



Brussels, 6.12.2016
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COMMISSION IMPLEMENTING DECISION

of 6.12.2016

**adopting a Cross-border cooperation Programme Serbia – the former Yugoslav
Republic of Macedonia for the years 2016- 2020**

and

**Cross-border cooperation Action Programme Serbia – the former Yugoslav Republic of
Macedonia for the years 2016- 2017**

and

Technical Assistance for the year 2016

COMMISSION IMPLEMENTING DECISION

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and

Cross-border cooperation Action Programme Serbia – the former Yugoslav Republic of Macedonia for the years 2016- 2017

and

Technical Assistance for the year 2016

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014 laying down common rules and procedures of the implementation of the Union's instruments for financing external action¹ and in particular Article 2(1) thereof,

Having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002² and in particular Article 84(2) thereof,

Whereas:

- (1) Regulation (EU) No 231/2014³ lays down the objectives and main principles for pre-accession assistance to beneficiaries listed in Annex I to that Regulation.
- (2) In accordance with Article 7 of the Regulation (EU) No 231/2014 the assistance should be implemented through annual or multi-annual programmes, country specific or multi-country programmes, as well as cross-border cooperation programmes. These programmes should be drawn up in accordance with the Regulation (EU) No 231/2014 and the relevant country or multi-country indicative strategy papers referred to in Article 6 of that Regulation.
- (3) In accordance with Article 6(3) of Regulation (EU) No 236/2014, the Commission may adopt multi-annual action programmes for a period of up to three years in the case of recurrent actions. For years other than the initial commitment year 2016, the commitments are indicative and depend on the future annual budgets of the Union.

¹ OJ L 77, 15.03.2014, p. 95.

² OJ L 298, 26.10.2012, p.1.

³ Regulation (EU) No 231/2014 of the European Parliament and of the Council of 11 March 2014 establishing an Instrument for Pre-accession Assistance (IPA II), OJ L 77, 15.03.2014, p. 11.

- (4) The Council established an Accession Partnership or a European Partnership for all beneficiaries listed in Annex I to Regulation (EU) No 231/2014. The Commission adopted an indicative multi-country strategy paper for 2014 – 2020 on 30 June 2014 which provides indicative allocations for the 2014-2020 territorial cooperation programmes⁴.
- (5) The responsible authorities of Serbia and the former Yugoslav Republic of Macedonia submitted to the Commission on the 15 September 2016 a proposal for a cross-border cooperation programme between Serbia and the former Yugoslav Republic of Macedonia for the period 2016-2020. This draft programme has been drawn up in accordance with Article 49 of the Commission Implementing Regulation (EU) No 447/2014.⁵ It aims at providing assistance for cross-border cooperation in the following thematic priorities: i) promoting employment, labour mobility and social and cultural inclusion across borders; ii) encouraging tourism and cultural and natural heritage and sets out the indicative allocations for the period 2016-2020. In accordance with Article 31(4) of the Implementing Regulation (EU) No 447/2014 the Commission should approve such programme.
- (6) The draft programme set out indicative allocations for technical assistance for the period 2014-2020. In accordance with Article 32 of the Commission Implementing Regulation (EU) No 447/2014, the specific indicative allocation for technical assistance operations shall cover activities related to the implementation of the programme and to the reinforcement of the relevant administrative capacity, including but not limited to preparation, management, monitoring, evaluation, information, communication, networking, complaint resolution, control and audit activities.
- (7) The Cross-border cooperation programme between Serbia and the former Yugoslav Republic of Macedonia for the period 2016-2020 annexed to the present Decision, provides the framework for the adoption of the cross-border cooperation action programmes 2016 and 2017, without constituting a financial commitment itself.
- (8) It is necessary to adopt a financing decision, the detailed rules of which are set out in Article 94 of Commission Delegated Regulation (EU) No 1268/2012.⁶
- (9) The Commission should be able to entrust budget-implementation tasks under indirect management to the IPA II beneficiary specified in this Decision for the Cross-border cooperation Action Programme Serbia – the former Yugoslav Republic of Macedonia for the years 2016- 2017, subject to the conclusion of a Financing Agreement. In accordance with Article 60(1) and (2) of Regulation (EU, Euratom) No 966/2012 and first subparagraph of Article 14(3) of the Implementing Regulation (EU) No 447/2014, the authorising officer responsible needs to ensure that the entrusted entity guarantees a level of protection of the financial interests of the Union equivalent to that required under Regulation (EU, Euratom) No 966/2012, when the Commission manages Union funds.

⁴ C(2014) 4293 of 30.06.2014.

⁵ Commission Implementing Regulation (EU) No 447/2014 of 2 May 2014 on the specific rules for Implementing Regulation (EU) No 231/2014 of the European Parliament and of the Council of 11 March 2014 establishing an Instrument for Pre-accession Assistance (IPA II) , OJ L 132, 3.5.2014, p. 32.

⁶ Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union, OJ L 362, 31.12.2012, p. 1.

The entrusted entity is currently undergoing a complementary assessment of its systems and procedures. In anticipation of the results of this review, the authorising officer responsible deems that, based on the entity's positive assessment under Council Regulation (EC, Euratom) No 1605/2002⁷ and Commission Regulation (EC) No 718/2007⁸ and the entity's present compliance with the requirements of points (a) to (d) of Article 60(2) of Regulation (EC, Euratom) No 966/2012, budget implementation tasks can be entrusted to this entity. In accordance with Article 60(1)(c) of Regulation (EC, Euratom) No 966/2012, the authorising officer responsible needs to ensure that measures are taken to supervise and support the implementation of the entrusted tasks. A description of these measures and the entrusted tasks are laid down in the Annex to the Decision.

- (10) The maximum contribution of the European Union set by this Decision should cover any possible claims for interest due for late payment on the basis of Article 92 of Regulation (EU, Euratom) No 966/2012 and Article 111(4) of Delegated Regulation (EU) No 1268/2012.
- (11) Pursuant to Article 94(4) of Delegated Regulation (EU) No 1268/2012, the Commission should define changes to this Decision which are not substantial in order to ensure that any such changes can be adopted by the authorising officer responsible.
- (12) The cross-border action programme and the technical assistance provided for by this Decision are in accordance with the opinion of the IPA II Committee set up by Article 13 of the Regulation (EU) No 231/2014.

HAS DECIDED AS FOLLOWS:

Article 1

Adoption of the programme

The cross-border cooperation action programme Serbia – the former Yugoslav Republic of Macedonia under the Instrument for Pre-accession Assistance (IPA II) for the years 2016 and 2017 as set out in Annex I, is hereby approved.

The technical assistance for the year 2016 as set out in the Annex I, is hereby approved.

The 2016-2020 cross-border cooperation programme between Serbia – the former Yugoslav Republic of Macedonia under the Instrument for Pre-accession Assistance (IPA II) as set out in Annex 2, is hereby approved.

Article 2

Financial contribution

The maximum amount of the European Union contribution for the implementation of the cross-border cooperation action programme Serbia - the former Yugoslav Republic of Macedonia under the Instrument for Pre-accession Assistance (IPA II) referred to in Article 1 is set at EUR 1,400,000.00,

EUR 560,000.00 to be financed from budget line 22.02.04.01 of the general budget of the EU for year 2016.

⁷ Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities (OJ L 248, 16.9.2002, p.1).

⁸ 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), OJ L 170, 29.6.2007, p.1.

EUR 140,000.00 to be financed from budget line 22.02.04.01 of the general budget of the EU for year 2016.

EUR 700,000.00 to be financed from budget line 22.02.04.01 of the general budget of the EU for year 2017.

The implementation of this Decision is subject to the availability of the appropriations provided for in the draft budget for year 2017, after the adoption of the general budget for that financial year or as provided for in the system of provisional twelfths.

The financial contribution referred to in the first sub-paragraph may also cover interest due for late payment.

Article 3

Implementation modalities

This programme shall be implemented by direct and indirect management.

The budget implementation tasks under indirect management may be entrusted to Serbia subject to the conclusion of the relevant agreements.

A Financing Agreement shall be concluded between the Commission and the Governments of Serbia and the former Yugoslav Republic of Macedonia in conformity with the Framework Agreement concluded between the Commission and Serbia and the former Yugoslav Republic of Macedonia respectively for the Cross-border cooperation Action Programme Serbia – the former Yugoslav Republic of Macedonia for the years 2016- 2017.

Article 4

Non-substantial changes

The following changes shall not be considered substantial provided that they do not significantly affect the nature and objectives of the actions:

- (a) increases or decreases for not more than 20% of the maximum contribution set in the first paragraph of Article 2, and not exceeding EUR 10 million;
- (b) cumulated reassignments of funds between specific actions within each budgetary year not exceeding 20% of the maximum contribution set in the first paragraph of Article 2;
- (c) extensions of the implementation and closure period;
- (d) within the limits of 20% referred to in points (a) and (b) above, up to 5% of the contribution referred to in the first paragraph of Article 2 of this financing decision may serve to finance actions which were not foreseeable at the time the present financing decision was adopted, provided that those actions are necessary to implement the objectives and the results set out in the programme.

The authorising officer responsible may adopt such non-substantial changes in accordance with the principles of sound financial management and proportionality.

Done at Brussels, 6.12.2016

For the Commission
Johannes HAHN
Member of the Commission

ANNEX I

CROSS-BORDER COOPERATION ACTION PROGRAMME SERBIA – THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA FOR THE YEARS 2016 AND 2017

1 IDENTIFICATION

Beneficiaries	Serbia and the former Yugoslav Republic of Macedonia
CRIS/ABAC Commitment references Union Contribution Budget line	IPA/2016/ CRIS 2016/39-825 EUR 560,000.00 BGUE-B2016-22.020401 (action 1) IPA/2016/ CRIS 2016/39-826 EUR 140,000.00 BGUE-B2016-22.020401 (action 2) IPA/2017/CRIS 207/39-827EUR 700,000.00 BGUE-B2017-22.020401 (action 1)
Management mode Responsible Structures	Action 1: Indirect management by the Republic of Serbia. The Operating Structure responsible for the execution of the operations is: Serbian European Integration Office – Sector for Cross-border and transnational programmes The Contracting Authority is the Department for Contracting and Financing of EU funded projects (CFCU) at the Ministry of Finance The partner Operating Structure in the former Yugoslav Republic of Macedonia is: the Ministry of Local Self Government Action 2: Direct Management by the European Commission
Final date for concluding <u>Financing Agreement(s)</u> with the IPA II beneficiary countries (tripartite)	Action 1: For the budgetary commitment of year 2016: at the latest by 31 December 2017. For the budgetary commitment of year 2017: at the latest by 31 December 2018. Action 2: No Financing Agreement
Final date for concluding <u>procurement and grant contracts</u>	Action 1: 3 years following the date of conclusion of the Financing Agreement (signature of the last party) with the exception of the cases listed under Article 189(2) Financial Regulation Action 2: at the latest 31 December 2017
Final date for operational	Action 1: 6 years following the date of conclusion of

implementation	the Financing Agreement (signature of the last party) Action 2: at the latest 31 December 2021
Final date for implementing the Financing Agreement (date by which this programme should be de-committed and closed) after the acceptance of the accounts	Action 1: 12 years following the conclusion of the Financing Agreement (signature of the last party)
Programming Unit	DG NEAR – Dir. D, Unit D2 – Serbia
Implementing Unit/ EU Delegation	EU Delegation of the European Union to the Republic of Serbia

2 DESCRIPTION OF THE ACTION PROGRAMME

2.1 OVERVIEW OF THE 2014-2020 CROSS-BORDER COOPERATION PROGRAMME

The 2016-2020 CBC programme Serbia - the former Yugoslav Republic of Macedonia (Annex 2) constitutes the CBC cooperation strategy for the border region, setting out among others the list of geographical eligible areas, the area context, the programme thematic priorities and the indicative budget allocations for the 5 years period. Additionally, it includes a specific budget allocation for technical assistance which shall be limited to 10% of the overall programme budget. Technical assistance operations may include inter alia preparation, management, monitoring, evaluation, information, communication, networking, complaint resolution, control and audit activities related to the implementation of the programme and activities to reinforce the administrative capacity of, and exchange best practices between, authorities in the IPA II beneficiaries to administer and use the IPA II assistance. These actions may concern preceding and subsequent programming periods.

The 2016-2020 CBC programme also serve as a reference for the adoption of the CBC action programmes. The 2016-2017 CBC action programme aims at providing assistance for cross-border cooperation in the thematic areas spelled out in the 2014-2020 programme (as indicated in section 2.2).

- List of geographical eligible areas

In the former Yugoslav Republic of Macedonia the eligible areas are:

North – East region: municipalities of Kratovo, Lipkovo, Kumanovo, Staro Nagoričane, Rankovce and Kriva Palanka

Skopje region: municipalities of Aračinovo, Čučer Sandevo, Ilinden, Petrovec, Sopište, Studeničani, Zelenikovo, and municipalities Butel, Gjorče Petrov and Saraj of the City of Skopje

In Serbia, the eligible areas are:

Jablanica district: City of Leskovac and municipalities of Bojnik, Lebane, Medveđa, Vlasotince and Crna Trava

Pčinja district: City of Vranje with two city municipalities: Vranje and Vranjska Banja, and municipalities of Vladičin Han, Surdulica, Bosilegrad, Trgovište, Bujanovac and Preševo

- Cross-border cooperation (CBC) eligible area context

The situation analysis conducted for the preparation of the Programme pointed out several key challenges and opportunities to be addressed and supported through cross-border cooperation:

Establishing sound foundation for cross border cooperation

As there has been no cross-border cooperation programme between the two countries so far, the establishment of initial contacts, the mapping of human and organisational resources and the initial development of long-term partnerships are necessary. Although some cooperation agreements at local levels exist, these have so far not been explored due to various reasons, ranging from insufficient economic and administrative capacities, language barriers, political instability, and others.

Activation of resources for socio economic development

The programme area registers above average unemployment rates. Privatisation processes and economy restructuring resulted in loss of jobs in traditional industries and caused skills mismatches in the labour market. Young generations lack practical experience to advance their employability. Disadvantaged categories are particularly at risk of high poverty. The border area was and may continue to be affected by the refugee crisis which strained the capacity of local self-governments to provide sufficient social and health services. The multicultural and multi-ethnic diversity of the programme area is also an important asset.

Protection of nature and environment and strengthening of risk preparedness

The area is rich in bio diversity, landscape and geo diversity. However, uncontrolled use of natural resources and human activities represent a threat to the high-quality environment. Protection of waters and soil are the areas main challenges due to underdeveloped wastewater treatment and waste management. Monitoring of the waters and soil is insufficient. Low level of awareness of the population remains an important obstacle. The area is also at high risk of water erosion, increased events of floods and fires.

- Overview of past and on-going CBC experience including lessons learned

Key recommendations from interim evaluations and audits on the 2007-2013 CBC programmes have been taken on board in the development of this programme. Thus, the 2014-2020 CBC programmes are more focused as regards the number of thematic priorities addressed and the geographical eligibility, which will help to achieve better results and increased impact. Additionally the implementation of the CBC programmes has been simplified mainly by having a single contracting authority and a single financial envelope per programme. Although no cross-border cooperation between the two countries had existed so far, stakeholders on both sides of the border have accumulated significant experienced in cross border cooperation programmes with Bulgaria in the period 2007-2013.

2.2 DESCRIPTION AND IMPLEMENTATION OF THE ACTIONS

Action 1	Cross-Border Cooperation Operations	EUR 1,260,000
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(1) Description of the action, objective, expected results

Description of the action: Cross- Border cooperation operations in the border region in the fields of employment, labour mobility and social and cultural inclusion, tourism and cultural and natural heritage.

Objective: Socioeconomic development and strengthening of the neighbourly relations in the cross border area through the implementation of cross-border cooperation operations aiming at:

- promoting employment, labour mobility and social and cultural inclusion across borders through, inter alia: integrating cross-border labour markets, including cross-border mobility; joint local employment initiatives; information and advisory services and joint training; gender equality; equal opportunities; integration of immigrants' communities and vulnerable groups; investment in public employment services; and supporting investment in public health and social services;
- encouraging tourism and cultural and natural heritage.

Expected results:

Employment, labour mobility and social and cultural inclusion:

- Employability of the working age population raised;
- Organisational capacities to activate cross-border employment potentials strengthened;
- Capacities for social and cultural inclusion of disadvantaged groups improved.

Tourism and cultural and natural heritage.

- Development of sustainable cross-border tourist products and destinations initiated;
- Quality and visibility of tourist offers improved;
- Capacities for cross border risk management and intervention increased.

The objectives and expected results will be achieved over the period of implementation of this programme, from 2016 to 2020. The 2016-2017 CBC Action Programme will contribute to the achievement of the overall objectives and expected results as defined in the 2016-2020 CBC programme. For further details see section 3.2 of the 2016-2020 CBC programme (Annex 2)

(2) Assumptions and conditions

As a necessary condition for the effective management of the programme, the participating countries shall establish a Joint Monitoring Committee and provide proper and functioning offices and staff for the Joint Technical Secretariat (to be set up under a separate Financing Decision) and the antenna, in case the latter will be set up.

Under indirect management, the participating countries shall conclude for the whole duration of the programme a bilateral arrangement setting out their respective responsibilities for implementation the programme.

Failure to comply with the requirements set out above may lead to a recovery of funds under this programme and/or the re-allocation of future funding.

(3) Description of the tasks entrusted

The operating structures of Serbia and the former Yugoslav Republic of Macedonia have jointly prepared the 2016-2020 cross-border cooperation programme and agree on the necessary arrangements for the management and implementation of the programme including establishing a system to monitor the implementation.

The operating structure of Serbia shall arrange for procurement and grant award procedures in the selected thematic priorities of the programme. As regards the call for proposals, the entrusted tasks include drafting guidelines for applicants, launching the calls, selecting the grant beneficiaries and signing grant contracts. The entrusted tasks also include activities linked with the implementation and financial management of the programmes such as monitoring, evaluation, payments, recoveries, expenditure verification, ensuring internal audit, irregularity reporting and the setup of appropriate anti-fraud measures.

(4) Essential elements of the action

Grant – Call for proposal: EUR 1,260,000 EUR

a) The essential eligibility criteria:

The list of eligible actions (activities) is set in section 3.2 of the 2016-2020 CBC Programme (Annex 2) in line with the objectives, specific objectives, and results set. They comprise among others: trainings and capacity building activities addressing identified skills gaps;

promotion of employment opportunities; people to people activities, support to education, enhancement of health care facilities and social services, protection and promotion of natural and cultural heritage, joint touristic products and initiatives, joint risk management activities... etc.

The beneficiaries shall be legal entities and be established in an IPA II beneficiary participating in the CBC programme.

Potential beneficiaries could be: local authorities, local governments and their institutions, associations of municipalities, development agencies, local business support organisations, economic factors such as SMEs, tourism and cultural organisations, NGOs, public and private bodies supporting the workforce, vocational and technical training institutions, bodies and organisation for nature protection, public bodies responsible for water management, fire/emergency services, schools, colleges, universities and research canter including vocations and technical training institutions.

- b) The essential selection criteria are financial and operational capacity of the applicant.
- c) The essential award criteria are relevance, effectiveness and feasibility, sustainability and cost-effectiveness of the action.
- d) Maximum rate of EU co-financing for grants under the calls is 85% of the eligible cost of the action.
- e) Indicative amount of the call(s): EUR 1,260,000

The responsible structures may decide to publish more than one call for proposals. Every call for proposals will have the same objectives, results, and essential eligibility, selection and award criteria as described above. Each grant contract will be funded from one budgetary commitment.

The responsible structures may decide to launch call for proposals which will include the 2016 and /or the 2017 allocation. They may also decide to launch a call which will include prior or subsequent budget allocations.

- f) Indicative date for launch of the call(s) for proposals: 3rd quarter of 2017

Action 2	Technical Assistance	EUR 140,000
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(1) Description of the action, objective, expected results

Description of the action: The technical assistance allocation will be used to support the work of the national operating structures (OS) and of the joint monitoring committee (JMC) in ensuring the efficient set-up, implementation, monitoring and evaluation of the programmes as well as an optimal use of resources. This will be achieved through the establishment and operation of a joint technical secretariat (JTS) based on the territory of the Republic of Serbia and possibly antenna office established on the territory of the former Yugoslav Republic of Macedonia. The JTS will be in charge of the day-to-day management of the programme and will be reporting to the OS and JMC.

Objective: The specific objective of the technical assistance is to ensure the efficient, effective, transparent and timely implementation of the cross-border cooperation programme, and to ensure awareness of the programmes amongst national, regional and local communities

and, in general, the population in the eligible programme area. It also supports awareness-raising activities at country level in order to inform citizens in both IPA II beneficiaries.

Expected results:

1. administrative support to the operating structures (OS) and joint monitoring committee (JMC) is enhanced (key performance indicator: the average share of beneficiaries satisfied with the programme implementation support)
2. the technical and administrative capacity for programme management and implementation is increased (key performance indicators: a) average increase in the number of proposals received within each consecutive call; b) average increase in the number of concept notes that would qualify for further assessment).
3. the visibility and publicity of the programme and its outcomes are guaranteed (key performance indicators: a) average increase in the number of proposals received within each consecutive call; b) average increase in the number of concept notes that would qualify for further assessment).

The objectives and expected results will be achieved over the period of implementation of this programme, from 2016 to 2020. The Action will contribute to the achievement of the overall objectives and expected results as defined in the 2016-2020 CBC programme. For further details see the Technical Assistance section 3.2. of the 2016-2020 CBC programme (Annex 2).

(2) Assumptions and conditions

As a necessary condition for the effective management of the programme, the participating countries shall establish a Joint Monitoring Committee and provide proper and functioning offices and staff for the Joint Technical Secretariat and the antenna, in case the latter will be set up. Additionally, it is necessary that good cooperation is established between the two operating structures with direct, clear and unambiguous communication flows; staff turnover in the CBC structures embedded in the national administration is kept to a minimum and trained staff is retained to the maximum possible extent; and the objectives of the cross-border programmes and calls for proposals are relevant to the needs of applicants.

Failure to comply with the requirements set out above may lead to a recovery of funds under this programme and/or the re-allocation of future funding.

(3) Essential elements of the action and implementation arrangements

The technical assistance will be implemented under direct management by the Delegation of the European Union to the Republic of Serbia who will sign a direct service contract with the Serbian EU integration office (SEIO). For technical assistance the Union co-financing rate shall be 100%.

Procurement (EUR):

- a) the global budgetary envelope reserved for procurement: EUR 140,000
- b) the indicative number and type of contracts: A service contracts may be awarded through negotiated procedure launched by the Delegation of the European Union to the Republic of Serbia, in accordance with Article 190 of the Financial Regulation and Article 266.1 (b) of the Rules of Application. The use of the negotiated procedure is justified by the fact that the contracts will be concluded with public sector bodies that have built up strong

capacity in managing this kind of support in the past. They have managed similar support actions in the previous financial framework and gained useful experience inter alia with the recruitment of qualified staff. In addition it is the most cost-effective system as no profit should be made by the public sector body.

- c) indicative time frame for launching the procurement procedure: 2017

3 BUDGET

2016				2017				
	*Union contribution	**Grant beneficiary/ies co-financing	Total expenditure		*Union contribution	**Grant beneficiary co-financing	Total expenditure	Total Financing Decision
Action 1: CBC operations	560,000	98,824	658,824	Action 1: CBC operations	700,000	123,529	823,529	1,260,000
	85%	15%	100%		85%	15%	100%	
Action 2: Technical Assistance	140,000	N/A	140,000	Action 2: Technical Assistance	0	NA	0	140,000
TOTALS 2016	700,000	98,824	798,824	TOTALS 2017	700,000	123,529	823,529	1,400,000

**The Union contribution has been calculated in relation to the eligible expenditure, which is based on the total eligible expenditure including public and private expenditure. The Union co-financing rate at the level of each thematic priority shall not be less than 20% and not higher than 85% of the eligible expenditure.*

***The co-financing of the thematic priorities will be provided by the grant beneficiaries. Grant beneficiaries should contribute with a minimum of 15% of the total eligible cost of the project*

4 IMPLEMENTATION

4.1 IMPLEMENTATION MODALITIES AND GENERAL RULES FOR PROCUREMENT AND GRANT AWARD PROCEDURES

INDIRECT MANAGEMENT:

Action 1 of this programme shall be implemented by indirect management by Serbia in accordance with Article 58(1)(c) of the Financial Regulation and the corresponding provisions of its Rules of Application.

The general rules for procurement and grant award procedures shall be defined in the Financing Agreement between the Commission and the IPA II beneficiaries participating in the cross-border cooperation programme.

DIRECT MANAGEMENT:

Action 2 of this programme shall be implemented by direct management by the Delegation of the European Union to the Republic of Serbia in accordance with article 58(1)(a) of the Financial Regulation and the corresponding provisions of its Rules of Application.

Procurement shall follow the provisions of Part Two, Title IV Chapter 3 of the Financial Regulation No 966/2012 and Part Two, Title II, Chapter 3 of its Rules of Application.

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

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

The Commission will also use services of Framework Contracts concluded by other Directorates General of the Commission following Part One of the Financial Regulation.

5 PERFORMANCE MONITORING ARRANGEMENTS

As part of its performance measurement framework, the Commission shall monitor and assess progress towards achievement of the specific objectives set out in the IPA II Regulation on the basis of pre-defined, clear, transparent measurable indicators. The progress reports referred to in Article 4 of the IPA II Regulation shall be taken as a point of reference in the assessment of the results of IPA II assistance.

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

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

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