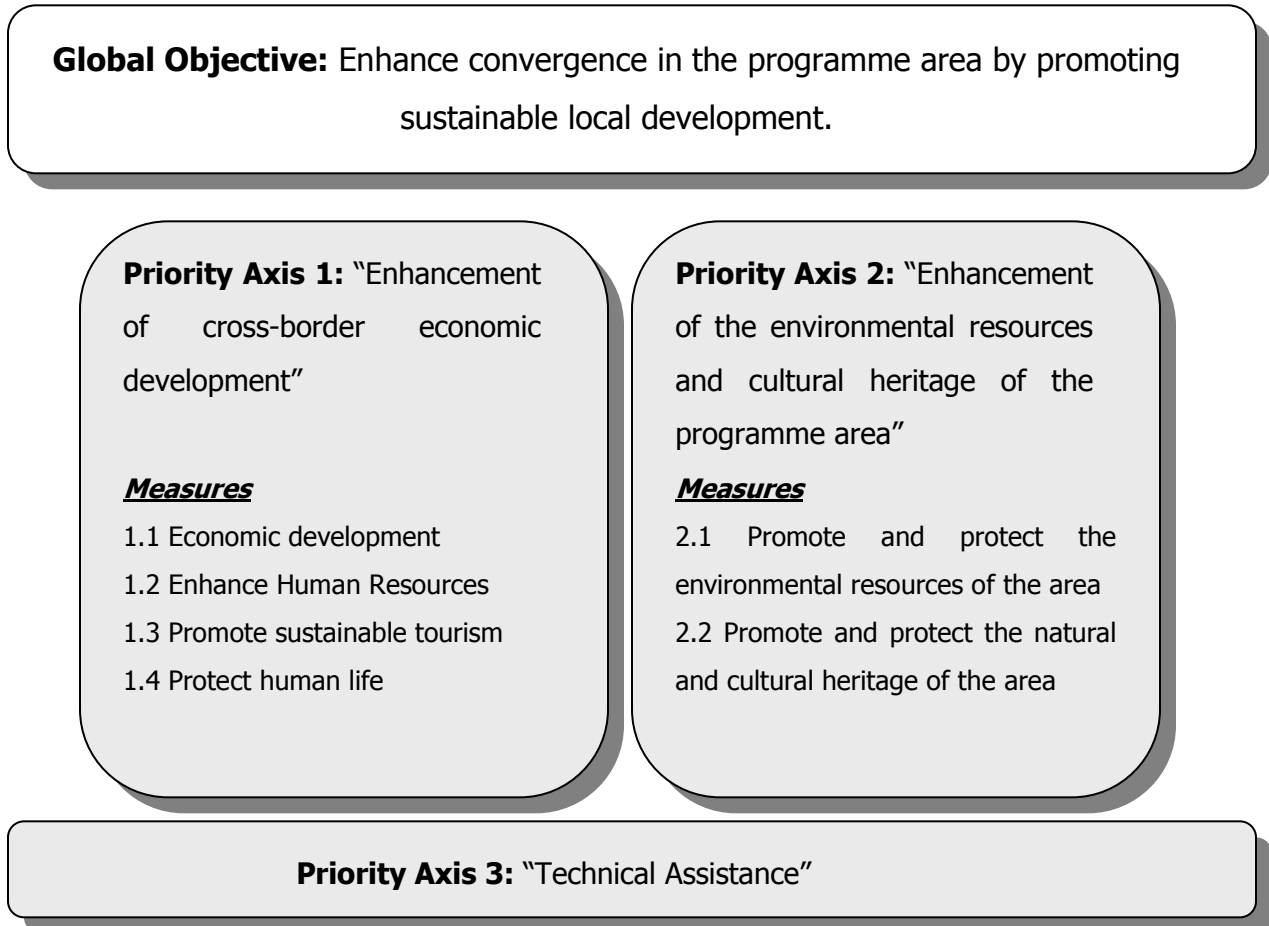
(81) On the other side the Programme devotes its resources also to the protection and promotion of the environmental and cultural potential in the programme area as a means for sustainable local development.

(82) The Priorities of the Programme are defined below:

- **Priority 1: “Enhancement of cross-border economic development”**, aiming at the promotion of sustainable economic development through common interventions and facilitating cross-border relations: **Priority 1** will be implemented by **four Measures** focusing on the promotion of entrepreneurship, the enhancement of Human Resources, the development of sustainable tourism and protection of public health through cross-border activities.
- **Priority 2: “Enhancement of environmental resources and the cultural heritage of the programme area”** aiming to promote common actions for the protection of the natural and cultural environment and the mobilisation of natural and cultural resources: **Priority 2** will be implemented by **two Measures** focusing on the promotion and protection of environmental resources and the natural and cultural heritage of the area.
- **Priority Axis 3: “Technical Assistance”** aiming at the successful and smooth implementation of the Programme and the enhancement of high quality cross-border co-operation, contributing primarily to the Global Objective.

(83) It should be added here that the programme cannot be a substitute for other national policies and programmes. Thus the focus is located in the implementation of projects with real cross-border character. However the programme will consider all programmes and plans financed by other EU or national resources and take full advantage of synergy potentials.

Figure 9: Programme Structure



(84) The Programme follows a coherent objectives sequence ranging from the Objectives of the IPA regulations to the aims of each Measure and the evolving project ideas. This sequence is illustrated in Table 7 for clarity reasons. Beneficiaries are encouraged to reflect the objectives of overall Programme Structure in their project ideas.

Table 7: Programme Structure

Level	Objectives
Greece/the former Yugoslav Republic of Macedonia IPA Cross-Border Programme	The Global objective of the programme is to enhance convergence in the programme area by promoting sustainable local development
Priority 1: Enhancement of cross-border economic development	The Aim is to: Promote sustainable economic development through common interventions and facilitate cross-border reciprocal relations
Measure 1.1 Economic Dev.	The aim is to support interventions facilitating the development of cross-border economic activities through the utilisation of the existing potential and the emerging opportunities.
Measure 1.2 Enhance Human Resources	The aim is to support interventions which upgrade the professional skills of the local population, thus reacting to the demand of the programme area, providing opportunities of employment and encountering migration.
Measure 1.3 Promote Sustainable Tourism	The aim is to support common cross-border activities supporting sustainable tourism.
Measure 1.4 Protect human life	The aim is to support interventions which protect public health, minimise the impact of the borderline in health services provision and facilitate the common use of health facilities.
Priority Axis 2: Enhancement of the environmental resources and cultural heritage of the programme area	The Aim is to: Promote common actions for the protection of the natural and cultural environment and the mobilisation of the natural and cultural resources.
Measure 2.1 Promote and protect the environmental resources of the area	The aim is to support interventions that protect the environment and mitigate the environmental impacts related to economic development.
Measure 2.2 Promote and protect the natural and cultural heritage of the area	The aim is to support interventions that protect and mobilise the natural and cultural resources as a means for a local-driven sustainable development while safeguarding the natural and cultural heritage:
Priority 3: Technical Assistance	The Aim is the successful and smooth implementation of the Programme and the enhancement of high quality cross-border co-operation

4.4 Financial allocation per priority

(84) The Programme objectives, the internal coherence of the Programme, the lessons learned during the InterregIIIA/CARDS Programme Greece/the former Yugoslav Republic of Macedonia 2000-2006 and the experience from the previous calls of proposals suggest that **a balanced allocation** of the available funds is necessary. The financial allocation in the table gives an indicative breakdown of funds per priority.

Table 8: Indicative financial allocation per Priority

Priority	Budget share
Priority 1: "Enhancement of cross-border economic development",	40%
Priority 2: "Enhance the environmental resources and cultural heritage of the programme area"	50%
Priority 3: "Technical Assistance"	10%

4.5 Quantification of objectives

(85) The IPA Implementing Regulation, Article 94 emphasises the need to describe the objectives of each priority using a limited number of indicators for output and results. All priorities should set quantified targets by means of a limited set of indicators to measure the achievement of the programme objectives.

(86) Due to the limited financial resources of this Programme and the scope, limitations and possible activities of Territorial Co-operation in general, it is obvious that the results of the programme will be mainly of intangible nature; however, in some cases material investments may be appropriate and justifiable. Results will be more difficult to measure compared to e.g. Convergence Objective programmes. Results are generated through the outputs of projects within the scope of the programme.

(87) The Programme **contains only a set of output and result indicators**, which are ex-ante-quantified. The ex ante quantification of the **output and result targets** is based on **two parameters**: the allocation of EU funds per priority and an estimated average project size. The **complete list of output and results indicators** (which is not part of the operational programme) could include more output and **results** indicators referring to **all priorities** and measures and **horizontal** output-indicators reflecting project characteristics, strategic implementation principles, output of project activities, public awareness. All relevant indicators should be **included** in **application forms** and **reports**.

Table 9: Ex-Ante-quantified Output and Result Indicators for the Programme

	Indicator	Target	Source of Verification
IPA cross-border Programme Greece/The former Yugoslav Republic of Macedonia	Output: 1. No of projects respecting only one of the following criteria: joint development, joint implementation, joint staffing, joint financing 2. No of projects respecting only two of the following criteria: joint development, joint implementation, joint staffing, joint financing	84 58	Output: 1. Programme Monitoring 2. Programme Monitoring
Pr. Axis 1: Enhancement of cross border economic development	1. No of projects contributing to Cross Border Economic Development	43	1. Programme Monitoring
Measure 1.1 Economic Development	1. Output: Number of projects 2. Result: Contributions to the economic development of the eligible border area	15 10	1. Programme Monitoring 2. Project reporting
Measure 1.2 Enhance Human Resources	1. Output: Number of projects 2. Result: Contributions to the enhancement of the local Human Resources	10 9	1. Programme Monitoring 2. Project reporting
Measure 1.3 Promote Sustainable Tourism	1. Output: Number of projects 2. Result: Contributions to the tourism development of the eligible border area	10 9	1. Programme Monitoring 2. Project reporting
Measure 1.4 Protect human life	1. Output: Number of projects 2. Result: Contributions to the protection of human life of the eligible border area	8 5	1. Programme Monitoring 2. Project reporting
Pr. Axis 2 Enhancement of the environmental resources and cultural heritage of the eligible border area	1. No of projects contributing to the Enhancement of the of the environment and natural and cultural resources	41	1. Programme Monitoring
Measure 2.1 Promote and protect the environmental resources of the area	1. Output: Number of projects 2. Result: <i>Contributions</i> to the protections and promotion of the environment	26 15	1. Programme Monitoring 2. Project reporting
Measure 2.2 Promote and protect the natural and cultural heritage of the area	1. Output: Number of projects 2. Result: <i>Contributions</i> to the protections and promotion of the natural and cultural heritage	15 10	1. Programme Monitoring 2. Project reporting
Pr. 3: Technical Assistance	1. Output: No of information/ dissemination activities targeting final beneficiaries (seminars, consultations, newsletters, brochures etc.) No of meetings held at transnational level Communication Plan	50 10 1	1. Programme Monitoring

(88) According to the IPA Implementation regulation, Article 94 the Programme must provide information on the priority axes, the related activities and their specific targets. Those targets shall be quantified using a limited number of indicators for output and results, taking into account the proportionality principle. The indicators shall make it possible to measure the progress in relation to the baseline situation and the effectiveness of the targets implementing the priorities.

(89) Context indicators should monitor the evolving socio-economic context of the programme. Context indicators form part of the **analysis** to describe the socio-economic development status

based on official statistics (e.g. Public expenditure on education in % of GDP, 2004). For the Programme no context indicators (going beyond the analysis) are defined. The fund volume of the Programme represents **only a very small part** of the entire public expenditure in the programme area. A connection between the Programme funds and context indicators is not possible.

4.6 Compliance and complementarity with other policies and programmes

(90) The new IPA Cross-Border Programme Greece/the former Yugoslav Republic of Macedonia conforms to the principles addressed by the EU regarding European policies and priorities for Equality, Sustainability, Cohesion, Competitiveness, etc. The 2 Priorities (apart from the Priority "Technical Assistance") and the corresponding measures reflect the Lisbon and Gothenburg Agendas. They are aiming at improving the local economic base, which apart from innovation and entrepreneurship promotes social cohesion, tourism and environmental sustainability (of the natural and cultural environment), advances human resources and promotes Civil Society.

(91) The new Cohesion Policy addressed by the European Union and in its application in the context of cross-border activity, focuses on four main principles:

- Encouraging innovation, entrepreneurship and promoting the knowledge economy.
- Improving the attractiveness of the two States concerned and their cross-border regions, as places to invest and reside, through better accessibility, higher quality of life and environmental conservation.
- Achieve gender convergence by providing more and better jobs for women as well as more opportunities for the disadvantaged.
- Promote convergence between urban and rural areas to help limit the gap between the rich and the poor.

(92) All the aforementioned principles are consistent with the Lisbon Agenda and the Gothenburg Strategy for Sustainable Development. The main objectives of the Structural Funds (ERDF & ESF) and Cohesion Fund are:

- the promotion of sustainability, environmental protection and risk prevention, equal job opportunities,
- enhancement of access to employment and participation in the labour market,

- reinforcement of social inclusion and enhancement of entrepreneurship through innovation, promotion of public and private investments, information society and promotion of R&D and, finally,
- cross-border and inter-regional co-operation between regional and local authorities.

(93) The new Programme conforms to the European Policies and Priorities since the Priorities and Measures focus on the promotion and application of the abovementioned European directives.

(94) Taking into consideration Article 16 of Reg. 1083/2006 on the equality between men and women, the 6th Action Plan which describes the European environmental policy until 2010 and the General Objectives 3, 4, 8, 9, 10, 11, 12, 15 and 17 of the Greek National Strategic Reference Framework 2007-2013, the IPA Cross-Border Programme between Greece and the former Yugoslav Republic of Macedonia will also secure:

- The promotion of social inclusion especially of disadvantaged groups and women,
- The promotion of gender equality and equal opportunities
- The investment in human resources and the enhancement of the educational and health systems,
- Better accessibility to employment,
- The improvement of life quality and entrepreneurship,
- The promotion of e-business and e-activities,
- The protection of the environment and the provision of sustainable environmental management
- The protection of culture as a factor of economic development.

Table 10: Contribution to the Lisbon Agenda, Gothenburg Priorities, Strategic Cohesion Guidelines and the MIPD

	Competitiveness	Social Equity	Sustainable Natural and Cultural Environment	Equality	Cohesion Guideline 1: Improving the attractiveness of the two States	Cohesion Guideline 2: Encouraging Innovation, Entrepreneurship and promoting the Knowledge Economy	Cohesion Guideline 2: More and Better Jobs	MIPD Objective 1: Reducing the Economic Gap	MIPD Objective 2: Enhance tourism, increase number of visitors and improve the environment
Pr.1: Enhancement of cross-border economic development	Very highly coherent	Highly coherent	Coherent	Coherent	Highly coherent	Highly coherent	Highly coherent	Very highly coherent	Highly coherent
M 1.1 Economic Development	X					X	X	X	X
M 1.2 Human Resources Enhancement	X	X		X				X	
M 1.3 Sustainable tourism	X		X		X	X	X	X	X
M 1.4 Protection of human life		X			X				
Pr.2: Enhancement of the environmental resources and cultural heritage of the programme area	Coherent	Coherent	Very highly coherent	Coherent	Very highly coherent	Very highly coherent	Coherent	Coherent	Very highly coherent
M 2.1 Promote and protect the environmental resources of the area			X		X	X			X
M 2.2 Promote and protect the natural and cultural heritage of the area	X	X	X	X	X	X	X	X	X

Conformity with National Policies and Priorities

(95) The IPA Cross-Border Programme Greece/the former Yugoslav Republic of Macedonia is based on the main guidelines provided by the National Strategic Reference Framework (NSRF) for Greece and the National Development Plan together with the MIPD for the former Yugoslav Republic of Macedonia, as well as on the priorities provided by the EU, concerning the promotion of sustainability and cohesion.

(96) The above mentioned documents represent the National Policies and priorities for sustainability, entrepreneurship and innovation, investments and promotion of employment.

(97) All the aforementioned priorities have been derived from the Treaty, the renewed Lisbon Agenda, as well as the relevant EU Regulations, and the renewed directive for sustainability that will be applied during the current programming period.

Greek National Strategic Reference Framework

(98) The Greek policy for Cohesion is based on the European principles according to which the European Union should:

1. Become a more attractive place for investments (foreign and internal) and employment.
2. Enhance innovation and knowledge economy for embracing spatial development.
3. Offer more and better jobs for equal opportunities.

(99) The main keywords of the aforementioned principles are "Territorial Cohesion and Co-operation", "Improving Infrastructures", "Conservation of the Environment", "Enhancing Competitiveness and Entrepreneurship, Innovation and Knowledge Economy", "Funding" and "More and better jobs".

(100) According to the aforementioned analysis, the strategy for the Cohesion and Development of the country is relevant and convergent to the ESDP and the European Framework of Priorities and Principles for Equality, Lisbon and Gothenburg Strategies and Structural Funds' regulations. The new regulations take into consideration the spatial integration and enlargement of the European Union, in order to secure social and economic cohesion and prosperity.

National Policies and Priorities for the former Yugoslav Republic of Macedonia

(101) The strategic priorities of the Government of the former Yugoslav Republic of Macedonia for 2007-2009 are:

- Integration into the European Union and NATO;
- High-level sustainable economic development.

(102) The National Development Plan 2007-2009 (NDP), together with the Multi-annual Indicative Planning Document (MIPD) and the Multi-annual Indicative Financial Framework (MIFF) for the same 2007 – 2009 period, is a backbone for preparation of the sectoral programming documents associated with components of the IPA. The selected priorities of the this Programme supplement the priorities of the IPA Programmes per component, aiming to improve: corporate sector competitiveness; human resource development; economic infrastructure; and agriculture and rural development.

Programme on Transition Assistance and Institutional Building (IPA Component I)

(103) The Programme on Transition Assistance and Institutional Building corresponds closely to the cross-border co-operation programme, especially as both of the programmes hold economic development and social cohesion as their priorities.

(104) In this regard, the support provided through the Programme on Transition Assistance and Institutional Building is focused on the capacity building through public administration reform, support to judicial reform, police reform, capacity building for the decentralised management of EU funds, support for acquis implementation, along with the support for the country's further programming activities will generally increase the accountability of the administrations, enhance the country's institutions and harmonise the legal frameworks – thereby creating conditions conducive to enhanced growth in the cross-border area.

(105) In the framework of the IPA Component on Institution Building, a EUR 7 million EU contribution from the 2007 funds allocated to the former Yugoslav Republic of Macedonia will be used for local infrastructure for economic and social development. The overall objective of the activities supported within this framework will be to stimulate social and economic cohesion through the development of infrastructure in municipalities, as well as training the municipal officers in developing, implementing and supervising these infrastructural projects. The local infrastructure projects would – as a matter of priority - focus on those areas where new competencies have been decentralised to the municipalities. The major competencies which have been decentralised include:

- Social welfare and child protection – Old age people homes, day centers for children with disabilities, street children, drug abusers and homeless; centers for victims of family violence, kindergartens.

- Sport and recreation - Transfer of the title of immovable and movable goods, staff and documentation related to the sport facilities,
- Health care - Protection of health of workers and protection at work; health oversight over the environment; assistance to patients with special needs, e.g. mental health, child abuse, etc.
- Education - The management and maintenance of primary and secondary schools;
- Culture - The management and maintenance of local cultural institutions;
- Fire and rescue - The management and maintenance of the fire and rescue services;
- Urban Planning and construction – The management of local urban planning.

(106) In case that insufficient number of acceptable projects will be proposed within the remit of the competencies above, projects may be financed within the competence of Communal services, which includes the reconstruction of local roads, water supply and sewerage.

Regional Development Programme (IPA Component III)

(107) The Regional Development Programme has a strategic goal to increasing productivity of the economy and hence its international competitiveness leading to higher economic growth, through development of a reliable and cost effective infrastructure services. The transport infrastructure should provide the business sector with a reliable and cost-effective access to markets for inputs and outputs, and citizens with good passenger transport services for access to jobs, training and other activities. The key objective in the environmental infrastructure sector is to establish financially sustainable integrated water and waste management systems, improving the quality of life of the population by the rational use and protection of the environment. Activities of the Regional Development Programme for establishing integrated and financially self-sustainable waste management system can supplement the operations of this Programme for safeguarding biodiversity, and facilitating co-operation between existing institutions, joint research studies and transfer of information between relevant institutions, data collection and know how exchange on the cross-border area's natural resources protection, joint training and awareness raising of environmental conservation and protection awareness.

Human Resource Development Programme (IPA Component IV)

(108) The overall strategic objective of the Programme for Human Resources Development is to efficiently use the existing human capital, as well as to improve its quantity and quality in order to strengthen the international competitiveness, leading to higher growth and living standards. In addition, the Human Resources Development component should prepare the country for efficient implementation and management of funds from the European Social Fund (ESF). Some small-scale activities of this Programme could supplement the following

operations of the Programme for Human Resources Development: speeding up the transition of the grey economy employment into the formal sector; increasing the quality of education services and to improve educational attainment of citizens; and improving quality and efficiency of the social system in terms of fast integration of disadvantaged people in the society and reduction of poverty.

Rural Development programme (IPA Component V)

(109) Key objectives of the Rural Development programme are: improving the efficiency of agricultural production, bringing it into compliance with market requirements; ensuring the development of a competitive and efficient food processing industry; and providing conditions for sustainable rural development to contribute to the socio-economic development of rural areas. Some complementary activities from this Programme could be: facilitating competition in the internal market by the introduction of new technologies and innovation; improving product quality and safety (improvement of hygiene, animal welfare and environmental standards on agricultural holdings); increasing the competitiveness of farmers by the use of efficient modern technologies and the reduction of production costs; promotion of environmentally friendly methods of production (decreasing the pollution of the environment through agricultural production, better use of by-products and/or elimination of by-products or of wastes); increasing economic activities in rural areas; improving the quality of life of the rural population; increasing the income of the rural population through the development and diversification of on-farm and/or off-farm activities; creating new employment opportunities through the development and diversification of on-farm and/or off-farm activities.

Co-ordination with Rural Development Programmes

(110) Particular attention must be paid to appropriate co-ordination with rural development programmes on both sides of the border, in order to ensure complementarity and remove the risk of overlapping actions. It should be noted, however, as this programme is exclusively cross-border in nature, the risk of any overlaps is significantly reduced since rural development programmes in Greece or the former Yugoslav Republic of Macedonia are, by their nature, national.

(111) The managing authority shall proceed to all necessary steps in order to ensure co-ordination with the Greek Rural Development Programme for 2007-2013, including keeping the managing authority of the Rural Development Programme informed of all projects supported which are of relevance for that programme. Any funding related to so called "Annex I" products (cf. Article 32 of the EU Treaty) must be fully compliant with all rules relating to cumulative aid in particular.

(112) In any rural development programme for the former Yugoslav Republic of Macedonia supported by the IPA funds, the competent Authority in the former Yugoslav Republic of Macedonia (EC Delegation or Operating Structure) will ensure the appropriate co-ordination.

Conclusion

(113) The strategy of the Programme is formulated to ensure complementarities with the afore mentioned National Policies. Regarding the conformity of the Programme with the National and European Guidelines, meetings have taken place for ensuring that overlapping with actions taken at the national level will be avoided.

4.7 Bilateral Co-operation and Agreements between Greece and the former Yugoslav Republic of Macedonia

(114) The two countries have developed intensive bilateral co-operation beyond the territorial co-operation framework. The two countries have signed a number of protocols on issues such as transport and communications, visa regime and taxes, international green cards for insurance of vehicles, implementation of custom issues. A number of Memoranda of Understanding in the field of environment and Pan-European Corridor X also exist.

(115) In addition, Greece has initiated the Hellenic Plan for the Economic Restructuring of the Balkans (HIPERB - also known under the Greek acronym of ESOAB). Part of the obligations of the country within the OECD Development Co-operation Directorate, HIPERB is the commitment to provide development assistance to the Balkan countries, aiming to promote the political, economic and social stability in these countries. In particular it aims to modernise infrastructure, to promote productive investments and to support democracy and the rule of law, as well as to modernise public administration and local self-government alongside the promotion of the welfare state. In this framework, the HIPERB particularly seeks to implement large infrastructure projects, but also to strengthen the private initiative and co-operation between the countries.

(116) During the period 2004–2011 the former Yugoslav Republic of Macedonia will receive EUR 74.840.000, of which 79% (EUR 59.123.600) is earmarked for large scale infrastructure projects, 20% (EUR 14.968.000) will address private productive investments and 1% (EUR 748.400) are to be channelled into small scale type of projects.

(117) In the framework of the funds for large infrastructure projects, which cover 79% of the HiPERB, by the end of 2007 HIPERB was planning large-scale infrastructure projects in the former Yugoslav Republic of Macedonia with a total of EUR 51.606.230. These funds concern the following projects which are of particular interest to the programme area:

- Construction of Pan-European Corridor X between Demir Kapija – Udovo – Smokvica – Gevgelija (33.2 km) receiving the largest share of the funds. Both governments have confirmed that the Corridor 10 is a priority project and the Greek government has pledged to support its construction with an amount of approximately 50 mil EUR. The Government of the former Yugoslav Republic of Macedonia has already submitted the HIPERB application for the Corridor 10 and its approval is expected.
- a water treatment station in Gevgelija (thus far 2 million euros have been allocated for the purposes of the project Waste water treatment plan and building of sewage system and system for atmospheric water in municipality of Gevgelija.)

(118) 6 projects addressing private investments have been implemented with support from HIPERB. In this framework of the HIPERB component on private projects (20% of the HIPERB – 15 mil EUR), the following projects have been approved:

1. P& D Dooel (production of electrical equipment) in Gevgelia, Total investment 1.800.000 Euros Financing 540.000 euros (45 employees).
2. Planina dooel (clothing industry) in Bitola, Total investment 856.800 euros, Financing 256.800 euros (140 employees).
3. AD Dihjos Strumica (production of furniture) in Strumica, Total investment 3.719.924 euros, Financing 1.115.977 eurow (110 employees)
4. Union Fashion (clothing industry) in Bitola, Total investment 2.400.000 euros, Financing 656.700 euros (71 employees).
5. Linde Gaz BITOLA (industry of gas CO₂) in Bitola, Total investment 884.000 euros, Financing 265.000 euros (6 employees).
6. Konington Dooel (clothing industry) in Bitola, Total investment 885.000 euros, Financing 265.500 euros (140 employees).

(119) 8 small scale projects of mainly social character – in the sense of equipping mobile first aid stations and purchase of medical equipment – have been implemented until today with support of HIPERB (total support: EUR 365.000). In this framework of the HIPERB component on small projects (1% - 0.75 mil EUR), which were internally procured by the Hellenic Liaison Office in Skopje, the following medical equipment has been secured:

- One mammography unit
- One X-Ray bone densitometer (osteoporosis)
- One Ultrasound Doppler
- One Cell saver and
- Four ambulances

4.8 Main findings of Ex-ante Evaluation and Strategic Environmental Assessment

4.8.1 Main findings of the Ex-ante Evaluation

(120) Ex-Ante Recommendations	Integration in the Programme
<p>The socio-economic analysis should explore more & assess crucial development factors that affect potential sources of comparative advantage, such as capital-asset flows in the cross-border area creating prospects for emerging industrial and service concentrations and clusters, accompanied by changes in labour and knowledge intensity of production, and possible branding of local skills and competencies in connection with the area's unique characteristics (cultural heritage, eco-tourism, other) that have cross-border synergies and global appeal.</p>	<p>Scope of socio-economic analysis was extended to document changing structure of area economy in reflection of global market pressures, and to identify development potential in key areas (e.g. transport, health, culture)</p>
<p>Some minor additions and corrections in the designation of various elements to quadrants of the <u>SWOT analysis</u></p>	<p>Accepted & SWOT analysis was revised accordingly</p>
<p>The <u>SWOT analysis</u> could be further used, by the combined reading of statements in the quadrants, as a policy-option generating tool (see attached Table 1).</p>	<p>The programme partners consider that the SWOT analysis has been fully used as a policy-option generating tool.</p>
<p>A brief reference to the strategic role of Thessaloniki in this Programme is advisable when discussing <u>Programme strategy</u> since as a growth pole of significant proportions the city's envisioned role should be to facilitate and complement the sustained spatial development of the cross-border area.</p>	<p>The programme partners consider that the role of Thessaloniki has been sufficiently addressed in the programme.</p>
<p>The initial <u>strategic framework</u> of the Programme was very generic, broadly-stated and unnecessary complicated at the specific objective level.</p> <p>It could've been re-phrased to better reflect the identifying characteristics of the cross-border area, as well as the limited financial means, for example the overall aim of the Programme could be to accelerate the pace of convergence in the cross-border area by sustainable development and joint capacity-building measures.</p> <p>In addition, the implementation of the basic programme strategy could be carried out within two strategic priorities, instead of differentiating between 2 specific objectives & 2 priority axis.</p>	<p>After extensive discussion, a modified version of the suggested overall aim was adopted, as well as the simplified priorities structure.</p>
<p>Initially, the achievements of the 2000-6 funding period were used as <u>baseline for Results indicators</u>, which is not advisable because it is not consistent with methodological guidance from the European Commission and will likely marginalise the ramifications of the Programme 2007-13 given the reduced budget.</p>	<p>Accepted & baseline of Results indicators was revised</p>
<p>Add as an Impact indicator, jobs created</p>	<p>From the point of view of proportionality, the</p>

	programme partners decided not to make use of impact indicators.
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4.8.2 Main findings of the Strategic Environmental Assessment

4.8.2.1 Introduction

(121) The objective of the SEA environmental report is the evaluation of the Programme, regarding the environmental objectives that are set within the framework of sustainable development of the area, taking into account the particular characteristics and needs of the regions under study, and also the international and national objectives and priorities for sustainable development and the protection of environment.

(121) The Programme eligible border area is composed of the following NUTS III regions:

- Florina, Pella, Kilkis, Serres and Thessaloniki (under the territorial flexibility rule) in Greece and
- Pelagonia, Vardar, Southeast, Southwest (under the territorial flexibility rule) in the former Yugoslav Republic of Macedonia.

(122) The assessment of the programme's environmental impacts will be made for the period of the programme implementation, which includes the programmatic period 2007 - 2013 as well as the period up to the programme's expiration in 2015.

4.8.2.2 The Community's Strategic Framework - The Directive 2001/42

(123) According to the «Directive 2001/42/EC of the European Parliament and the Council of 27th of June of 2001 on the assessment of the effects of certain plans and programmes on the environment (SEA)» the Strategic Environmental Assessment (SEA) environmental report is an integral Programme's part and the liability for its conduction is laid to the Managing Authority of each Programme.

(124) The term "Strategic Environmental Assessment" means the standard, systematic and comprehensive procedure by which the environmental effects of the proposed development activities as Plans and Programmes are assessed. The SEA procedure starts as earlier as possible including: obligatory public consultation, the use of the aforementioned activities in order to formulate a final decision for approval and also the conduction of an environmental report.

(125) The issue of the aforementioned Directive allows the high quality environmental protection, embodying environmental issues during the preparation and enactment of Plans

and Programmes, aiming to promote sustainable development assuring that there will be an environmental impact assessment for some Plans and Programmes which might pose significant effects to the environment.

(126) The aim of assessing the environmental impacts of Plans or Programmes is to investigate the environmental effects of the Operational Programmes proposals, approaching them at a strategic level, and also appointing the optimum choice among the proposed alternatives.

(127) The process of assessing the environmental impacts of Plans and Programmes is a tool of improvement the last since it embodies the environmental dimension into devising the Operational Programmes, focusing to the minimization of the environmental hazards and effects and also to the maximization of the environmental benefits which occur from the proposed interventions.

(128) In addition the conduction of the SEA environmental report contributes to the development of an effective strategy for the environmental rehabilitation by taking the appropriate remedial measures.

(129) The Strategic Environmental Assessment is a parallel and complementary procedure to the process of devising the Operational Programme.

(130) The Strategic Environmental Assessment (SEA) procedure, as it is determined according to the Directive 2001/42/EC (article 2b), is consisted of four thematic units which are:

- The preparation of the SEA Environmental Report.
- The consultation with competent authorities and public.
- Assessing the SEA environmental report along with the consultation results during the decision making process.
- The provision of information related to the decision.

(131) Article 5 and Annex I of the Directive designates the minimum information which must be provided in the SEA environmental report:

- (a) an outline of the contents, main objectives of the plan or programme and relationship with other relevant plans and programmes;
- (b) the relevant aspects of the current state of the environment and the likely evolution thereof without implementation of the plan or programme;
- (c) the environmental characteristics of areas likely to be significantly affected;
- (d) any existing environmental problems which are relevant to the plan or programme including, in particular, those relating to any areas of a particular environmental

importance, such as areas designated pursuant to Directives 79/409/EEC and 92/43/EEC;

- (e) the environmental protection objectives, established at international, Community or Member State level, which are relevant to the plan or programme and the way those objectives and any environmental considerations have been taken into account during its preparation;
- (f) the likely significant effects⁽¹⁾ on the environment, including on issues such as biodiversity, population, human health, fauna, flora, soil, water, air, climatic factors, material assets, cultural heritage including architectural and archaeological heritage, landscape and the interrelationship between the above factors;
- (g) the measures envisaged to prevent, reduce and as fully as possible offset any significant adverse effects on the environment of implementing the plan or programme;
- (h) an outline of the reasons for selecting the alternatives dealt with, and a description of how the assessment was undertaken including any difficulties (such as technical deficiencies or lack of know-how) encountered in compiling the required information;
- (i) a description of the measures envisaged concerning monitoring in accordance with Article 10;
- (j) a non-technical summary of the information provided under the above headings.

(132) As far as it concerns the consultations which are described in the Directive, these are the following:

- *Consultation with competent authorities and public:* an early and effective opportunity shall be given to competent authorities and public within appropriate time frames in order to express their opinion on the draft plan or programme and the accompanying environmental report, before the adoption of the plan or programme or the start of the legislative procedure (article 6 paragraphs 1 and 2).
- *Transboundary consultations with member states,* which perceive that the implementation of the proposed plan or programme might pose significant effects to the environment of their territory (article 7).

(133) Member States should have bring into force the laws, regulations and administrative provisions necessary to comply with this Directive before 21 July 2004

4.8.2.3 National Legislative framework

The Greek Legislative Framework (THE MINISTERIAL DECISION: YPEXODE/ EYPE/ OIK 107017/2006)

(134) For the compliance of Greek legislation to the Directive 2001/42, a Ministerial Decision (YPEXODE/ EYPE/ OIK 107017/2006) was published in the Journal of the Greek Government (no: 1225/B /5.9.2006) titled: «Assessment of the environmental effects of specific plans and programmes in accordance to the clauses of the Directive 2001/42/EC of the European Parliament and of the Council of 27th of June 2001 on the assessment of the effects of certain plans and programmes on the environment».

(135) The overall objective of the Ministerial Decision is the assessment of the environmental effects of specific plans and programmes so that the environmental dimension of plans and programmes is taken into account before their adoption, by the institution of the required measures, clauses and procedures for the evaluation and assessment of the likely effects on the environment, aiming to the promotion of sustainable development and to a high quality environmental protection.

(136) For the purposes of the Ministerial Decision plans and programmes include those which are co-financed by the European Community, as well as any modifications to them:

- which are subject to preparation and/or adoption by a public authority at national, regional or local level or which are prepared by a public authority in order to be adopted, through a legislative procedure by the Greek Parliament or Government, and
- which are required by legislative, regulatory or administrative provisions of the Greek government. More specifically: Laws, Ministerial Decisions, Presidential Decrees, decisions of General Secretariats of Regions and also Legislative Acts which are issued from the competent institutions including Municipalities and Communities.

(137) Before the adoption of Plans or Programmes of national, regional, prefectural, or local level, which might have significant effects to the environment, a Strategic Environmental Assessment (SEA) environmental report shall be prepared, in which: the likely significant effects on the environment which occur from implementing the plan or programme, and reasonable alternatives, taking into account the objectives and the geographical scope of the plan or programme, are identified, described and evaluated.

(138) More specifically the SEA procedure is required for:

- Operational programmes of Community Support Framework and other plans or programmes which are co-funded by European Union and are relevant to the sectors mentioned in paragraph 1 of article 3.
- Special frameworks for physical planning and sustainable development (example: renewable energy sources, industry, tourism, energy).
- Regional frameworks of physical planning and sustainable development.
- Regulative plans.

- Urban design plans.
- Plans of territorial and residential system of open cities.
- Regions of systematic development of productive activities.
- Regions of special territorial interventions.
- Plans of integrated urban interventions.
- Regions of special adjustable urban planning.
- Regions of integrated tourist development.
- Water system management plans.
- Regional plans of solid waste management.
- National planning of dangerous waste management.
- Land reclamation work plans and plans of utilisation of land and water resources.
- Plans of touristic ports development.

(139) So the SEA environmental report according to the Annex III of article 11 of the Ministerial Decision must contain at least the following:

- **General data**, where the general data: of the planning authority of the plan or programme, and the researcher are provided.
- **Non technical summary of the whole SEA environmental report**, where a non technical summary of the whole SEA environmental report is provided.
- **Scope and objectives of the Plan or Programme**, where the scope and objectives of the plan or programme are analyzed. In this chapter: the environmental protection objectives established at International, Community, or Member State level which are relevant to the plan or programme and the way those objectives and any environmental considerations have been taken into account during the plan or programme preparation, and the plan or programme relation to other plans and programmes, are included.
- **Description of the plan or programme**, where the plan or programme is described and reference is made to the geographical field of its implementation, its content, and the works and activities which will occur from its implementation.
- **Alternatives**, where all the alternatives scenarios are described and reference is made to:
 - no action,
 - the reason for choosing the examined alternatives,

- the environmental reasons for selecting the proposed plan or programme in comparison to other alternative/-s scenario/-ios.
- **Description of the environmental condition.** In this chapter the environmental condition is described and information is provided about: a) the relevant aspects of the current state of the environment and the likely evolution thereof without implementation of the plan or programme, b) the environmental characteristics of areas likely to be significantly affected in the study area, c) any existing environmental problems in the study area.
- **Assessment, evaluation and confrontation of the environmental effects to the environment of the plan or programme,** where the potential significant environmental effects are identified, assessed and evaluated. More specifically: the primary, secondary, cumulative, synergistic, short-, medium- long- term, permanent, temporary, positive and negative effects are examined on factors such as biodiversity, population, human health, fauna, flora, soil, water, air, climatic factors, material assets, cultural heritage including architectural and archaeological heritage, landscape and the interrelationship between the above factors.

(140) In this chapter, the method of assessment of environmental effects, the proposals/ directions/ measures for the prevention, limitation, confrontation of the significant negative environmental effects, and also the monitoring of the effects, are described.

- **Information on normative action,** where the information of the normative action is provided for the approval of the plan or programme.
- **Difficulties occurred during the SEA process,** in this chapter the difficulties which occurred (as technical faults or lack of knowledge, data or information) during the study and while conducting the SEA environmental report are mentioned.
- **Required studies and researches.** In this chapter the required additional studies and researches are listed. These have to be conducted before the approval of the works and activities resulting from the plan or programme implementation.
- **Annexes,** where the relevant accompanying documents according to the researcher such as: texts, maps, plans are provided, taking into account the programme's territorial extension.

(141) In addition, in the file of the SEA environmental report the following will be provided:

- Positive consultatory response along with copy of the approved map containing schematic description of the plan or programme, if the plan or programme has been through environmental screening procedure.

- Response of the competent authority, if there has been a question for the plan or programme, according to paragraph 3 of article 6 of the ministerial decision.

(142) The planning authority shall submit an application accompanied with the SEA environmental report file in ten copies.

(143) In case the SEA file is not complete, the competent authority has to inform the planning authority in a period of twenty days after the file's submission about the missing information, data and documentation, in order to complete the file. If the completions are of major interest, the file is returned back.

(144) For the completion of the Strategic Environmental Assessment there is a consultation process with the public authorities and the public. After the examination of the submitted file by the competent authority and if the substantialness of the file is ascertained, the competent authority communicates it (in a period of twenty days from its submission) to the relevant public authorities and to the planning authority. The planning authority makes the file available to the public for expressing opinion. In case of cross-border consultation the SEA environmental report has to be publicly available in both countries.

(145) After the submission of the comments of the public authorities, the regional and prefectural authorities and the interested public, or the expiration of the 45 days time limit and not taking into account whether the comments have been submitted or not, the competent authority evaluates the potential significant environmental effects of the plan or programme taking into account:

- the SEA environmental report file,
- the results of consultation with the public authorities,
- the results of consultation with the interested public and,
- the results of the cross-border consultation, if they are required

(146) Then the competent authority devises a decision plan for approval or rejection of the SEA environmental report, within twenty days.

The former Yugoslav Republic of Macedonia Legislative Framework

(147) During the 2007, improvements have been made in legal grounds in the Law on Environment, enabling more detailed regulation of the procedure for Strategic Environmental Assessment (SEA). The following bylaws regarding the Strategic Environmental Assessment were adopted in the second half of 2007:

- Decree on the strategies, plans and programmes, including the amendments of these strategies, plans and programmes, for which the procedure of environmental impact

assessment and assessment on human lives and health is obligatory ("Official Gazette of the former Yugoslav Republic of Macedonia" No. 153/07);

- Decree on the criteria based on which decisions are made whether certain plan documents might have significant impact on the environment and human health ("Official Gazette of the former Yugoslav Republic of Macedonia" No.144/07) and Decree on the contents of the report for strategic environmental assessment ("Official Gazette of the former Yugoslav Republic of Macedonia" No.153/07),
- A Rulebook regarding the List of experts on Strategic Environmental Assessment, was published in the "Official Gazette of the former Yugoslav Republic of Macedonia No. 129/07". The Rulebook regards the manner of publishing the information and public participation in adoption of the plan document, and the manner of preparing the report is in inter-sectoral consultation.

(148) The adoption of these bylaws completes the legal framework for strategic environmental assessment, which completely transposes the Directive 2001/42/EC on environmental impact assessment of certain plans and programmes.

(149) The Rulebook on the composition of the Commission and the manner of its work, the programme and the manner of conducting the expert examination, the level of the compensation for the expert examination taking and the compensation for the establishment and updating of the List of experts and the manner of acquiring and revoking the status of expert in environmental impact assessment for projects, as well as the manner of enrollment in and exclusion from the List of experts has been enacted ("Official Gazette of the former Yugoslav Republic of Macedonia" No. 93/07).

4.8.2.4 Environmental objectives

4.8.2.4.1 The Gothenburg Strategy on Sustainable Development

(150) During 2005 the European Committee and the European Council published a declaration (COM 2005/658 final) for the update and enrichment of the strategy for the sustainable development. According to this declaration the environmental objectives that should be taken into account during the development of strategies are the following:

- *Examination of climatic changes*, having as general objective the restriction of climatic changes and their impacts on society
- *Promotion of health and public health*, having as a general objective the promotion of good public health and the improvement of protection against the hazards that threaten health.

- Restriction of the social exclusion and deal with the demographic changes having as a general objective the creation, of favourable societies
- Better (sustainable) management of natural resources, having as general objectives: assurance of the capacity of land to reinforce life, respecting the natural resources potential and promotion of sustainable production and consumption patterns in order to detach economic development from environmental degradation.
- Enhancement of the sustainability of transportation, having as a general objective the assurance of the correspondence of transportation systems to the economic and social needs of society, minimizing at the same time their negative impacts to economy, society and the environment.
- Fight against the poverty on the planet and promotion of development, having as a general objective the confrontation of poverty, which will assist in the active promotion of sustainable development throughout the whole world.

4.8.2.4.2 6th Environment Action Programme

(151) The sixth Environment Action Programme the European Union (EU) sets the priorities and objectives of European Policy for the environment for the time period up to 2010 and beyond, and describes in detail the measures that should be taken in order to implement a sustainable development strategy.

(152) The programme is based on four priority axes:

- Climate change
- Resources and Waste Sustainable Management
- Nature and biodiversity.
- Environment and health.

(153) The action programme envisages the planning of seven thematic strategies in the sectors of: atmospheric pollution, protection and maintenance of marine environment, sustainable management of natural resources, prevention of waste production, recycling, sustainable use of pesticides, protection of soil and improvement of urban environment. Each thematic strategy includes specific strategic objectives for environmental protection, considering the sustainability community objectives set in Lisbon and Gothenburg strategy, and also the community commitments within the framework of International Conventions for the environmental protection.

4.8.2.5 Priority Axes

(154) The analysis of the existing situation, combined with the National and Community policies, constitutes the base for the development strategy of the Cross-Border Co-operation Programme.

(155) For the programme Greece - the former Yugoslav Republic of Macedonia the priorities set are the following:

- entrepreneurship,
- tourism, culture and cross-border trade,
- environmental protection and management,
- improvement of the access to: public transport, data and communication networks,.
- water, energy and waste management systems,
- common use of health, culture and education infrastructures,
- supporting the urban and rural areas.

(156) For the achievement of the programme's vision and strategic objectives, three priority axes are set:

- Priority Axis 1: "Enhancement of cross border economic development
- Priority Axis 2: "Enhance the environmental resources and cultural heritage of the eligible border area
- Priority Axis 3: Technical Assistance

4.8.2.6 Conclusions from the Greece – the former Yugoslav Republic of Macedonia Programme Analysis

(157) According to the objectives, the strategy, and the content of the programme, the following conclusions are extracted:

1. According to the Programme's content, its aim is to protect the environment in sectors that have international importance, such as the prevention of environmental hazards.
2. The Programme contains mostly soft to the environment actions, which in majority do not pose significant negative environmental impacts.
3. The Programme includes actions which set the framework for implementation of activities about the environmental protection and the improvement of the environment in the cooperation area. These actions are mainly found within the framework of Priority Axis 2,

which focuses to the enhancement of the environmental resources and cultural heritage of the eligible border area.

4. The Programme provides motives to the local authorities for undertaking development initiatives which promote the innovation and are compatible to the special characteristics of each area.
5. The Programme foresees activities for the protection and enhancement of the cultural heritage of both countries, by promoting the social life of residents and the cultural elements exchange.

4.8.2.7. Alternative possibilities for the programme implementation

(158) This chapter describes the possibilities and alternative solutions for the Programme implementation along with their environmental performance, according to the Directive 2001/42/EU. The first alternative option that will be examined is the zero solution. Zero solution is assessed as the most unfavourable option for the following reasons:

- It is opposed to the general principle of the EU for the cohesion and balancing of inequalities in governmental and regional level.
- The advantages which occur due to the cross-border cooperation of the countries will be disappeared. These advantages occurred from the cooperation in sectors that have been tested in the past mostly related with environmental subjects of the two countries.
- The cooperation and contact between the two neighbouring countries is limited. This cooperation concerns exchange of experience and know-how and the development of linkages between institutions and stakeholders of public and private sector of the two countries.

(159) Also, there are alternative solutions, beside the zero solution, related to the different financing allocation per priority axis of the proposed programme. The proposed alternative financing options per priority axis are:

- Priority Axis 1: "Enhancement of cross border economic development": 12.619.889 **(40%)**
- Priority Axis 2: "Enhance the environmental resources and cultural heritage of the eligible border area": 15.774.863 **(50%)**
- Priority Axis 3: "Technical Assistance": 3.154.971 **(10%)**

(160) Alternative solution A: As Alternative A we will consider the possibility of reallocating the financing per priority axis of the proposed programme drawing more attention on, Priority axis 1: "Enhancement of cross border economic development". In this case the financing has as follows:

- Priority Axis 1: 70%
- Priority Axis 2: 20%
- Priority Axis 3: 10%

(161) In this case, significance will be given to Priority Axis 1 and the promotion of the sustainable economic development through a common intervention and the facilitation of the transboundary relationships, the promotion of contract works, the enhancement of Human Resources, the development of sustainable tourism and the protection of public health through transboundary initiatives. Since Priority axis 2 should have half of the financing in comparison with the current status, the programme would promote far less actions for the natural and cultural environment and the mobility of natural and cultural resources, and so the promotion and protection of natural resources and the natural and cultural heritage of the selected regions would be not sufficient.

(162) In this case is very likely that further promotion of the priority axis 1 and the degradation of priority axis 2 may cause several environmental impacts due to the low number of actions on promotion and protection of natural resources and the natural and cultural heritage of the selected areas. For the above mentioned reasons, Alternative solution A is eliminated.

(163) Alternative B: As Alternative B we will consider the eventuality of reallocating the financing per priority axis of the proposed programme drawing more attention on Priority axis 2 "Enhancement of the environmental resources and cultural heritage of the eligible border area". In this case the financing has as follows:

- Priority axis 1: 30%
- Priority axis 2: 60%
- Priority axis 3: 10%

(164) In a case like this, significance will be given to Priority Axis 2 and the promotion of the actions for the natural and cultural environment and the mobility of natural and cultural resources and as a result the promotion and protection of natural resources and the natural and cultural heritage of the selected regions will be enhanced. The aforementioned will definitely promote the environmental protection and contribute at eliminating the environmental impacts, but it would promote far less the sustainable economic and social development at the selected areas, which is a main objective of the programme.

(165) Taking account that Priority axis 1 will have 20% less financing than with the current status, the programme will promote far less the sustainable economic development through a common intervention and the facilitation of the transboundary relationships, the promotion of

contract works, the enhancement of Human Resources, the development of sustainable tourism and the protection of public health through transboundary initiatives.

(166) In this case is very likely that further promotion of the Priority axis 2 and the degradation of Priority axis 1 will cause several significant economic impacts to the study area, since the financing would be one sided and no taking account the important requirements of the area for the reinforcement of the human resources and sustainable economic development and business dexterity. For the aforementioned reasons the Alternative solution B is eliminated.

(166) The current status of the finance allocation seems as the right and most well balanced, since it promotes enough the cross border financial development taking into account the promotion and protection of the natural resources and cultural heritage of the selected border areas, eliminating the significant negative environmental impacts. For the reasons which were analyzed above it is proposed that the financing remains as is.

4.8.2.8 Existing Environment Situation

4.8.2.8.1 Geography and Morphology

(167) The surface of the cross-border area of cooperation between Greece and the former Yugoslav Republic of Macedonia extends to 20,839km². The Greek region constitutes the 8% of total surface of Greece, while the former Yugoslav Republic of Macedonia region constitutes 39.7% of its total surface area.

(168) The eligible Greek region includes two administrative units, in levels of Regions: Central and Western Macedonia, four units in level of prefectures: Florina, Thessalonica, Kilkis, Pella and Serres. For the former Yugoslav Republic of Macedonia, the region includes four units in level of Municipalities, 12 regions (municipalities group) in NUTS IV level and 27 units in NUTS V level B (municipalities).

(169) In the cross-border region, the mountain Voras /Nidze prevails, and constitutes a natural border between the two states for a long border line.

The distribution of urban centres in the Greek side is linear, and the big cities are present along the road axis Florina - Thessalonica. Florina is the Eastern gate to the former Yugoslav Republic of Macedonia, Edessa, Giannitsa and Thessalonica are along this axis, with Thessalonica being the metropolitan center of the eligible region.

(170) Kilkis is located at the north sector of this axis and is the Eastern gate to the former Yugoslav Republic of Macedonia. The former Yugoslav Republic of Macedonia's urban centres are not distributed linearly, but rather in a S curve, the main urban centres are Bitola and Prilep gathered at the west end of the eligible region.

(171) The total surface of the transboundary region that is located in the former Yugoslav Republic of Macedonia extends 14.837km², which is equivalent to the 57.7% of the total surface of the country. the former Yugoslav Republic of Macedonia has many mountain chains followed by plains, three big natural lakes and Vardar (Axios) river that crosses the country and separates it into 2 distinctive parts.

(172) The former Yugoslav Republic of Macedonia is a south European country. The river Vardar, which crosses the country, it forms the main geographical axis of the trans-Balkan cooperation. Morana valley and the area around Vardar River is the most visited area and nearby is situated the urban region of the country. The central position of the country in the Balkan Peninsula and the geographic characteristics of region stimulate the collaboration with the neighboring countries and regions as well as the attendance in international activities and the country contribution in these activities.

(173) The cross-border region (29.259km²) includes important geomorphologic characteristics that influence the quantity and the quality of cooperation of at both sides borders.

Table 2-1: Extent - Distribution of territories

CROSS-BORDER REGION						
INDICATORS/ REGIONS	GREECE					the former Yugoslav Republic of Macedonia
	CROSS-BORDER REGION					CROSS-BORDER REGION
	Prefecture of Florina	Prefecture of Thessalonica	Prefecture of Kilkis	Prefecture of Pella	Prefecture of Serres	
Area (in km ²)	1.925	3.682	2.519	2.506	4.050	14.837km ²
Mountains (%)	74	35,6	35	59,4	10,8	
Flat (%)	26	64,4	65	40,6	20,4	
Forest (%)	25,9	10	17,1	23,5	29,1	38,2
Agricultural ground (%)	28,7	43,7	45,7	37,5	39,7	14,2

4.8.2.8.2 Protected Sites

(174) The study area presents a rich natural environment and important biodiversity. This is proven by the many regions and sites which are protected by the National and Community framework.

(175) The characterization of region as "NATURA 2000" takes place based on Council Directive 92/43/EEC "on the conservation of natural habitats and of wild fauna and flora".

(176) The natural environment of **Central Macedonia Region** is characterized by an important number of natural ecosystems and individual elements of nature, which present special environmental and ecological interest. The ground water resources are important and have cross-border character. The most important river is Axios/ Vardar (Prefectures of Kilkis and Thessalonica) and the most important lake is Doirani/ Dojran (Prefecture of Kilkis). Great renewable reserves of underground water have been identified east of mountain Paiko (in the zone from Edessa to Veria). The natural environment of Central Macedonia Region also features important water resources potential in general, but it also includes regions which have shortage of water resources.

(177) The **Western Macedonia Region** features many and rich ecosystems. All the lakes are important water reserves, while the mountains have important flora and fauna species. Two out of the ten National Parks of Greece are included in Western Macedonia Region. The most important National Park is Prespes Lakes which apart from being protected as a National Park has also been characterized as a region of special protection and a water reserve of international importance by Directive 79/409/EC. The flora and fauna of Prespes Lakes area is rich and in many cases includes rare species, which are unique worldwide.

(178) The most important hazards that threaten Prespes Lakes water reserve are: illegal hunting, modern fishing methods, the shrinkage of wet-fields (places of reproduction of fishes), the extension of irrigation works, the disposal of wastes from the nearby settlements, and the degradation due to the pesticides and fertilizers via the surface water flow. In addition Prefecture of Florina features lot of land reserves which have rare flora and fauna species many of which are threatened by extinction.

(179) The eligible area includes the following Natura 2000 sites:

Code	Name	Area (ha)
GR1220001	LAKES VOLVI AND LAGADA	16.388
GR1220002	AXIOS DELTA – ESTUARIES OF LOYDIAS – ALIAKMONA’S DELTA	11.808
GR1220003	RENTINA PASS	2.878
GR1220004	LAGOON OF EPANOMI	900

GR1220005	LAGOON OF AGELOHORI	800
GR1220006	FORMER LAKE LANTZA	2.875
GR1220007	AXIOS RIVER	7.700
GR1220008	SAINT TRINITY	116
GR1230001	PIKROLIMNI LAKE	1.087
GR1220002	AQUATIC FOREST OF MOURIES	530
GR1260001	KERKINI LAKE - KROUSIA – CRESTS OF MOUNTAIN BELES	72.000
GR1260002	ESTUARIES OF STRYMONAS RIVER	1.300
GR1260003	AI-YIANNIS	330
GR1260004	CRESTS OF MENOIKIO AND KOYSKOYRA MOUNTAINS	23.300
GR1260005	CRESTS OF ORVILOS MOUNTAIN	5.000
GR1260007	VRONTOU – LAILIA MOUNTAINS	6.800
GR1260008	ARTIFICIAL LAKE KERKINI	27.700
GR1240001	CRESTS OF VORA MOUNTAIN	38.917
GR1240002	TZENA MOUNTAIN	12.740
GR1240003	PAIKO MOUNTAIN	35.545
GR1240004	AGRA LAKE	1.480
GR1240005	APSALOU – MOLENITSA PASSAGES	6.048
GR1240006	AGRA'S LAKE AND DAM	1.390
GR 1210001	VERMIO MOUNTAIN	22.068
GR 1340001	PRESPE LAKES NATIONAL PARK	19.470
GR 1340003	VARNOUNTA MOUNTAIN	6.126
GR 1340004	VEGORITIDA – PETRES LAKES	12.077
GR 1340006	VERNON MOUNTAIN – VITSI CREST	8.194
GR 1210002	ALIAKMONAS PASSAGES	3.610

(180) With regard to in convention of RAMSAR, the eligible area includes the following sites:

- Lagada and Volvi lakes.

- Axios - Loudias - Aliakmonas Delta and Saltern of Kitrous.
- Small and Big Prespa Lakes.

(181) As far as it concerns environment, the most important issues are the following:

1. In many areas there is important environmental nuisance occurring from industrial pollution (which is high in many cases).
2. The environmental degradation of the international water resources (river Axios, Prespes and Doirani lakes).

(181a) Protected areas in the former Yugoslav Republic of Macedonia

The protected areas network in the former Yugoslav Republic of Macedonia includes 83 sites covering an area of about 7,4% of the territory and most of the protected areas are concentrated in the cross-border region.

In the eligible border region (Southwest, Pelagonia, Vardar and Southeast Region) 31 protected areas have been developed: 3 Strict Nature Reserves (SNR) - I category of IUCN; 2 National Parks (NP) - II category of IUCN; and 26 Natural Monuments (NM) – III category of IUCN (Annex). In the eligible area, protected areas of IV, V and VI category of IUCN have not been developed.

The eligible area includes the following important protected areas:

- SNR Ezerani proclaimed in 1996, covering an area of 2.080 ha. Ezerani covers the northern coastal area of Lake Prespa. It is the habitat of approximately 200 bird species.
- SNR Tikvesh proclaimed in 1997, covering an area of 10.650 ha.
- SNR Lokvi- Golemo Konjare, proclaimed in 2003, covering an area of 25 ha.
- NP Pelister established in 1948, covering an area of 12.500 ha.
- NP Galichitsa established in 1958, covering an area of 22.750 ha .
- Two tectonic lakes Ohrid and Prespa Lakes are protected as Natural Monuments since 1977. The Ohrid Lake is included on the UNESCO List of World Heritage (1979) and Prespa Lake is included in the Ramsar List (1995).
- Doyran Lake is protected as Natural Monument in 1977 and is included in the Ramsar List (2007).

4.8.2.8.3 Population - Demographic elements

(182) The demographic data which is presented regarding the eligible area of the former Yugoslav Republic of Macedonia is taken from the 2002 census. This data was used for the recent territorial division. The eligible area of the former Yugoslav Republic of Macedonia is the 57,7% of the total surface of the country, and in this area the 29,55% of the residents of the country, live.

(183) There is significant differentiation regarding the distribution of the population within the former Yugoslav Republic of Macedonia’s eligible area. The higher population density is found to municipalities which include an urban centre and have a relatively small extent (Ochrida, Monastery, Prilep, Geygeli, Stroygka and Stroymitsa). The rural municipalities, mainly in the southern part of country, have very low population density (Mogkila, Ntemir Kapigia, Nobatsi, Doiranis, Ntemir Chisar), this happens due to the significant immigration trends which are domestic (from rural in urban regions), and international.

(184) The total number of households in the eligible cross-border area of the former Yugoslav Republic of Macedonia, according to data of 2002 census, are 227.347, and the average value of inhabitants per household is 3,45.

(185) As far as it concerns the eligible Greek area, Prefecture of Thessalonica has a high population density, and the metropolitan area of Thessalonica has the highest. The age’s distribution presents a high density to the group of 15-64 years old, in the Greek eligible area.

Table 2-2: Demographic Data

Cross-Border Area						
INDICATORS/ REGIONS	GREECE					the former Yugoslav Republic of Macedonia
	REGION OF WESTERN MACEDONIA	REGION OF CENTRAL MACEDONIA				ELIGIBLE AREA OF the former Yugoslav Republic of Macedonia
	Prefecture Florina	Prefecture Thessalonica	Prefecture Pella	Prefecture Kilkis	Prefecture Serres	

Population 1991	53.147	946.864	138.761	81.710	192.219	305.344
Population 2001	54.768	1.057.825	145.797	89.056	200.916	597638
% of the Country	0,52	9,23	1,35	0,80	1,87	29,55
Increase of population (1991-2001)	3,05%	11,72%	5,07%	8,99%	4,52%	95,73%

(186) The Region of Central Macedonia, according to its population, is classified second among the 13 Regions of the country, having a population of 1.792.304 residents according to the estimation of the National Statistical Service of Greece for 1998. This population is equivalent to the 17,1% of the total population of the Greece. The rate of the population increase of the Region for the period 1993-98 was higher than the rate of increase of the population of the country (3,13% comparing to 1,56%), and over the double of the average population increase rate of the European Union. The high rate of the population increase took place due to the natural population increase, as well as due to the high number of immigrants that came to the region.

(187) The population density of the region of Central Macedonia is 93,6 residents per km² while 79,7 is the figure for the country. The urban population is equal to the 57% of the total population (1991) and has been approximately steady since 1981. The rural population is equal to the 26% of the total population and it is lower than in 1981, while the semi-urban population has increased and is equal to the 17% of the total. The rate of the population increase of the Region is one of the highest increase rates in Greece. This is confirmed by the official land planning study of the Region of Central Macedonia, where the increase for the period 1991 - 2001 was estimated between 6,8% and 24,3%, and for the period 1999 - 2011 between 23% and 37,7%.

(188) The population of Western Macedonia is 302.750 residents (National Statistical Service of Greece, 2001) and equals to the 2,9% of the total population of Greece. The increase rate of the population for the period 1993 - 1998 was 1,66%, slightly higher than the equivalent rate of Greece (1,56%). The population density of the Region equals to 32 residents per square kilometre while the figure for Greece is 79,7. The urban population equals to the 29% of total population, the semi-urban to the 15% and the rural to the 56% respectively.

(189) The Prefecture of Florina (which has capital the city of Florina) has population which equals to the 0,5% of the Greek population. The high rate of the population's reduction is progressively limited (births /1.000 residents: -0,8 in 1996, -0,2 in 1999). Between 1991 and

2001 the population of the prefecture was increased by 3,1% (according to data from the National Statistical Service of Greece).

(190) In the eligible area of the former Yugoslav Republic of Macedonia the population is 785.942 residents and is equal to the 29.55% of the total population of the former Yugoslav Republic of Macedonia. The population density is rather low in the wider region, and equals to 57.41 residents per km², while the figure for the former Yugoslav Republic of Macedonia is 78,66 residents per km².

4.8.2.8.4 Economic structure

(191) The primary sector for the Greek eligible area is well developed, specialized in products similar with those produced in the former Yugoslav Republic of Macedonia (apples, beans, potatoes, vines etc), fact that implies that treatment and exports are decreased. The livestock-farming does not present important increase in Greece, while it presents important increase in the eligible area of the former Yugoslav Republic of Macedonia.

(192) From the former Yugoslav Republic of Macedonia side, the cross-border area includes two of the most important agricultural regions. The first one is the plateau of Prespansko, in height of 880 meters above the sea. The second one is the region Bitolsko – Prilepsko which is the largest agricultural region in the former Yugoslav Republic of Macedonia and extends from the Greek borders up to the former Yugoslav Republic of Macedonia's geographic centre, covering 1.206km², or 4,7% of total country's surface, and 25% of the total flat county's surface.

(193) Next to the Bitolsko – Prilepsko region is the Mariovo region, the population of which is mainly employed to agriculture, livestock-farming and stock farming of horses. This region includes the areas between Bitolsko – Prilepsko and the Prefecture of Kavadarci, to with it has similar characteristics.

(194) Prefecture of Thessalonica is the most forceful productive pole in the entire Greek eligible area of the present Programme (16% of total secondary production of Greece). The investments of the secondary sector enterprises in the Prefecture of Florina after the important increase of period 1997-1999, decreased in 2000. In the Prefecture of Kilikis the 1,1% of total secondary production of Greece is produced, while in the Prefecture of Pella the 0,9% of total secondary production of Greece is produced.

(195) In the eligible area of the former Yugoslav Republic of Macedonia the industry is in a crisis since the traditional markets of Balkans are lost, and there does not exist a proper planning for the recovery of new markets. The 45% of the enterprises in the eligible area of the former Yugoslav Republic of Macedonia are dealing with the metal treatment sector.

(196) The eligible area of the former Yugoslav Republic of Macedonia is an important producer of energy, covering roughly the 80% of the total production of the country. The eligible area of Western Macedonia in Greece, is the energy centre of Greece (it covers the 80% of domestic needs).

(197) The improvement of the existing interconnection network of 400kV tension at the department of Monastery - Florina is essential in order for the system to acquire stability, for the exchange and the transport of energy to be allowed, as well as for the marketing of the electric power.

(198) The services sector is well developed in the former Yugoslav Republic of Macedonia including the financial organisations and the innovative technologies sector.

(199) On the contrary, there is not important development of tourist activities in the cross-border area, and the relevant supporting installations are relatively poor. Nevertheless, the development of alternative forms of tourism is observed, the support of which will further contribute to the economic development of the region.

4.8.2.8.5 Economy - Production

(200) The region of Central Macedonia of which's capital is Thessalonica, in year 2001 featured the 17% of the total Greek population and it produced the 17,3% of the Gross Domestic Product GDP of Greece. In the region of Central Macedonia the 16,5% of total agricultural production, the 20% of secondary production, and the 17% of services is produced.

(201) The per capita income (GDP) of the Region of Central Macedonia for 2001 was the 100,4% of the Greek average, and decreased from 1991, when the GDP was the 101% of the Greek average. The Greek GDP equals to the 73,7% of the European Union average, the GDP of Greece per resident should be equal to the 73,6% of the GDP average of the 25 member states EU. The declared income per taxpayer resident for 2003 was 11,2 thousand €.

(202) In the Region of Western Macedonia the per capita GDP equals to the 104,3% of the Greek average for 2001, and increased from 1989, when it was 103,6% of the Greek average. The GDP per resident of the Region for 2001 equals to 104,3% of Greek average and to the 75,4% of the average of the 25 member EU. According to the 2001 census the Region of Western Macedonia produces: 2,8% of GDP, 5,1% of the total agricultural production, 0,6% of the secondary production, 2,2% of the services, and contributes also in the energy sector, producing the 19% of the whole sector's production.

(203) In 2003, in the former Yugoslav Republic of Macedonia the 11,41% of its GDP occurred from agricultural activities, 20,84% from industrial activities, 5,38% from constructions, and 62,36% from services.

(204) The improvement of economy in the former Yugoslav Republic of Macedonia started in 2001, when the GDP decreased 4,5%. The per capita GDP of the former Yugoslav Republic of Macedonia for 2003 was 2.230 US Dollars.

(205) For the year 2003 the GDP was 4.105 millions of Euros, calculated according to the annual average exchange parity of Euro. During the 2001-2003 period the GDP was permanently increasing. During this period the portion of the manufacturing sector of the former Yugoslav Republic of Macedonia to the GDP decreased for 2002 and 2003 comparing to 2001. The portion of manufacturing sector to the GDP was: for 2001 (16,9%), for 2002 (15,5%) and for 2003 (15,8%).

(206) The last years, especially after the taking out of embargo in 1995, the commercial relations between Greece and the former Yugoslav Republic of Macedonia are continuously increasing, and the relations of the two countries are improved.

(207) Greece is one of the most important foreign investors in the former Yugoslav Republic of Macedonia, and for the year 2004 its investments exceed 262 millions Dollars.

(208) Over 50 Greek companies are active in the former Yugoslav Republic of Macedonia and it is estimated that there have been created more than 8.000 new employment places. There is an increase of the Greek investments in the former Yugoslav Republic of Macedonia, mainly in the sectors of: food and beverages, clothing (subcontracting), industry of cement, oil refinement, tobacco industry and mining industry as well as in the constitution of commercial enterprises.

4.8.2.8.6 Infrastructure

(209) The geographic position and the geomorphology of the Region of Western Macedonia isolate the region from the rest of the Greek country. Moreover, due to the meteorological conditions a significant part of the transport network remains inaccessible many times during the winter. As far as it concerns the road infrastructures, the most important factor is Egnatia road that crosses the Region from east to west, covering a distance of 123km.

(210) The completion of Egnatia road, and the construction of the vertical axis "Niki – Florina – Kozanif" which has direction from North to South, will help in the connection of Western Macedonia with Central Greece and the rest of Greece. The intraregional road network covers satisfactorily the needs of the Region. The railway network of Western Macedonia region is

insufficient and consists of a sole direction network which has 170km length. The area of Western Macedonia is served by two airports, Kastoria and Kozani.

(211) The region of Central Macedonia has shown important development to the international road, marine and air transports. The geographic position of the Region of Central Macedonia in relation to the significant road axes, the port and the airport of Thessalonica, make the whole area to have a preferential place regarding the interconnection with the Balkan countries, the European Union, and the Central Europe. After the completion of two important road axes (Patra – Athens – Thessalonica – Eidomeni, and Egnatia), the role and position of the Region of Central Macedonia is expected to significantly improve.

(212) The road axis, that passes through the prefecture of Thessalonica (56km) and from the prefecture Kilkis (32km), Egnatia Road that passes through the prefecture of Thessalonica, and also the vertical axis that passes through the prefecture of Serres and connects the Greek-Bulgarian borders (Promahonas) with Thessalonica, Egnatia, the port etc, will constitute comparative advantage not only for the two particular prefectures, but will also strengthen the connectivity with the Balkan countries and will increase the wider international importance of the wider region.

(213) As far as it concerns the inter-prefectural level, the road axes that pass through from Thessalonica are in a good condition while this does not always happen for the road connections of other urban centres of the Region to each other. Thessalonica is a transport interchange in international, national, and regional level, because of the convergence of the transport infrastructures (road, railway, sea and air). As far as it concerns the railway network, the region is served mainly by the Axis of Patra – Athens – Thessalonica – Eidomenis – Promahonas, which is divided in the following lines:

- Piraeus – Athens – Thessalonica – Eidomenis which connects the biggest cities of the country, Athens and Thessalonica, and is the main railway route of Greece. This route has length 594km (from which the 103km cross the prefectures Thessalonica and Kilkis) and is a department of the High Speeds European Network.
- Thessalonica – Strimonas / Rampant – Alexandroupoli – Ormenio which has length of 632km (from which the 133km cross the prefectures of Thessalonica and Serres). The route is part of the Tran European Networks.

(214) The railway network has important problems, mainly because of the poor infrastructure quality and the low speeds.

(215) Moreover, the presence of the port of Thessalonica, which is at a very important geographic position between East and West, makes the region the natural gate of the Balkan Peninsula and a nodal point for the transit trade of interior country.

(216) The density of the road network on the cross-border region of the former Yugoslav Republic of Macedonia is relatively low. Three cities have railway stations (Monastiri, Gevgeli and Prilep) and approximately the 16% of the domestic travels are done by train. The cross-border region of the former Yugoslav Republic of Macedonia is in strategic place, since it is placed on the European North-South corridor (Corridor 10, E75), having a road part of 4,2km length from Gevgeli of the former Yugoslav Republic of Macedonia up to the Greek borders.

(217) The main road direction in the former Yugoslav Republic of Macedonia is Corridor X, which has a direction from North to South with the following course: Tampanobtse (borders of the former Yugoslav Republic of Macedonia and Serbia) – Skopje – Mpegkoroditsa (borders of the former Yugoslav Republic of Macedonia and Greece) with the department C of Corridor X: Veles - Monastiri - Mentzitligia - Florina (via Egnatia road) on the borders of the former Yugoslav Republic of Macedonia with Greece.

(218) The railway network has a length of 925km, and its most important part is the line Belgrade – Thessalonica which crosses the former Yugoslav Republic of Macedonia.

(219) The health infrastructures in the Region of Central Macedonia are not in a satisfactory level. The relevant indicators have a low level, for the all prefectures of the Region. Prefecture of Thessalonica is an exception in which the relevant indicators have a high level, and has a satisfactory level of health infrastructures, with the most infrastructures found in the city of Thessalonica.

(220) More specifically, in 2001 in the Prefecture Thessalonica there were 11 public hospitals and 24 private clinics, giving a portion of 4 doctors per 1.000 residents, while the Prefecture Kilkis had 2 public hospitals and a portion of 2,7 doctors per 1.000 residents, and the Prefecture of Pella had 2 public hospitals and 4 private clinics and a portion of 1,3 doctors per 1.000 residents.

(221) The region of Western Macedonia is still lower than the average level of Greece. Despite the fact that Western Macedonia Region does not have a regional Hospital, the building infrastructures of health are in a satisfactory level. However the improvement of quality, operations, and the equipment of the health units is required. As well as reconstructing the operations of the primary health units. The infrastructures of health in the prefecture of Florina are consisted of a public hospital, health centres and a clinic, and Florina has a portion of 1,2 doctors per 1.000 residents.

(222) There is a Cross-Border Public Health Centre, which operates within the cross-border region, which is placed to Krystallopigi and mainly serves the cross-border region between Greece and Albania. The construction of a similar Public Health Centre for the service of cross-border needs of the programme is considered essential.

(223) The educational infrastructures in all the Region of Central Macedonia are not enough developed. The exception in the Region of Central Macedonia is again the Prefecture of Thessalonica, where the level of educational infrastructures is at a satisfactory level. At the cross border region of the former Yugoslav Republic of Macedonia the educational infrastructures do not have a satisfactory level.

(224) In the regions of the cross-border area of the former Yugoslav Republic of Macedonia some important educational institutions, as the University Saint Klementinos of Ochridas, the College of Agriculture at the city Mpitola, the University of Economic Sciences and the Institute of Tobacco at Prilep, are operating.

4.8.2.9 Assessment and Evaluation of the Programme's Impacts

(225) In this SEA environmental report the potential environmental impacts which will occur from the "*Greece – the former Yugoslav Republic of Macedonia IPA Cross-Border Programme*" implementation, are identified and assessed. The objective of this chapter is the qualitative, quantitative, territorial and time determination of the programme's implementation potential impacts. In this framework all the primary, secondary, cumulative, synergistic, short- middle-long term, permanent and temporary, positive and negative environmental impacts to the various environmental aspects of the cooperation area's environment, are identified and assessed.

(226) For the identification of its impacts, the programme is broken down to its priority axes and their measures. The impacts are identified on measure level, taking into account each measure's indicative activities and targets and their potential environmental impacts to the environmental aspects of the cooperation area. The environmental aspects are the following:

1. SOIL,
2. AIR,
3. WATER,
4. BIODIVERSITY - FLORA – FAUNA,
5. POPULATION – MATERIAL ASSET ELEMENTS,
6. CLIMATE PARAMETERS,
7. HUMAN HEALTH,
8. LANDSCAPE,
9. CULTURAL HERITAGE

(227) For the identification of the environmental impacts of each measure to the environmental aspects, a number of questions related to each aspect and the programme's objectives is answered. These questions can be found in the tables in the environmental impact assessment section. Based on these questions the types of impacts that the implementation of each measure might produce, are identified. The types of these impacts are the following:

- Positive impact: when the impact of the measure's activities to the environmental aspects is directly positive.
- Indirect positive impact: when the impact of the measure's activities to the environmental aspects is indirectly positive.
- Neutral impact: when the impact of the measure's activities to the environmental aspects is neutral.
- Indirect negative impact: when the impact of the measure's activities to the environmental aspects is indirectly negative.
- Negative impact: when the impact of the measure's activities to the environmental aspects is directly negative.

(228) Within the framework of the programme a number of works and activities will be implemented; the programme though does not fully designate these works and activities but just describes them. Thus, the evaluation of the environmental impacts which will occur by the programme's implementation is more qualitative than quantitative.

(229) The environmental impacts of each measure are identified and evaluated for the aforementioned 9 environmental aspects. There are comments for the identified impacts regarding each environmental aspect separately. At the end of the assessment/ evaluation of the environmental impacts of each measure for the 9 environmental aspects, there is a detailed analysis of the significant impacts which will occur, and there are also other measures proposed for the mitigation of the significant negative impacts and the enhancement of the positive impacts.

(230) The assessment of the overall impacts of the programme to the nine examined environmental aspects is presented in the following table. The table is extracted by providing scores to the direct and indirect positive or negative impacts of each measure of the priority axes in each environmental aspect. The scores have been provided according to the following rule:

- Positive impacts: +2 units
- Indirect positive impact: +1 unit
- Neutral impact: 0 units

- Indirect negative impact: -1 unit
- Negative impact: -2 μονάδες

(231) In the last vertical column, the total assessed impact for each environmental aspect is presented taking into account the measures in both priority axes. In the last horizontal column, the total impact in each priority axis is presented.

ENVIRONMENT ASPECT	PRIORITY AXIS 1	PRIORITY AXIS 2	TOTAL
Soil	4	6	10
Air	0	0	0
Water	2	8	10
Biodiversity-Flora-Fauna	5	20	25
Population – Material asset elements	22	7	29
Climate parameters	0	Q	2
Human Health	5	0	5
Landscape	3	4	7
Cultural Heritage	6	6	12
Total	47	53	100

(232) By assessing the environmental impacts of the programme, the following conclusions can be derived:

- The Programme is expected to have positive impact to the protection of the environment in the area of cooperation.
- The most important positive impacts can be found in the aspects: “Biodiversity – Flora – Fauna” and “Population – Material asset elements”. This is due to the activities that are expected to be implemented and which contribute directly or indirectly to the protection of the very important habitats that exist in the area, as well as of the rare flora and fauna species that live there. Activities that aim to the increase of the employment and the enhancement of the entrepreneurship of the area have the most important contribution in the second environmental aspect.
- No negative impact to the environment is expected by the implementation of the activities in the two priority axes.

- Priority Axis 2 is expected to have more positive environmental impacts than Priority Axis 1. This is due to measure 2.1, whose activities directly aim at the protection of the environment resulting to important positive contribution to all environmental aspects. In combination with other activities of other measures, the positive environmental impacts of this axis are additionally increased.

4.8.2.10. Measures to mitigate environmental impacts

(233) The main points that need to be addressed, so that the environmental effectiveness of the programme is enhanced and the maximum results are accomplished, are summarized below:

- Promotion of the maximum cooperation for the utilization of the programme's funds and development possibilities. In order for the maximum results to be achieved, the cross – border character of the programme must be utilized and priority should be given to activities that enhance the cooperation between the two countries, targeting to the joint facing of the environmental problems. This cooperation will result to the effective short and long-term improvement of the natural and human environment.
- Aim to the maximum cooperation on the sectoral strategies and the regional programmes of Greece and the former Yugoslav Republic of Macedonia. Both the limited available resources of the programme and the cross – border character demand the implementation of supplementary actions by sectoral and regional strategies. In this framework, and especially for the environmental sector, the maximum possible synergy with the business programmes of the new programming period must be investigated.
- Focus on the special environmental needs of the cooperation area. Before the funding of the activities, the intervention sectors of the programme must be set, focusing on the needs of the area.
- Aim to the best result through the assessment of the costs and benefits of the proposed projects. It is very important to assess as many as possible parameters during the selection of the proposals, so as to fund actions that will bring the best results.
- Evaluation of the spatial disparities that are detected in the area during the selection of the projects that will be funded, aiming to the development of the less developed parts of the cooperation area. Through this direction, the maximum utilization of the funds will be accomplished and the strategic objectives of the programme will succeed.

- Aim to exchange best practices and methods. The cross – border cooperation may contribute to the exchange of know-how between the two countries. This exchange is very important for the development of new business sectors and the competitiveness improvement in the area, securing the economic development and increasing employment. The transfer of best practices is of great importance, especially in cases where one country is more developed than the other.
- Use of the existing infrastructures and human scientific resources of the cooperation area.
- Full implementation of the European and national legislative framework regarding the environmental licensing of projects and activities which are included in the field of the programme.

(234) More specifically, the activities that must be promoted, in order to increase the environmental effectiveness of the programme and achieve the maximum results, for each priority axis (for priority axes 1 and 2) are summarized below:

(235) *Priority 1: "Enhancement of cross border economic development"*

- Promotion of actions related to entrepreneurship activities and adaptation of production methods friendly to the environment. Also promotion of actions that implement pollution prevention technologies or apply measures of environmental management improvement.
- Aim to implement activities that enhance the environmental effectiveness and management of companies, though the implementation of Environmental Management Systems, such as the European Eco-Management and Audit Scheme (EMAS), the international standard for environmental management EN ISO 14001, award schemes for environmental friendly products and services (eco-label).
- Promotion of: energy saving activities in enterprises, investments for renewable energy sources and plans of rational energy use.
- Promotion of the implementation of green procurement by the business sector.
- Promotion of activities that raise the awareness of people in fields, such as environmental protection, renewable energy sources, prevention of natural disasters.
- Enhancement of the cooperation between academic institutes and promotion of activities that contribute to natural environment conservation and improvement.
- Enhancement of employment and economic development in the cooperation area, through activities that promote the training of women and minorities.

- Promotion of the cooperation between NGOs and other bodies or federations, so as the exchange of know-how and information is enhanced.
- Providing motives to the local stakeholders and enterprises in order to develop sustainable tourism activities. Implementation of dissemination activities of sustainable tourism to local communities and to both countries in order to attract tourists and investments.
- Combination of activities that apart from contributing to the protection of human health and the achievement of the project's objectives also contribute directly or indirectly to the protection of the environment (for example, for the development of mobile cross/ border Primary Health Care special attention could be given on the environmentally friendly management of the produced waste that is considered infectious).
- With regard to the provided health services and the communication of the health centres with the patients, priority should be given in activities that promote the provision of medical services through the use of IT technology and electronic correspondence (resulting to reduction of generated waste and increase of the effectiveness and the time efficiency of the provided services).

(236) *Priority 2: "Enhancement of the environmental resources and cultural heritage of the eligible border area"*

- Special priority must be given to activities that aim to the protection and promotion of habitats and the coordination of public bodies in issues of environmental planning.
- Enhancement of activities that concern the protection and sustainable management of cross border water resources.
- Promotion of activities that concern the sustainable management of waste, since they may contribute to: the conservation and protection of the natural environment, the improvement of the quality of life in the cooperation area and the sustainable development of the area in general. Special emphasis should be given on activities that aim to the application of new European policies in the field of waste management or in waste management plans that focus on issues of waste prevention, re use, and recycling.
- Promotion of activities within the framework of enhancing cultural, natural and architectural heritage
- Promotion of building reconstruction, and infrastructure development activities, in a way that they will be incorporated to the area landscape and their construction will not cause negative impacts to the environment and the landscape.

- Promotion of tourism activities, which are consistent to the protection of the natural and cultural heritage of the area.

4.8.2.11 Environmental Monitoring System

(237) The monitoring of the CBC Programme Greece – the former Yugoslav Republic of Macedonia is one of the main factors for the successful implementation of the Programme and one of the main requirements of the European Directive 2001/42/EC and the Hellenic Common Ministerial Decision 107017/28.8.2006. The monitoring of the Programme and of its environmental impacts should be ensured at all stages in order to identify immediately and deal with the non conformities. This is important in order to undertake all the necessary corrective activities, if required.

(238) The correct choice of the indicators is an essential precondition for the successful monitoring of the Programme. The indicators will contribute to the evaluation of the programme's results. The proposed indicators are specific and quantitative and can be monitored during the approval of the projects.

Measure	Environmental Indicators	Unit
1.1. Enhancement of Entrepreneurship	Environmental-friendly enterprises	Number of enterprises
	Certified enterprises or enterprises that produce or have certified products or procedures	Number of enterprises
1.2. Enhancement of human resources	Increase of employment	Number or percentage (%) of increase of new jobs
	Increase of the women employment	Number or percentage (%) of increase of new jobs
	Increase in the employment of disadvantage groups	Number or percentage (%) of increase of new jobs
	Organisation of environmental training activities	Number of events/ training activities
Number of participants		

	Organisation of environmental events/ fairs	Number of events
		Number of participants
	Implementation of environmental programmes	Number of programmes
		Protected Area (sq. Kms)
1.3. Sustainable Tourism	Organisation of training programmes for the sustainable tourism	Number of programmes
		Number of trainees
	Development of eco-tourist actions	Number of activities
		Number of visitors
	Development of environmental certificates	Number of certificates developed
		Number of enterprises/ organizations developed
	Developed of tools and networks for sustainable tourism	Number of tools/ networks developed
		Number of people that have access to them
1.4. Protection of human health	Protection of public health from environmental factors	Protected Population
2.1. Promote and protect the environmental resources of the area	Solid waste management	Number of plans or management systems
	Protection of important habitats	Protected Area (sq. Kms)
		Number of protected species
	Protection from natural disasters	Number of plans implemented
	Implementation of cross border projects considering environmental impacts	Number of cross border EIA's
	Organisation of environmental training activities	Number of training events /activities
		Number of participants

	Implementation of plans for sustainable urban development	Area (sq. Kms) restored /rehabilitated
2.2.Promote and protect the natural and cultural heritage of the area	Protection of natural and cultural monuments	Number of monuments protected
		Protected Area (sq. Kms)
	Implementation of cultural programmes	Number of programmes
	Development of tools for sustainable tourism	Number of tools
Number of people that have access to them		

5 Priorities and Measures

(239) The structure of the programme consists of **two Priorities** with **six Measures**. Priorities 1 and 2 are oriented towards Lisbon as well as Gothenburg principles and take into consideration the cross cutting issues of equal opportunities, genuine cross-border co-operation and sustainability.

(240) Additionally a Priority 3 "Technical Assistance" is foreseen.

5.1 Priority 1: "Enhancement of cross-border economic development"

(241) Context: Cross-border co-operation in the programme area has an advantageous starting point due to the positive experiences, the vivid economic relations and the geographical position on the crossroads of important European connections. With high quality export-oriented agriculture and a large potential for sustainable tourism, the area disposes over significant assets in the drive for economic development. Those strong points are escorted by the availability of high quality education centres. On the negative side, large socio-economic disparities, declining rural areas, obsolete sectors and the dominance of adjacent metropolitan centres limit the development of the endogenous potential. The Programme can intervene in providing the missing links for facilitating the transfer of know-how from the more advanced areas and sectors, hence addressing internal disparities, and the co-ordination of activities thus addressing the request for convergence. Important pillars in this effort are the common intervention in the field of human resources and skills as a long-term guarantee for self-sustained economic development, and the promotion of

sustainable tourism as an opportunity of using the programme area's unique and "immovable" comparative advantages. Last but not least, the pro-active (e.g. in disease control) and re-active (e.g. through medical emergency systems) protection of human life are important prerequisites in an area where agriculture and tourism are regarded to be crucial elements for economic development.

(242) Objective: Priority 1: "Enhancement of cross-border economic development" aims to promote sustainable economic development through common interventions and facilitate cross-border reciprocal relations. Priority 1 will be implemented via four Measures focusing on economic development (M 1.1), enhancement of human resources (M 1.2), the development of sustainable tourism (M 1.3) and the protection of human life (M 1.4).

(243) Indicative Beneficiaries: Priority 1 is directed mainly towards chambers of commerce, professional associations, local self-government and related public bodies, ministries and central state bodies with regional competences, education and research institutes, museums and cultural institutes, health institutions, non-governmental organisations and regional authorities. As a general rule, possible applicants are public or public equivalent bodies implementing activities of non-profit character. However the Programme remains objective-driven, meaning that all projects implemented contribute to the objectives. Hence all eligible beneficiaries are welcomed to participate and are evaluated based on the virtue of their project proposals and contributions.

(244) Measure 1.1 "Economic Development" aims to support interventions facilitating the development of cross-border economic activities through the use of existing potential and emerging opportunities.

(245) Potential indicative activities are:

- Development of public services for activities for the facilitation of cross-border trade and investment;
- Development of joint actions for professional bodies and chambers including common events and fairs;
- Support for research activities and studies for the facilitation of cross-border trade and investment;
- Development of cross-border databases and business partner search facilities;
- Enhancement of research and development facilities and connections to existing enterprises;
- Development of a regional identity for the promotion of local products;
- Promotion of e-business and e-solutions making use of WLAN development (one stop shops at the municipal level);

- Improvement of cross-border control points and improvement of safety procedures linked to mobility of persons, capital and goods;
- Connection and presence of municipalities to the economic development and innovation zones of urban areas and the attraction of external investment.

(246) Measure 1.2 "Enhancement of Human Resources" aims to support interventions which upgrade the professional skills of the local population, thus reacting to the demand of the border area, providing opportunities for employment and encountering migration.

(247) Potential indicative activities are:

- Co-operation of universities and education institutes for the development of common courses for students and professionals;
- Development of vocational training and qualifications for women and disadvantaged groups;
- Development of life-long learning concepts;
- Enhancement of student mobility;
- Development and intensification of the relations between NGOs and companies.

(248) Measure 1.3 "Promote Sustainable Tourism" aims to support common cross-border activities supporting tourism and using the existing natural and cultural heritage.

(249) Potential indicative activities are:

- Development of eco-tourism alternatives related to sites of geothermal springs, outdoor activities, mountaineering and winter sports facilities in the mountain areas, including improvements of small scale facilities;
- Development of training and awareness programmes and regional certificates in the fields of sustainable tourism;
- Development of tourism networks and information platforms on targeted tourism activities;
- Development of thematic clusters and trails; (for example: linking different outdoor activities, or development and promotion of routes of different guilds' heritage)
- Development of joint tourism territorial planning;
- Development of a regional brand name and joint marketing initiatives;
- Development of standards for services, common billing systems, common training etc.

(250) Measure 1.4 “Protect human life” aims to support interventions which protect public health, minimise the impact of the borderline in health services provision and facilitate the common use of health facilities.

(251) Potential indicative activities are:

- Development of mobile cross/border Primary Health Care;
- Development of health related cross-border databases;
- Improvement of the quality of services provided and access of local population to Cross-Border Health Centres;
- Prevention, control of and research on infectious and epidemic diseases;
- Development of links for the local and central health services and “Search and Rescue” for joint response to health emergencies;
- Support to the use of new technologies and ICT in cross-border co-operation in the health sector.

5.2 Priority 2: “Enhance the environmental resources and cultural heritage of the programme area”

(252) Context: The programme area is characterised by rich and valuable ecosystems and landscapes. This natural environment has provided the setting for the development of long-standing cultural traditions and a lively living culture. These strong points of the programme area are important pillars in the quality of life and also accelerators of economic and social development. On the other hand, the area has growing urban areas and industrial clusters which put heavy pressure on both the cultural and natural environment and especially water resources. National borders pose an additional obstacle in the protection of the environment, making the co-ordination of actions difficult. Exactly at this point the Programme can offer an invaluable contribution induced by its very cross-border nature. The EU focus on environmental protection as an indispensable quality of life factor and the drive for co-ordination and harmonisation of actions (e.g. as outlined in the Water Framework Directive) and the widespread public support for environmental protection offer an encouraging framework for cross-border co-operation. Simultaneously cultural heritage is interwoven with the request for closer cross-border relations and the promotion of sustainable tourism. The protection of cultural heritage can be twofold. On the one hand it can focus on the protection and promotion of cultural monuments of the past but on the other hand it can act as a bridge between the living cultures of our times. Cross-border co-operation in the field of culture can contribute to broadening perspectives for cross-border co-operation, to better understanding of cultural differences and similarities in the programme area, and to presenting the diverse cultural richness to the wider European audiences.

(253) Objective: Priority 2 aims to promote common actions for the protection of the environment and the mobilisation of natural and cultural heritage. Priority 2 will be implemented via two Measures focusing on the promotion and protection of environmental resources (M 2.1) and the natural and cultural heritage of the area (M 2.2).

(254) Indicative Beneficiaries: Priority 2 is directed mainly towards chambers, professional associations, local self-government and related public bodies, ministries and central state bodies with regional competences, public utilities enterprises, education and research institutes, museums and cultural institutes, health institutions, protected areas management bodies, natural parks, non governmental organisations and regional authorities. As a general rule, possible applicants are mainly public or public equivalent bodies implementing activities of non-profit character. However the Programme remains objective-driven, meaning that all projects implemented contribute to the objectives. Hence all eligible beneficiaries are welcomed to participate and are evaluated based on the virtue of their project proposals and contributions.

(255) Measure 2.1 "Promote and protect the environmental resources of the area" aims to support interventions that protect the environment and mitigate the environmental impacts related to economic development.

(256) Potential indicative activities are:

- Co-ordination in improving the water quality of Axios/Vardar river and Doirani/Dojran and Prespa lakes;
- Implementation of transboundary environmental impact assessments;
- Development of joint waste management plans and systems
- Development links in the cross-border environmental planning of the involved public bodies;
- Co-operation in the fields of protected areas and NATURA 2000 sites;
- Co-ordination and joint training of natural hazards response mechanisms;
- Development of innovative approaches in land use and urban development especially around brownfields, environmental hotspots and envisaged development zones.

(257) Measure 2.2 "Promote and protect the natural and cultural heritage of the area" aims to support interventions that protect and mobilise the natural and cultural resources as means for a locally-driven sustainable development while safeguarding the natural and cultural heritage from impacts related to economic development.

(258) Potential indicative activities are:

- Promotion and upgrade of natural and cultural monuments including religious monuments, traditional and listed buildings, historical and archaeological sites;
- Development of ICT tools for the promotion and protection of natural and cultural monuments;
- Development of common tools in the fields of protection and restoration of cultural landscapes;
- Combination of local craftsmanship and cultural tourism;
- Promotion of local architecture;
- Development of thematic clusters and trails (e.g. festivals, wine, monasteries) in connection with cultural activities;
- Development of innovative approaches in leisure and recreation settlements and culturally sensitive areas.

5.3 Priority 3: Technical Assistance

(259) Priority 3 on Technical Assistance includes activities which

- Secure the core management for the implementation of the programme (of the programme preparation, management, monitoring, evaluation, information and publicity, and auditing);
- Implement accompanying actions to support the generation and implementation of high quality, result oriented cross-border projects and partnerships.

(260) As outlined in detail in Chapter 8 (Implementing Provisions) Technical Assistance will focus on activities necessary for the effective management and implementation of the programme. Technical Assistance should also provide for programme implementation documents that clarify details for the implementation of the programme. Last but not least Technical Assistance funds should also be earmarked to provide environmental monitoring of the Programme, if existing monitoring measures are considered inadequate (in accordance with the SEA report).

(260a) Activities covered by TA should be elaborated using the project management approach, including: objective, activities, target groups, costs. TA costs have to be previously approved by the Joint Monitoring Committee. Costs have to respect the Programme eligibility rules and procedures and shall be the subject of regular control by the joint Programme management bodies.

6 Publicity and Visibility

(261) In accordance with Article 62 and 63 of the IPA Implementing Regulation, the Managing Authority of the Programme will provide and guarantee for its publicity and its visibility. The information provided shall be addressed to all citizens and beneficiaries with the aim of highlighting the role of the Community and ensure that assistance from the Funds is transparent.

(262) Publicity and its visibility on the Programme will be provided by:

- Publication of full information on the Programme on the Programme website;
- Publication of short information on the Programme in brochures and leaflets;
- Generation of annual and final reports for the Commission;
- Implementation of information activities and events including regional and local stakeholders related to project development and implementation;
- Implementation of information activities and events related to management, monitoring and evaluation of the Programme.

(263) A Communication Plan will be elaborated by the Managing Authority, providing all interested potential applicants at local or regional level with information on the Programme as well as on the relevant funding instruments. The Communication Plan will be approved by the Joint Monitoring Committee.

7 Financial Tables

7.1 Annual commitment in the programme

Table 113: Annual commitment in the programme (in Euro):

Year	EU contribution for actions within Member State	EU contribution for actions within non Member State
2007	0	785,021
2008	3,281,124	1,341,208
2009	2,262,342	1,466,040
2010	2,307,590	1,495,361
2011	2,353,741	1,525,268
2012	2,400,816	1,555,773
2013	2,448,832	1,586,889
Total 2007-2013	15,054,445	9,755,560

7.2 Indicative breakdown by priority axes and by year

Table 14: Priority axes by source of funding (in euros)

PRIORITIES	Greece				the former Yugoslav Republic of Macedonia				
	Community funding	National funding	Total funding	Rate of Community contribution	Community funding	National funding	Total funding	Rate of Community contribution	
	(a)	(b)	(c)=(a)+(b)	(d) = (a)/(c)	(a)	(b)	(c)=(a)+(b)	(d) = (a)/(c)	
2007	Priority 1				314,008	55,413	369,421	85%	
	Priority 2				392,511	69,267	461,778	85%	
	Priority 3				78,502	13,853	92,355	85%	
	TOTAL				785,021	138,533	923,554	85%	
2008	Priority 1	1,312,449	437,483	1,749,932	75%	536,483	94,674	631,157	85%
	Priority 2	1,640,563	546,854	2,187,417	75%	670,604	118,342	788,946	85%
	Priority 3	328,112	109,371	437,483	75%	134,121	23,668	157,789	85%
	TOTAL	3,281,124	1,093,708	4,374,832	75%	1,341,208	236,684	1,577,892	85%
2009	Priority 1	904,937	301,646	1,206,583	75%	586,416	103,485	689,901	85%
	Priority 2	1,131,171	377,057	1,508,228	75%	733,020	129,356	862,376	85%
	Priority 3	226,234	75,411	301,645	75%	146,604	25,872	172,476	85%
	TOTAL	2,262,342	754,114	3,016,456	75%	1,466,040	258,713	1,724,753	85%

Greece/the former Yugoslav Republic of Macedonia IPA Cross-Border Programme

2010	Priority 1	923.036	307.679	1.230.715	75%	598.144	105.555	703.699	85%
	Priority 2	1.153.795	384.598	1.538.393	75%	747.681	131.944	879.624	85%
	Priority 3	230.759	76.920	307.679	75%	149.536	26.389	175.925	85%
	TOTAL	2.307.590	769.197	3.076.787	75%	1.495.361	263.887	1.759.248	85%
2011	Priority 1	941.496	313.832	1.255.329	75%	610.107	107.666	717.773	85%
	Priority 2	1.176.871	392.290	1.569.161	75%	762.634	134.582	897.216	85%
	Priority 3	235.374	78.458	313.832	75%	152.527	26.916	179.443	85%
	TOTAL	2.353.741	784.580	3.138.321	75%	1.525.268	269.165	1.794.433	85%
2012	Priority 1	960.326	320.109	1.280.435	75%	622.309	109.819	732.128	85%
	Priority 2	1.200.408	400.136	1.600.544	75%	777.887	137.274	915.161	85%
	Priority 3	240.082	80.027	320.109	75%	155.577	27.455	183.032	85%
	TOTAL	2.400.816	800.272	3.201.088	75%	1.555.773	274.548	1.830.321	85%
2013	Priority 1	979.533	326.511	1.306.044	75%	634.756	112.016	746.771	85%
	Priority 2	1.224.416	408.139	1.632.555	75%	793.445	140.020	933.464	85%
	Priority 3	244.883	81.628	326.511	75%	158.689	28.004	186.693	85%
	TOTAL	2.448.832	816.277	3.265.109	75%	1.586.889	280.039	1.866.928	85%
Grand Total	15.054.445	5.018.148	20.072.593	75%	9.755.560	1.721.569	11.477.129	85%	

8 Implementing provisions

8.1 introduction

(264) In line with Article 98 of the Commission Regulation (EC) No 718/2007 of 12 June 2007 implementing Council Regulation (EC) No 1085/2006 establishing an instrument for pre-accession assistance (IPA) the IPA Greece-the former Yugoslav Republic of Macedonia Cross-border Programme is going to be implemented under the transitional arrangements. The programme may be converted during the programming period into an integrated mode if agreed by the participating countries and the European Commission.

(265) The structures of the programme are:

- a single Managing authority,
- a single Certifying authority
- a single Audit authority
- a Joint Monitoring Committee
- a Joint Steering Committee and
- a Joint Technical Secretariat

(266) After the conferral of management powers by the European Commission to the beneficiary country, the latter shall establish the following decentralised management structures (Article 21 of the IPA Implementing Regulation):

- a national IPA co-ordinator,
- a National Authorising Officer as Head of the National Fund,
- a National Fund,
- an Operating Structure (with Implementing agency)
- an Audit Authority

8.2 Managing Authority

(267) The Managing Authority of CIP INTERREG at the Ministry of Economy and Finance, Thessaloniki, Greece is designated as the Managing Authority of the IPA Cross-border Programme.

(268) The Managing Authority shall be responsible for managing and implementing the IPA Cross-border Programme in accordance with the principle of sound financial management and in particular for:

- ensuring that operations are selected for funding in accordance with the criteria applicable to the IPA Cross-border Programme and that they comply with applicable Community and national rules for the whole of their implementation period. In particular, the Managing Authority shall:
 - ✓ ensure that beneficiaries are informed of the specific conditions concerning the products or services to be delivered under the operation, the financing plan, the time limit for execution and the financial and other information to be kept and communicated;
 - ✓ satisfy itself that the beneficiary has the capacity to fulfil these conditions before the approval decision is taken;
 - ✓ ensures that the evaluation procedure took place in accordance with the terms of the call for proposals, including the approved criteria for the selection of operations;
- ensuring that there is a system for recording and storing in computerised form accounting records for each operation under the IPA Cross-border Programme and that the data on implementation necessary for financial management, monitoring, verifications, audits and evaluation are collected;
- ensuring that the expenditure of each beneficiary participating in an operation has been validated by the controller referred to in Article 108 (Regulation (EC) No 718/2007.);
- ensuring that the operations are implemented according to the public procurement provisions referred to in Article 121(Regulation (EC) No 718/2007.);
- ensuring that beneficiaries and other bodies involved in the implementation of operations maintain either a separate accounting system or an adequate accounting code for all transactions relating to the operation without prejudice to national accounting rules;
- ensuring that the evaluations of the IPA Cross-border Programme are carried out in accordance with Article 109(Regulation (EC) No 718/2007.);
- setting up procedures to ensure that all documents regarding expenditure and audits required to ensure an adequate audit trail are kept available for the Commission and the Court of Auditors for a period of three years following the closure of the programme and in accordance to Article 134(Regulation (EC) No 718/2007.);

- ensuring that the Certifying Authority receives all necessary information on the procedures and verifications carried out in relation to expenditure for the purpose of certification;
- guiding the work of the Joint Monitoring Committee and providing it with the documents required to permit the quality of the implementation of the IPA Cross-border Programme to be monitored in the light of its specific goals;
- drawing up and, after approval by the Joint Monitoring Committee, submitting to the Commission the annual and final reports on implementation referred to in Article 112;
- ensuring compliance with the information and publicity requirements laid down in Article 62 (Regulation (EC) No 718/2007.);
- drawing up proposals for the review of the Programme and submitting them to the Joint Monitoring Committee for approval;
- supervising the work of the Joint Technical Secretariat

(269) The Managing Authority shall lay down the implementing arrangements for each operation, where appropriate in agreement with the lead beneficiary.

8.3 Certifying Authority

(270) The Paying Authority for the CSF, the Community Initiatives and the Cohesion Fund at the Ministry of Economy and Finance is designated as the Certifying Authority of the IPA Cross-border Programme.

(271) The Certifying Authority of the IPA Cross-border Programme shall be responsible in particular for:

- (a) drawing up and submitting to the Commission certified statements of expenditure and applications for payment;
- (b) certifying that:
 - ✓ the statement of expenditure is accurate, results from reliable accounting systems and is based on verifiable supporting documents;
 - ✓ the expenditure declared complies with applicable Community and national rules and has been incurred in respect of operations selected for funding in accordance with the criteria applicable to the programme and complying with Community and national rules;
- (c) ensuring for the purposes of certification that it has received adequate information from the Managing Authority on the procedures and verifications carried out in relation to expenditure included in statements of expenditure;

- (d) taking account for certification purposes of the results of all audits carried out by or under the responsibility of the Audit Authority;
- (e) maintaining accounting records in computerised form of expenditure declared to the Commission. The Managing Authority and the Audit Authority shall have access to this information. At the written request of the Commission, the Certifying Authority shall provide the Commission with this information, within ten working days of receipt of the request or any other agreed period for the purpose of carrying out documentary and on the spot checks;
- (f) keeping an account of amounts recoverable and of amounts withdrawn for Greek beneficiaries following cancellation of all or part of the contribution for an operation. Amounts recovered shall be repaid to the general budget of the European Union prior to the closure of the IPA Cross-border Programme by deducting them from the next statement of expenditure;
- (g) sending the Commission, by 28 February each year, a statement, identifying the following for each priority axis of the cross-border programme:
 - (i) the amounts withdrawn from statements of expenditure submitted during the preceding year following cancellation of all or part of the public contribution for an operation;
 - (ii) the amounts recovered which have been deducted from these statements of expenditure;
 - (iii) a statement of amounts to be recovered as at 31 December of the preceding year classified by the year in which recovery orders were issued
- (h) receiving Community contribution payments that correspond to the Greek beneficiaries within the IPA Cross-border Programme from the Commission and making payments to Greek lead beneficiaries as quickly as possible and in full;
- (i) ensuring that any amounts unduly paid are recovered by Greek lead beneficiaries. Greek beneficiaries shall return to the Greek lead beneficiary unduly paid amounts on the basis of the agreement existing between them;
- (j) submitting to the Commission provisional forecasts of likely applications for payment in accordance with article 122 of Regulation (EC) No 718/2007.

8.4 Audit Authority

(272) The Financial Audit Committee (EDEL) at the Ministry of Economy and Finance – Secretariat General for Fiscal Policy (General Accounts of the State) is designated as the Audit Authority for the IPA Cross-border Programme. The Financial Control Committee consists of seven members and is independent of the Managing and Certifying Authorities.

The Audit Authority of the IPA Cross-border Programme shall be responsible in particular for:

- (a) ensuring that audits are carried out to verify the effective functioning of the management and control system of the IPA Cross-border Programme;
- (b) ensuring that audits are carried out on operations on the basis of an appropriate sample to verify expenditure declared;
- (c) by 31 December each year from the year following the adoption of the IPA Cross-border Programme to the fourth year following the last budgetary commitment:
 - (i) submitting to the Commission an annual control report setting out the findings of the audits carried out during the previous 12 month period ending on 30 June of the year concerned and reporting any shortcomings found in the systems for the management and control of the Programme. The first report, to be submitted by 31 December of the year following the adoption of the IPA Cross-border Programme, shall cover the period from 1 January of the year of adoption to 30 June of the year following the adoption of the Programme. The information concerning the audits carried out after 1 July of the fourth year following the last budgetary commitment shall be included in the final control report supporting the closure declaration. This report shall be based on the systems audits and audits of operations carried out under point (a) and (b);
 - (ii) issuing an opinion, on the basis of the controls and audits that have been carried out under its responsibility, as to whether the management and control system functions effectively, so as to provide a reasonable assurance that statements of expenditure presented to the Commission are correct and as a consequence reasonable assurance that the underlying transactions are legal and regular;

When a common system applies to several IPA Cross-border Programmes, the information referred to in point (i) may be grouped in a single report, and the opinion and declaration issued under point (ii) may cover all the IPA Cross-border Programmes concerned;

- (d) submitting to the Commission at the latest by 31 December of the year following the last budgetary commitment a closure declaration assessing the validity of the application for payment of the final balance and the legality and regularity of the underlying transactions covered by the final statement of expenditure, which shall be supported by a final control report. This closure declaration shall be based on all the audit work carried out by or under the responsibility of the Audit Authority.

(273) The Audit Authority shall ensure that the audit work takes account of internationally accepted audit standards.

Where the audits and controls referred to in points (a) and (b) are carried out by a body other than the Audit Authority, the Audit Authority shall ensure that such bodies have the necessary functional independence.

(274) If weaknesses in management or control systems or the level of irregular expenditure detected do not allow the provision of an unqualified opinion for the annual opinion referred to in point (c) or in the closure declaration referred to in point (d), the Audit Authority shall give the reasons and estimate the scale of the problem and its financial impact.

Group of Auditors

(275) The Audit Authority for the IPA Cross-border programme shall normally be assisted by a group of auditors comprising a representative of each country participating in the IPA Cross-border Programme carrying out the duties provided for in Article 105 (Regulation (EC) No 718/2007.)

(276) However, as this programme will be implemented under the transitional arrangements, and the Audit Authority will be responsible only for expenditure within Greece, a Group of Auditors is not required in this case. Nevertheless, such a Group may be established in order to ensure an appropriate exchange of information and good practice between the participating countries.

Audits of operations

(277) The audits referred to in Article 105(1)(b) - Regulation (EC) No 718/2007, shall be carried out each twelve-month period from 1 July of the year following the adoption of the IPA Cross-border Programme on a sample of operations selected by a method established or approved by the Audit Authority in agreement with the Commission.

(278) The audits shall be carried out on the spot on the basis of documentation and records held by the beneficiary.

(279) The participating countries shall ensure the appropriate repartition of those audits over the implementation period.

(280) The audits shall verify that the following conditions are fulfilled:

- (a) the operation meets the selection criteria for the IPA Cross-border Programme and has been implemented in accordance with the approval decision and fulfils any applicable conditions concerning its functionality and use or the objectives to be attained;

- (b) the expenditure declared corresponds to the accounting records and supporting documents held by the beneficiary;
- (c) the expenditure declared by the beneficiary is in compliance with Community and national rules;
- (d) the public contribution has been paid to the beneficiary in accordance with Article 40(9).

(281) Where problems detected appear to be systemic in nature and therefore entail a risk for other operations under the IPA Cross-border Programme, the Audit Authority shall ensure that further examination is carried out, including additional audits where necessary, to establish the scale of such problems. The necessary preventive and corrective action shall be taken by the relevant authorities.

(282) No less than 5% of the total expenditure declared by lead beneficiaries and certified to the Commission in the final statement of expenditure shall be audited before the closure of an IPA Cross-border Programme.

8.5 Joint Technical Secretariat

(283) The Managing Authority, after consultation with the Operating Structure in the former Yugoslav Republic of Macedonia, shall set up a Joint Technical Secretariat (Article 102, IPA Implementing Regulation 718/2007).

(284) The Joint Technical Secretariat will be located in Thessaloniki, Greece.

(285) An Antenna, will be located in Bitola, the former Yugoslav Republic of Macedonia

(286) The Joint Technical Secretariat (JTS) shall assist the Managing Authority, the Operating Structure, the Joint Monitoring Committee and the Joint Steering Committee in carrying out their respective duties. Moreover, it may assist the Audit Authority to organise the meetings of the Group of Auditors, if such a Group is established.

(287) The responsibilities of the JTS of the IPA Cross-border Programme are in particular as follows:

1. assists the MA and the Operating structure in organising the meetings of the Joint Monitoring Committee and the Joint Steering Committee and provides all necessary documents to ensure the quality of the implementation of the IPA Cross-border Programme in the context of its specific goals by:
 - organising the meetings of the Joint Monitoring Committee and the Joint Steering Committee;
 - preparing all necessary documents and the minutes of the meetings;

- informing beneficiaries of the decisions of the Joint Monitoring Committee and the Joint Steering Committee;
 - carrying out various administrative tasks and services;
2. draws up the criteria for selecting the operations and forwards them to the Managing Authority. The Managing Authority examines the criteria and when accepted, is submits them to the EC Delegation. If approved by the EC Delegation, the Managing Authority submits them to the Joint Monitoring Committee for approval;
 3. draws up the standard application form for the call for proposals and forwards it to the Managing Authority. The Managing Authority examines the standard application form for the call for proposals and when accepted, submits it to the EC Delegation. If accepted by the EC Delegation in the former Yugoslav Republic of Macedonia, the Managing Authority submits it to the Joint Monitoring Committee for approval;
 4. prepares the required material for each call for proposals and forwards it to the Managing Authority. The Managing Authority examines the material for the call for proposals and when accepted, submits it to the EC Delegation in the former Yugoslav Republic of Macedonia, which endorses it. Following the endorsement by the EC Delegation, the Managing Authority launches the call for proposals;
 5. supports potential beneficiaries in preparing their project proposals. The JTS organises information seminars, promotes co-operation and stimulates partnership between potential beneficiaries from both sides of the border etc. Furthermore, it shall co-operate with the Operating Structure and the CBC Coordinator for the organisation of seminars and promotion activities in the former Yugoslav Republic of Macedonia;
 6. assists the Managing Authority and the Joint Steering Committee in order to ensure that operations are selected for funding in accordance with the criteria applicable to the IPA Cross-border Programme and that they comply with applicable Community and national legislation governing the implementation of the Programme. More specifically, its assistance is analysed in Section 8.10 (Submission of Proposals and Project Selection);
 7. provides technical support to beneficiaries throughout the implementation period of the operations;
 8. assists the MA in collecting and recording in computerised form accounting records for all operations. In addition, assists the MA in collecting implementation data required for financial management, monitoring, verification, audit and evaluation;
 9. assists the MA in collecting and keeping all documents relating to expenditure and audits, in order to ensure an effective audit trail through:
 - collecting progress reports from beneficiaries

- assessing the implementation of operations and making recommendations to the MA
 - drafting progress reports concerning the implementation of the IPA Cross-border Programme
10. assists the MA in preparing annual reports as well as the final report on the IPA Cross-border Programme and forwards them to the MA.
11. supports the MA in order to ensure that information and publicity requirements are complied with, by providing the following:
- creating and regularly updating the Programme's website
 - organising seminars to promote the IPA Cross-border Programme
 - creating a partner search webpage for the benefit of potential beneficiaries
 - preparing the communication plan
12. prepares the Technical Assistance annual plan and forwards it to the MA. The MA examines it and when accepted, submits it to the Joint Monitoring Committee for approval.

(288) The functions and the role of the JTS shall be determined, in agreement with the MA and the participating countries, in its terms of reference.

Tasks of the Antenna

(289) The staff of the Antenna will work in close co-ordination with the JTS in the execution of the following tasks:

- Acting as a first "contact point" for potential beneficiaries to provide information, advice and help to the project partners on the territory of the former Yugoslav Republic of Macedonia;
- Supporting the MA in the implementation of communication activities (including events, info-days, Communication Plan) on the territory of the former Yugoslav Republic of Macedonia;
- Supporting the CBC Coordinator (if required) with monitoring of projects implementation on the territory of the former Yugoslav Republic of Macedonia.

(290) The Joint Technical Secretariat and the Antenna will be funded from the Technical Assistance budget.

8.6 Intermediate Body

(291) The Management Organisation Unit (MOU) S.A. can be designated as the Intermediate Body of the Managing Authority, in relation to the Technical Assistance Priority of the IPA Cross-border Programme. The tasks and responsibilities that are going to be delegated to MOU S.A. will be defined in agreement with the participating countries and described in the framework of the IPA Cross-border Programme management and control systems.

8.7 National IPA Coordinator

(292) The Deputy Prime Minister for European Affairs in the former Yugoslav Republic of Macedonia is designated as the National IPA Coordinator (NIPAC), who acts as the representative of the former Yugoslav Republic of Macedonia vis-à-vis the Commission and is in charge for the overall coordination of the Programme at the territory of the participating beneficiary country.

(293) The NIPAC in the former Yugoslav Republic of Macedonia has designated the Ministry of Local Self Government as the Cross-Border Co-ordinator.

8.8. National Authorising Officer

(294) After the conferral of management powers by the EC to the participating beneficiary country (establishment of decentralised management), the National Authorising Officer (NAO) shall be appointed as an official of the Ministry of Finance, heading the National Fund (NF) and shall be entrusted with the overall responsibility for the financial management of the EU funds on the territory of the former Yugoslav Republic of Macedonia. NAO shall:

- (a) be responsible for the legality and regularity of the underlying transactions. NAO shall in particular fulfil the following tasks:
- provide assurance about the regularity and legality of underlying transactions;
 - draw up and submit to the Commission certified statements of expenditure and payment applications
 - bear the overall responsibility for the accuracy of the payment application and for the transfer of funds to the Operating structure and/or final beneficiaries;
 - verify the existence and correctness of the co-financing elements;
 - ensure the identification and immediate communication of any irregularity;
 - make the financial adjustments required in connection with irregularities detected, according to the provisions of Article 50 of the Regulation (EC) No 718/2007;

- be the contact point for financial information sent between the Commission and the beneficiary country
- (b) be responsible for the transfer of funds from the National Fund to the Operating Structure, following the submission of a Request for Funds.
- (c) be responsible for the effective functioning of management and control systems under the IPA Regulation.
 - ensure the existence and effective functioning of system of management of assistance under the IPA Regulation;
 - ensure that the system of internal control concerning the management of funds is effective and efficient;
 - report on the management and control systems;
 - ensure that a proper reporting and information system is functioning;
 - follow-up the findings of audit reports from the Audit Authority established in the former Yugoslav Republic of Macedonia ;
 - draw up an annual statement of assurance, as defined in Article 27 (Regulation (EC) No 718/2007).

(295) After the conferral of management powers by EC, the NAO shall ensure that all the relevant information is available to ensure at all times a sufficiently detailed audit trail. This information shall include documentary evidence of the authorisation of payment applications, of the accounting and payment of such applications, and of the treatment of advances, guarantees and debts, in accordance with the Article 20 of the Regulation (EC) No 718/2007.

8.9 Operating Structure

(296) The Operating Structure in centralized management in the former Yugoslav Republic of Macedonia, is the Ministry of Local Self Government. The responsibilities of the Ministry of Local Self Government as Operating Structure are defined in Article 139 of Regulation (EC) No 718/2007. After the transition from centralised to decentralised management, Operating Structure, as defined in Article 28 of Regulation (EC) No 718/2007, is the Central Financing and Contracting Department (CFCD) within the Ministry of Finance. The Operating Structure is responsible for managing and implementing the part of the Programme concerning the former Yugoslav Republic of Macedonia. It may delegate some tasks related to the technical implementation of the Programme to the CBC Coordinator.

(297) The CFCD has been designated as the Implementing Agency and will be responsible for awarding grants, tendering, contracting and payments in the case after the conferral of management powers from the Commission (Decentralised Implementation System), with ex-ante approval by the Commission..

(298) The National Authorising Officer in the participating beneficiary country shall, after consulting the National IPA Coordinator, designate a Programme Authorising Officer to head the implementing agency.

(299) The Programme Authorising Officer shall be an official of the State administration of the former Yugoslav Republic of Macedonia. She/he shall be responsible for the activities carried out by the implementing agency.

(300) The Implementation of the Programme, according to the transitional arrangements under centralised management - arrangements that apply at present, and specifically the awarding of grants, tendering, contracting and payments are the responsibility of the Delegation of the European Commission in Skopje.

(301) The responsibilities of the Operating Structure (relating to decentralized management under the transitional arrangements) are:

- The establishment of procedures that will ensure the retention of all documents required to ensure an adequate audit trail (art. 20 of IPA IR)
- Ensuring that all bodies involved in the implementation of operations maintain a separate accounting system or a separate accounting codification
- The establishment, maintenance and updating of the reporting and information system
- Ensuring the internal audit of its different constituting bodies

- Ensuring irregularity reporting
- Ensuring compliance with the information and publicity requirement
- Monitoring the programme implementation and assisting the work of the monitoring committee by providing the necessary documents for monitoring the quality of implementation of the programme at the former Yugoslav Republic of Macedonia
- Drawing up annual and final implementation reports (art. 61(1)) and submitting them to the national IPA coordinator and the national authorizing officer
- Ensuring that the operations are selected for funding and approved in accordance with the criteria and mechanisms applicable to the programme and that they comply with relevant Community and national rules
- Arrangements for tendering procedures, grant award procedures, the ensuing contracting and making payments to, and recovery from, the final beneficiary.
- Carrying out verifications to ensure that the declared expenditure has been incurred in accordance with the applicable rules, the products or services have been delivered in accordance with the approval decision, and the payment requests by the final beneficiary are correct. These verifications shall cover administrative, financial, technical and physical aspects of operations as appropriate.
- Co-operating with the Managing authority for the preparation of the programme amendments to be discussed in the Joint Monitoring Committee;
- Assisting with the preparation of and implementation of the strategic decisions of the JMC;
- Establishing a system, assisted by the JTS, for gathering reliable information on the programme's implementation and provide data to the JMC,CBC coordinator or the European Commission;
- Reporting to the NIPAC/CBC Coordinator on all aspects concerning the implementation of the programme
- Ensuring the monitoring of commitments and payments at programme level;
- Ensuring that bodies responsible for the operative management at project level make adequate provisions for financial reporting (monitoring) and sound financial management (control);
- Ensuring an efficient system for internal financial reporting;
- Promoting information and publicity-actions

- Representatives of the Operating Structure are represented in the Joint Monitoring Committee

(302) Following the termination of transitional arrangements or any other modification of the implementing provisions, including the transition in the beneficiary country from centralised to decentralised management - at the initiative of the participating countries or of the Commission in agreement with the participating countries - the cross-border programme may be re-examined and, if necessary, revised in accordance with Article 93 of the IPA IR.

8.10 Audit Authority (responsible for the report and opinion for the former Yugoslav Republic of Macedonia)

(303) Under decentralised management, an Audit Authority, functionally independent from all actors in the management and control system and complying with internationally accepted audit standards, shall be designated in the former Yugoslav Republic of Macedonia. The Audit Authority shall be responsible for verifying the effective and sound functioning of the Programme management and control systems at its territory.

(304) The Audit Authority under the responsibility of its head, shall in particular during the course of each year, establish and fulfil an annual audit work plan which encompasses audits aimed at verifying:

- the effective functioning of the management and control systems,
- the reliability of accounting information provided to the EC.

(305) The audit work shall include audits of an appropriate sample of operations or transactions, and an examination of procedures.

(306) The annual audit work plan shall be submitted to National Authorising Officer and the EC before the start of the year in question.

(307) The Audit Authority shall submit the following :

- an annual audit activity report to the EC, NAO and Competent Accrediting Officer (CAO);
- an annual opinion to EC, NAO and CAO, and
- an opinion on any final statement of expenditure, submitted to EC by the NAO (in accordance with Article 29 of IPA IR).

8.11 Body responsible for the report and opinion referred to in Article 116

(308) As stipulated in Article 116 of the IPA Implementing Regulation 718/2007, the description of the IPA Cross-border Programme management and control systems shall be accompanied by a report setting out the results of an assessment of the systems set up and an opinion on its compliance with Articles 101 and 105.

(309) The report and the opinion referred to above are established by the Audit Authority or by a public or private body functionally independent of the Managing and Certifying Authorities, which shall carry out its work taking account of internationally accepted audit standards.

8.12 Generation and Selection of Projects

Preparation and Publication of Call for Proposals

(310) Before any call for proposals is launched, the JTS shall draw up the standard application form as a basis for all the call for proposals and forward them to the Managing Authority. The Managing Authority examines the standard application form and when accepted, submits it to the EC Delegation. If accepted by the EC Delegation in the former Yugoslav Republic of Macedonia, the Managing Authority submits it to the Joint Monitoring Committee for approval. Thereon, minor modifications of the standard application form are not approved by the JMC, unless the Managing Authority deems it is necessary. The JMC will be informed of all such changes.

(311) With respect to each call for proposals the JTS prepares all required material and forwards it to the Managing Authority. The Managing Authority examines the material for the call for proposals and when accepted, submits it to the EC Delegation, which endorses it [Article 140(1)(b)].

(312) Following the endorsement by the EC Delegation, the Managing Authority launches the call for proposals, informing potential beneficiaries about financing, the particular conditions and requirements applicable to their eligibility under the call, the selection procedures and criteria, the main obligations to be undertaken by beneficiaries in case an operation is selected for funding under the IPA Cross-border Programme etc.

(313) The programme shall finance joint operations which have been jointly selected by the participating countries through a single call for proposals covering the whole eligible area. (Article 95 of Regulation (EC) No 718/2007)

Submission of Proposals and Project Selection

(314) As illustrated in Diagram 1, potential beneficiaries prepare a proposal. The Greek beneficiaries appoint a Lead Beneficiary among themselves. Equally, the beneficiaries from the former Yugoslav Republic of Macedonia appoint a Lead Beneficiary among themselves [Article 96(2)]. The Lead Beneficiaries submit the proposal to the Joint Technical Secretariat (JTS).

(315) The Joint Technical Secretariat examines the proposals and makes certain that:

1. proposals are submitted within the deadline;
2. all standard documents required are completed;
3. beneficiaries are eligible.

(316) Then the JTS carries out the evaluation of project proposals, based on the selection criteria, approved by the Joint Monitoring Committee. In order to carry out the evaluation procedure, the JTS may be assisted by external experts. The procedure, as well as the criteria for the selection of these experts will be mutually agreed by the participating countries. The JMC will approve the list of assessors. Assessors will sign a declaration of confidentiality and impartiality.

(317) The Managing Authority ensures that the evaluation procedure was carried out in accordance with the requirements of the call for proposals and the approved selection criteria.

(318) Then, the MA in cooperation with the Operating structure may convey a bilateral technical working group consisted of the Head of the JTS and representatives of the EC Delegation in the former Yugoslav Republic of Macedonia, the MA, NIPAC and the designated CBC Coordinator and the Operating Structure, in order to discuss upon and ensure the cross-border character of the selected projects.

(319) Operations selected shall include final beneficiaries from the two participating countries which shall co-operate in at least one of the following ways for each operation: joint development, joint implementation, joint staffing and joint financing. (Article 95, Regulation (EC) No 718/2007).

(320) After the MA has accepted the evaluation, submits to the EC Delegation in the former Yugoslav Republic of Macedonia the ranking list of evaluated project proposals for comments and coordination, providing reasonable time for reaction. Then, the MA submits to the Joint Steering Committee:

1. the application forms of the submitted project proposals;
2. a ranking list of evaluated project proposals;
3. all evaluation forms.

(321) The Joint Steering Committee selects the operations to be funded.

(322) After the Joint Steering Committee has selected the operations to be funded, the JTS, in consultation with the MA, establishes Decision – Minutes, including the list of projects to be funded and circulates this Decision to all the members of the Steering Committee. Following this procedure:

1. The Managing Authority shall sign a subsidy contract with the Greek Lead Beneficiaries of operations approved for funding. In case the MA has any reservation concerning efficiency and/or correctness of management, concerning the use of the financial system, regularity of financial operations, control operations, compliance

with Community policies, tendering procedure, respect of information and publicity plan obligations, will either suspend the Decision until these aspects are fully clarified with the European Commission or the irregularities removed, or ask for a new Decision in case the issue cannot be clarified;

2. The above Decision of the Joint Steering Committee constitutes the Evaluation Report in context of EU External Aid Rules; therefore, the EC Delegation proceeds with contracting with the Lead Beneficiaries from the former Yugoslav Republic of Macedonia. In case the EC Delegation has any reservation concerning the contracting of selected operation(s), it informs the MA immediately and either suspends the Decision of the Steering Committee for the particular operation(s) until the problem is clarified/resolved, or, if the issue cannot be clarified/resolved, the MA may ask for a new Decision.

Figure 10: Project proposal submission, evaluation and selection structure

DIAGRAM 1: SUBMISSION, EVALUATION, SELECTION OF PROPOSALS - CONTRACTING

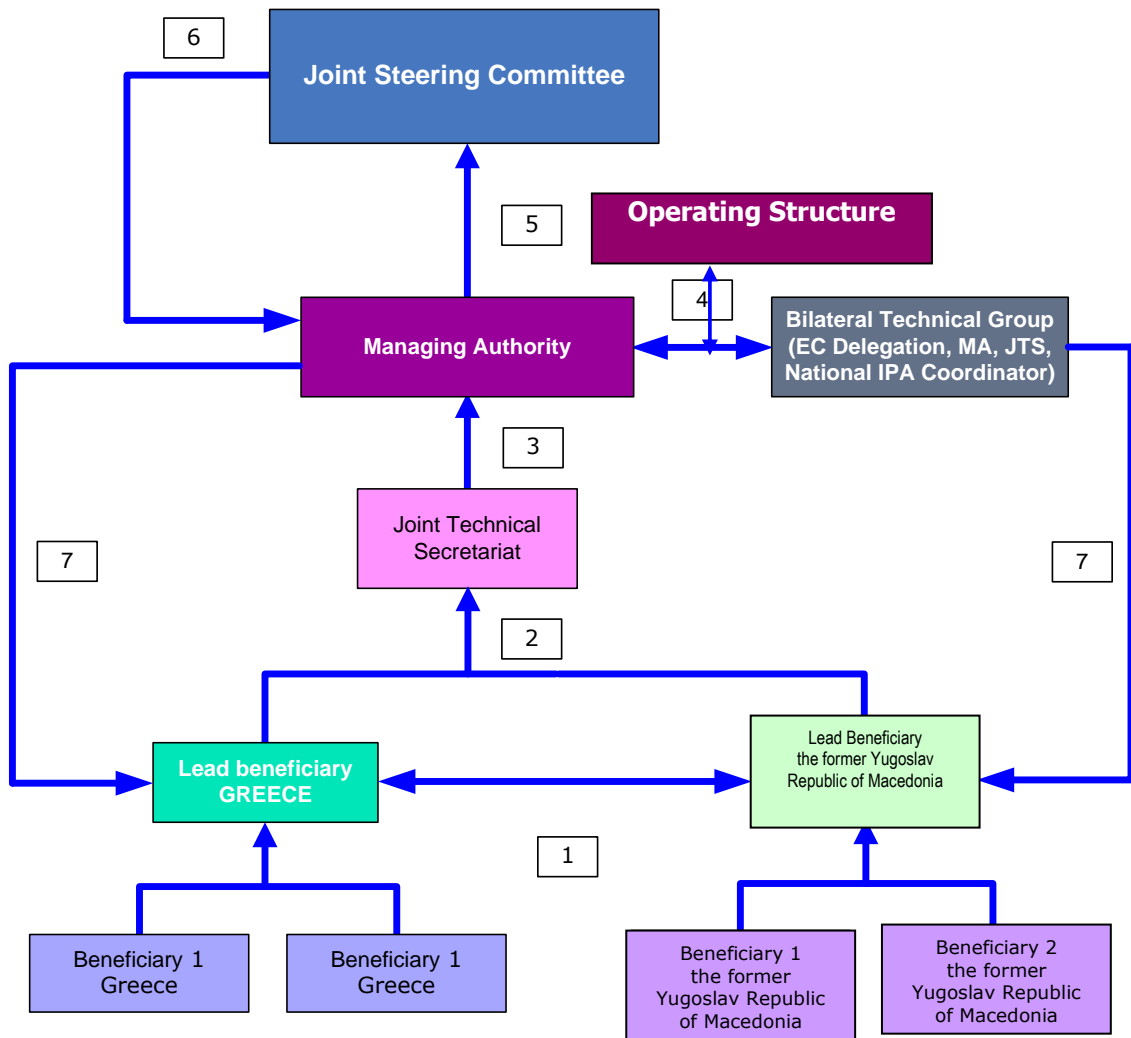


Figure 11: Project proposal submission, evaluation and selection procedure

<p>Step 1: Potential beneficiaries prepare a proposal in close co-operation and appoint a Lead Beneficiary from Greece as well as a Lead Beneficiary from the former Yugoslav Republic of Macedonia among themselves</p> <p>Step 2: Lead Beneficiaries submit the proposal to the Joint Technical Secretariat (JTS)</p> <p>Step 3: The JTS checks proposals for: 1) timely submission, 2) completion of required documents and 3) eligibility of beneficiaries. Then, the JTS evaluates the proposals with respect to the approved criteria by the Joint Monitoring Committee (JMC).</p> <p>Step 4: Managing Authority (MA) ensures that the evaluation procedure was carried out in accordance with the requirements of the call for proposals and the approved selection criteria. Then the MA may convene a bilateral technical working group consisting of the MA, the Head of the JTS and representatives of the EC Delegation in the former Yugoslav Republic of Macedonia, the National IPA Coordinator, and the Operating Structure in order to discuss upon and ensure the cross-border character of the submitted projects</p> <p>Step 5: After the MA has accepted the evaluation, submits to the EC Delegation in the former Yugoslav Republic of Macedonia the ranking list of evaluated project proposals for comments and coordination, providing reasonable time for reaction. Then, the MA submits to the Joint Steering Committee: 1) the application forms of the submitted project proposals, 2) a ranking list of all evaluated project proposals and 3) all evaluation forms.</p> <p>.Step 6: The Joint Steering Committee selects the operations for funding.</p> <p>Step 7 :After the Joint Steering Committee has selected the operations to be funded, the JTS, in consultation with the MA, establishes Decision – Minutes, including the list of projects to be funded and circulates this Decision to all the members of the Steering Committee. Following this procedure:</p> <ol style="list-style-type: none">1. The Managing Authority shall sign a subsidy contract with the Greek Lead Beneficiaries of operations approved for funding. In case the MA has any reservation concerning efficiency and/or correctness of management, concerning the use of the financial system, regularity of financial operations, control operations, compliance with Community policies, tendering procedure, respect of information and publicity plan obligations, will either suspend the Decision until these aspects are fully clarified with the European Commission or the irregularities removed, or ask for a new Decision in case the issue cannot be clarified;2. The above Decision of the Joint Steering Committee constitutes the Evaluation Report in context of EU External Aid Rules; therefore, the EC Delegation proceeds with contracting with the Lead Beneficiaries from the former Yugoslav Republic of Macedonia. In case the EC Delegation has any reservation concerning the contracting of selected operation(s), it informs the MA immediately and either suspends the Decision of the Steering Committee for the particular operation(s) until the problem is clarified/resolved, or, if the issue cannot be clarified/resolved, the MA may ask for a new Decision.

8.13 Joint Steering Committee

(323) For optimum effectiveness in the selection of projects, the participating countries, through the Joint Monitoring Committee, shall set up a Joint Steering Committee, and shall delegate to that Steering Committee the function of selecting projects to be funded.

(324) The composition of the JSC shall be decided by the participating countries, taking into account that the countries are equally represented.

(325) The Joint Steering Committee shall set up its own rules of procedure and will submit them for validation to the Joint Monitoring Committee.

(326) The Joint Monitoring Committee shall be chaired by a representative of one of the two participating countries or the Managing Authority, according to its internal rules of procedure.

(327) The Commission (including the EC Delegation in the former Yugoslav Republic of Macedonia) and the Managing Authority shall participate in the work of the Joint Steering Committee in an advisory capacity.

(328) Moreover, specialists or experts on economic, technical, social, scientific and other matters, depending on the agenda items, may be invited to attend the Joint Steering Committee meetings in an advisory capacity.

(329) The Joint Technical Secretariat undertakes the secretarial support to the Joint Steering Committee, including the organization of the meetings, preparation of the agenda and taking the minutes.

(330) The Joint Steering Committee shall draw up its rules of procedure within the institutional, legal and financial framework of the Member State where the programme Managing Authority is based. It shall adopt them in agreement with the Managing Authority, Operating Structure/Implementing Agency (under DIS), and the CBC Coordinator of the former Yugoslav Republic of Macedonia, following the validation by the Joint Monitoring Committee.

8.14 Responsibilities of the Lead Beneficiaries and the other Beneficiaries

(331) The Greek Beneficiaries of an operation shall appoint a Greek Lead Beneficiary among themselves prior to the submission of the proposal for the operation. Equally, the Beneficiaries from the former Yugoslav Republic of Macedonia of an operation shall appoint a Lead Beneficiary from the former Yugoslav Republic of Macedonia among themselves prior to the submission of the proposal for the operation. The Lead Beneficiaries shall sign the relevant grant or subsidy contract with either the Managing Authority (Greek Lead Beneficiary) or the EC Delegation (Lead Beneficiary from the former Yugoslav Republic of Macedonia) in case of centralised management. In case of decentralised management the Lead beneficiary from the former Yugoslav Republic of Macedonia shall sign the relevant grant or subsidy contract with the Implementing Agency.

(332) The Lead Beneficiaries of the countries participating in an operation shall ensure a close co-ordination of the implementation of the operation. Either the Lead Beneficiary from Greece or from the former Yugoslav Republic of Macedonia shall act as the "Overall Lead Partner" of the cross-border project. This Overall Lead Partner is responsible for reporting on the overall implementation of the cross-border project and for acting as the single representative of the project partnership. This role has no impact on the individual financial

responsibilities of the two Lead Beneficiaries, which are governed by the relevant grant and subsidy contracts.

(333) Each Lead Beneficiary shall assume the following responsibilities:

- (i) it shall lay down the arrangements for its relations with the beneficiaries participating in the operation in an agreement comprising, inter alia, provisions guaranteeing the sound financial management of the funds allocated to the operation, including the arrangements for recovering amounts unduly paid;

If the Lead Beneficiary does not succeed in securing repayment from a beneficiary, the participating country on whose territory the relevant beneficiary is located, shall reimburse the competent Authority (Certifying Authority for Greece) the amount unduly paid to that beneficiary.

- (ii) it shall be responsible for ensuring the implementation of the operation in the respective participating country;
- (iii) it shall be responsible for transferring the Community contribution to the beneficiaries participating in the operation, of the respective participating country;
- (iv) it shall ensure that the expenditure presented by the beneficiaries participating in the operation has been paid for the purpose of implementing the operation and corresponds to the activities agreed between those beneficiaries;

(334) In addition, the Greek Lead Beneficiary shall verify that the expenditure presented by the Greek beneficiaries participating in the operation has been validated by the controllers operating on the Greek side of the border.

(335) The Lead Beneficiaries of the countries participating in an operation shall ensure a close co-ordination on the implementation of the operation.

(336) Each beneficiary participating in the operation is responsible for irregularities in the expenditure which it has declared.

8.15 Certification of Expenditure (Greece)

(337) Eligibility of expenditure shall comply with Article 89 of Commission Regulation (EC) 718/2007, applicable for both participating countries.

(338) In order to validate the expenditure, Greece shall set up a control system making it possible to verify the delivery of the products and services co-financed, the soundness of the expenditure declared for operations or parts of operations implemented on its territory, and the compliance of such expenditure and of related operations or parts of those operations with Community, when relevant, and its national rules.

(339) For this purpose, Greece shall designate the controllers responsible for verifying the legality and regularity of the expenditure declared by each beneficiary participating in the operation.

(340) Greece shall ensure that the expenditure can be validated by the controllers within a period of three months from the date of its submission by the Greek Lead Beneficiary to the controllers.

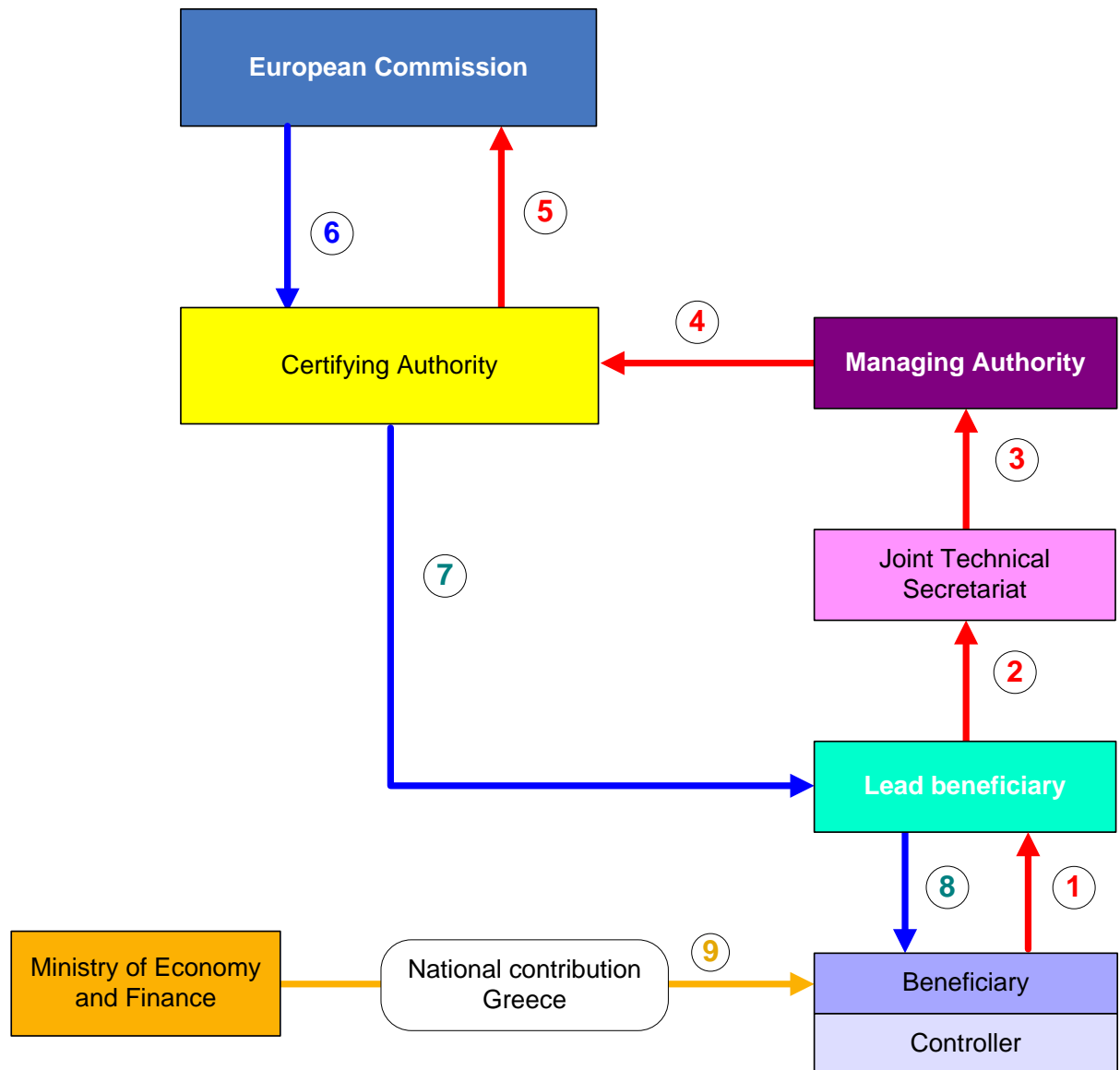
(341) Diagram 2 illustrates the certification of expenditure flow as well as the financial flows (Section 3.2.1) for Greek beneficiaries. Each beneficiary shall forward all certified expenditure to the Greek Lead Beneficiary of the operation, which shall forward all certified expenditures of Greek beneficiaries to the Joint Technical Secretariat. The JTS shall conduct a preliminary check (completeness of data and eligibility of declared expenditure) and transmit them together with comments to the Managing Authority. The Managing Authority shall ensure that all necessary information on the procedures and verifications carried out in relation to expenditure for the purpose of certification is available. It shall then transmit them to the Certifying Authority, which is responsible for preparing and submitting to the Commission certified statements of expenditure and applications for payment.

8.16 Financial Flows (Greece)

(342) The Certifying Authority shall receive Community contribution payments that correspond to the Greek beneficiaries within the IPA Cross-border Programme from the Commission and shall transfer them to the Greek Lead Beneficiaries. The Greek Lead Beneficiary is responsible for distributing the Community contribution to the Greek beneficiaries participating in an operation.

(343) The Greek Ministry of Economy and Finance shall transfer the Greek national contribution to the Greek beneficiaries, upon the request of the Managing Authority.

Figure 12: Certification of expenditure and financial flows for Greek beneficiaries



8.17 Control system in the former Yugoslav Republic of Macedonia

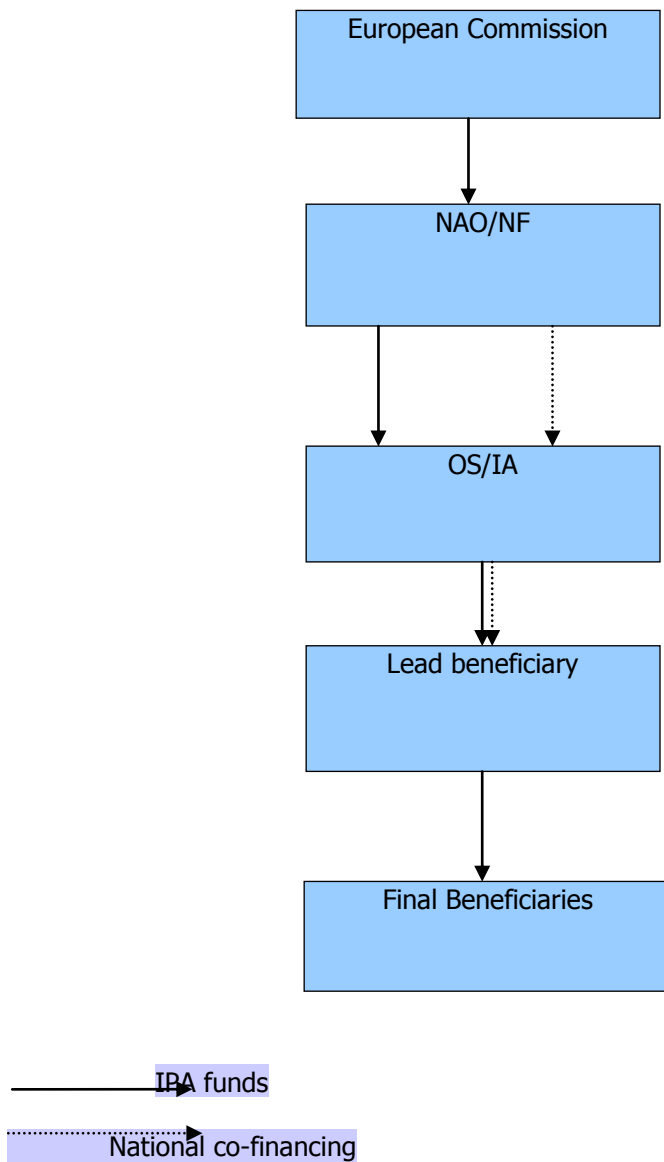
(344) National Authorising Officer shall be responsible for the legality and regularity of the underlying transactions and shall bear the overall responsibility for the financial management of EU funds and the effective functioning of management and control systems.

(345) This will be ensured by the Operating Structure (verifying the delivery of products and services, the soundness of expenditure declared), through the Operational Agreement signed between the Operating Structure (CFCD) and the CBC Coordinator.

8.18 Financial Flows (Beneficiaries from the former Yugoslav Republic of Macedonia)

(346) In the case of centralised management the national co-financing shall be ensured by the State Budget. Once the decentralised management is introduced in the participating beneficiary country, the National Authorising Officer (NAO) shall be responsible for ensuring the national co-financing from the State Budget.

Figure 13: Financial flows for the former Yugoslav Republic of Macedonia under the Decentralised Management



8.19 Irregularities and Recovery of Amounts Unduly Paid (Greece)

(347) Greece shall be responsible for preventing, detecting, correcting irregularities and recovering amounts unduly paid together with interest on late payments where appropriate for Greek beneficiaries. It shall notify these to the Commission, and keep the Commission informed of the progress of administrative and legal proceedings.

(348) Without prejudice to Greece's responsibility for detecting and correcting irregularities and for recovering amounts unduly paid, the Certifying Authority shall ensure that any amount paid as a result of an irregularity is recovered from the Greek Lead Beneficiaries. The beneficiaries shall repay the Greek Lead Beneficiary the amounts unduly paid in accordance with the agreement existing between them. If the Greek Lead Beneficiary does not succeed in securing repayment from a beneficiary, Greece shall reimburse the Certifying Authority the amount unduly paid to that beneficiary.

8.20 Irregularities and Recovery of Amounts Unduly Paid (the former Yugoslav Republic of Macedonia under decentralised management)

(349) Under decentralised management, the National Authorising Officer, who bears the responsibility for detecting irregularities, shall make the financial adjustments where such irregularities or negligence are detected in operations. This will be done by cancelling all or part of the Community contribution to the operations concerned. The National Authorising Officer shall take into account the nature and gravity of the irregularities and the financial loss to the Community contribution.

(350) In case of an irregularity, the National Authorising Officer shall recover the Community contribution paid to the beneficiary in accordance with national recovery procedures and with Article 50(2) of the IPA IR.

8.21 Joint Monitoring Committee

(351) The participating countries shall set up a Joint Monitoring Committee for the IPA Cross-border Programme within three months from the date of the notification to the participating countries of the decision approving the IPA Cross-border Programme (Article 110 - IPA Implementing Regulation).

(352) The composition of the Joint Monitoring Committee of the IPA Cross-border Programme is decided by both participating countries taking into account that both countries shall be equally represented and comply with the partnership principle in managing, monitoring and evaluating the operations in all stages of the Programme implementation.

(353) Each country participating in the Cross-border Programme shall appoint representatives to sit on the Joint Monitoring Committee in accordance with current national rules and practices, taking into consideration the regional, local and other public authorities, the economic and social partners and any other competent body representing civil society, the need to promote equality between men and women and sustainable development.

(354) The Joint Monitoring Committee shall meet, in general, at least twice a year, at the initiative of the participating countries or of the Commission.

(355) The Joint Monitoring Committee shall be chaired by a representative of one of the two participating countries or the Managing Authority, according to its internal rules of procedure.

(356) The Commission shall participate in the work of the Joint Monitoring Committee in an advisory capacity.

(357) Moreover, specialists or experts on economic, technical, social, scientific and other matters, depending on the agenda items, may be invited to attend the Joint Monitoring Committee meetings in an advisory capacity.

(358) The Joint Technical Secretariat undertakes the secretarial support to the Joint Monitoring Committee, including the organization of the meetings, the preparation of the agenda and taking the minutes.

(359) The Joint Monitoring Committee shall draw up its rules of procedure within the institutional, legal and financial framework of the participating countries. It shall adopt them in agreement with the Managing Authority, and the CBC Coordinator of the former Yugoslav Republic of Macedonia .

(360) The Joint Monitoring Committee shall satisfy itself as to the effectiveness and quality of the implementation of the IPA Cross-border Programme, in accordance with the following provisions:

- it shall consider and approve the criteria for selecting the operations financed by the IPA Cross-border Programme and approve any revision of those criteria in accordance with programming needs;
- it shall set up a Joint Steering Committee, and shall delegate to that Steering Committee the function of selecting projects to be funded. The Joint Monitoring Committee will validate the rules of procedure set up by the Joint Steering Committee;
- it shall periodically review progress made towards achieving the specific targets of the IPA Cross-border Programme on the basis of documents submitted by the Managing Authority and the Operating Structure in the former Yugoslav Republic of Macedonia;

- it shall examine the results of implementation, particularly achievement of the targets set for each priority axis and the evaluations referred to in Article 57(4) and Article 109 of the Implementing Regulation (EC) No 718/2007;
- it shall consider and approve the annual and final reports on implementation referred to in Article 112 of the Implementing Regulation (EC) No 718/2007 and it shall examine the reports referred to in Article 144 of the Regulation;
- it shall be informed of the annual control report, referred to in Article 105 (1)(c) and of the annual audit activity report referred to in Article 29(2)(b) first indent, and of any relevant comments the Commission may make after examining those reports;
- it may propose any revision or examination of the IPA Cross-border Programme likely to make possible the attainment of the objectives referred to in article 86(2) or to improve its management, including its financial management;
- it shall consider and approve any proposal to amend the content of the IPA Cross-border Programme;
- it shall approve the standard application forms for the call for proposals. If minor modifications are required within the framework of a call for proposals, re-approval of the application forms by the Joint Monitoring Committee is not mandatory, although it will be informed;
- it shall approve the annual budget for the Technical Assistance of the IPA Cross-border Programme.

(361) For the beneficiary countries where the programme is implemented on a decentralised basis, the Joint Monitoring Committee fulfils the role of the Sectoral Monitoring Committee referred to in Article 59 of the IPA Implementing Regulation (as described in the Article 99 of the IPA Implementing Regulation concerning the transitional arrangements),

8.22. Project level monitoring

(362) The projects' monitoring presumes the systematic and continuous collection of information, related to tracking project progress in line with contract obligations – activities, outputs and costs. The overall Lead Partner of a Project is responsible for the overall project implementation and for the supply of all necessary information concerning the project progress to the Managing Authority. The Managing Authority may take action to monitor the part of the project implemented on the territory of Greece.

(363) The Operating Structure (CFCD) in case of decentralized management may delegate some tasks to the CBC Coordinator, based on an Operational Agreement to monitor the part of projects implemented on the territory of the former Yugoslav Republic of Macedonia (transitional arrangements).

8.23 Monitoring Indicators

(364) The targets of the IPA Cross-border Programme are quantified using a limited number of indicators for output and results, taking into account the proportionality principle.

(365) The indicators of the IPA Cross-border Programme have been developed on the basis of the Commission proposed methodology, developed in the relevant working document for the programming period 2007-2013 "Indicators for Monitoring and Evaluation: A Practical Guide".

(366) The choice of indicators for monitoring the attainment of the objectives of the IPA Cross-border Programme shall meet the particular character of the Programme, its objectives and the prevailing socio-economic and environmental conditions of its geographic implementation area.

(367) Data necessary for calculating the indicator values during the implementation of the IPA Cross-border Programme shall be collected at the level of operation and aggregated at priority axis level and finally at programme level.

(368) In the context of regular evaluation of the quality and the effectiveness of the implementation of the IPA Cross-border Programme, the Managing Authority and the Operating Structures in the former Yugoslav Republic of Macedonia shall send to the Joint Monitoring Committee data derived from the monitoring systems, mainly summarised financial data and information pertaining to output and result indicators.

(369) A Management Information System (MIS) will be used to record information on operations concerning Greek beneficiaries and collect reliable financial and statistical data concerning the implementation of the Programme.

8.24 Annual Report and Final Report on Implementation

Obligations of the Managing Authority

(370) By 30 June each year at the latest, the Managing Authority shall submit to the Commission an annual report on the implementation of the IPA Cross-border Programme, approved by the Joint Monitoring Committee. The first annual report shall be submitted in the second year following the adoption of the Programme.

(371) The Managing Authority shall submit a final report on the implementation of the IPA Cross-border Programme by 31 December of the fifth year following the last budgetary commitment at the latest.

(372) The reports shall include all information referred to in Article 112(2) of the IPA - Implementing Regulation 718/2007.

(373) In that context, the Managing Authority shall take steps to continually monitor and improve indicators used for monitoring and evaluating the programme.

(374) The operating structures of the IPA Cross-border Programme and the National IPA Coordinator shall provide all necessary information concerning the annual report and the final report on the implementation of the IPA Cross-border Programme to the Managing Authority in due time.

Obligations of the Operating Structure

(375) The Operating Structure of the participating beneficiary country shall send to the Commission and the respective National IPA Coordinator an annual report and a final report on the implementation of the IPA cross-border Programme after examination by the Joint Monitoring Committee. The reports shall also be sent to the National Authorising Officer in the case of decentralised management.

(376) The annual report shall be submitted by 30 June each year and for the first time in the second year following the adoption of the IPA Cross-border Programme.

(377) The reports shall include all information referred to in Article 144(2) of the IPA - Implementing Regulation 718/2007.

(378) The final report shall be submitted at the latest 6 months after the closure of the IPA cross-border Programme.

8.25 Annual Examination of the IPA Cross-border Programme

(379) As stipulated in Article 113 of the IPA Implementing Regulation 718/2007, every year, when the annual report on implementation is submitted, the Commission and the Managing Authority shall examine the progress made in implementing the IPA Cross-border Programme, the principal results achieved over the previous year, the financial implementation and other factors with a view to improving implementation.

(380) Any aspects of the operation of the management and control system, raised in the last annual control report, may also be examined.

(381) Following the examination of the IPA Cross-border Programme referred to above, the Commission may make comments to the Managing Authority and to the Operating Structure, which shall inform the Joint Monitoring Committee thereof. The participating countries shall inform the Commission of the action taken in response to those comments.

8.26 Evaluation

(382) As stipulated in Articles 109 and 141 of the IPA Implementing Regulation 718/2007, during the programming period, evaluations linked to the monitoring of the IPA Cross-border Programme in particular where that monitoring reveals a significant departure from the goals initially set or where proposals are made for the revision of the IPA Cross-border Programme (evaluations of an operational nature), are carried out under the responsibility of the Commission. The results of these evaluations shall be sent to the Joint Monitoring Committee.

8.27 Information and Publicity

(383) The participating countries, the Managing Authority and the IPA Coordinator shall provide information on operations within the IPA Cross-border Programme and ensure the required publicity.

(384) For the purposes of providing the information referred to above, information and publicity measures, set out in a structured way in the communication plan for the IPA Cross-border Programme, shall be taken throughout the period of implementation of the Programme. The communication plan shall include the aims and target groups, the strategy and content of the information and publicity measures to be taken in respect of each target group (potential beneficiaries, beneficiaries, the public), the indicative budget for implementation of the plan, the administrative departments or bodies responsible for implementation of the information and publicity measures, an indication of how the information and publicity measures are to be evaluated in terms of visibility and awareness of the IPA Cross-border Programme and of the role played by the Community.

(385) The information and publicity measures shall make reference to the added value of the Community contribution at national, regional and local levels.

(386) The amounts allocated to information and publicity measures shall be included in the financing of the IPA Cross-border Programme under the technical assistance.

8.28 Electronic Exchange of Data

(387) The Managing Authority of the IPA Cross-border Programme shall update the computer system established by the Commission (SFC 2007) for the exchange of data relating to the part of the IPA Cross-border Programme concerning Greek beneficiaries, once the system has been modified to deal with IPA Cross-border programmes.

(388) The Managing Authority of the IPA Cross-border Programme in co-operation with the EC Delegation shall also ensure that there is a system for recording and storing in computerised form accounting records for each operation under the Programme and that the data on implementation necessary for financial management, monitoring, verifications, audits and evaluation are collected. For that purpose, in the context of the description of Management and Control Systems, a description of the system shall be submitted to the Commission.

(389) The existing Management Information System, set up for the requirements of the 3rd programming period at the Ministry of Economy and Finance, shall be appropriately customised for that purpose.

(390) The Management Information System may also cover the needs of collecting and recording data relating to the functions of the Audit Authority and the Certifying Authority of the IPA Cross-border Programme and support the authorities concerned with their obligation of electronic data exchange with the Commission.

8.29 Partnership

(391) The objectives of the Funds shall be pursued in the framework of close co-operation, hereinafter referred to as partnership, between the Commission and each participating country and between the participating countries and stakeholders (the competent national, regional and local authorities, the economic and social partners, any other appropriate body representing civil society, environmental partners, non-governmental organisations and bodies responsible for promoting equality between men and women).

(392) The partnership shall be protected on all levels of implementation of the Programme through:

- (i) the application of broad consultation procedures at all levels of planning with a view to shaping a multifaceted approach to alternative solutions to the development of the eligible regions via a productive and effective dialogue with the bodies involved.
- (ii) the active involvement of partners, especially at regional level, at various stages of the programming procedures
- (iii) the proportional representation of partners on the composition of the Joint Monitoring Committee for the IPA Cross-border Programme, which is the key mechanism to ensure the quality and the effectiveness of the Programme, and on which all bodies with an interest in the targets and actions of the Programme are being represented.

8.30 Promoting Equality Between Men And Women And Ensuring The Principle Of Non-Discrimination

(393) The countries participating in the IPA Cross-border Programme and the Commission shall ensure that equality between men and women and the integration of the gender perspective is promoted during the various stages of implementation of the Funds.

(394) The participating countries and the Commission shall take appropriate steps to prevent any discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation during the various stages of implementation of the Funds and, in particular, in the access to them. In particular, accessibility for disabled persons shall be one of the criteria to be observed in defining operations co-financed by the Funds and to be taken into account during the various stages of implementation.

(395) Measures to be taken to promote gender equality and prevent discrimination during the various stages of the implementation of the IPA Cross-border Programme shall include:

- (i) taking appropriate steps to publicise the programme and the specific operations included in it in order to ensure the best possible and wider access to Community co-financing. Such measures shall include, inter alia, the sending of calls to all members of the Joint Monitoring Committee for the IPA Cross-border Programme and also to all stakeholders, who can ensure a broader dissemination of funding opportunities and the special conditions and requirements for receiving it
- (ii) the follow up and the provision of relevant information to the Joint Monitoring Committee for the IPA Cross-border Programme and the Commission through the annual report in respect of the measures taken in support of creating equal opportunities under the Programme, their effectiveness and corrective actions required to ensure non-discrimination.

Annex

Table 125: List of municipalities in the programme area in Greece

Greece	
Prefecture	Municipalities
Florina	Aetos, Amyntaion, Kato Klina, Meliti, Perasma, Prespes, Filotas, Florina, Variko, Kristallopigi, Lehovo, Nymfaio
Pella	Aridea, Vegoritida, Giannitsa, Edessa, Exaplatanos, Kria Vrissi, Kirou, Megalou Alexandrou, Meniidos, Pella, Skydra
Kilkis	Axioupoli, Galikos, Goumenissa, Doirani, Evropos, Kilkis, Kroussa, Mouries, Pikrolimni, Polikastro, Cherso, Livadion
Serres	Alistrati, Amfipoli, Achinos, Visaltia, Em. Pappa, Irakleia, K. Mitrousi, Kerkini, Kormistas, Lefkonas, Nea Zichni, Nigrita, Petritsi, Proti, Rodolivos, Serres, Sidirokastron, Skotoussa, Skoutari, Strimoniko, Strimonas, Tragilos, Agistron, Ano Vrontou, Achladochori, Oreini, Promahonas
Thessaloniki	Agios Athanasios, Agios Georgios, Agios Pavlos, Ampelokipoi, Axios, Apollonia, Arethousa, Assiros, Vasilika, Vertiskos, Egnatia, Eleftherio-Kordelio, Epanomi, Evosmos, Echedoros, Thermaikos, Thermi, Thessaloniki, Kalamaria, Kallithea, Kallindion, Koroneia, Koufalia, Lagadas, Lahanas, Madytos, Menenmeni, Michaniona, Mikra, Mygdonia, Nespoli, Panorama, Polichni, Palaia, Rentina, Sohos, Stavroupolis, Sykies, Triandria, Chalastra, Chalkidona, Chortiatis, Oreokastro, Eykarpia, Pefka

Table 136: List of municipalities in the programme area in the former Yugoslav Republic of Macedonia

the former Yugoslav Republic of Macedonia	
NUTS III	Municipalities
Southeast	Valandovo, Gevgelija, Bogdanci, Dojran, Radovis, Konce, Strumica, Bosilovo, Vasilevo, Novo Selo
Pelagonia	Bitola, Mogia, Novaci, Demir Hisar, Krusevo, Prilep, Dolneni, Krivogastani, Resen
Vardar	Veles, Gardsko, Caska, Kavadarci, Rosoman, Negotino, Demir Kapija, Lozovo, Sveti Nikole
Southwest	Debar, Centar Zupa, Kicevo, Vranestica, Drugovo, Zajas, Oslomej, Makedonski Brod, Plasnica, Ohrid, Debarca, Struga, Vevcani