



Brussels, 10.12.2014
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COMMISSION IMPLEMENTING DECISION

of 10.12.2014

adopting a

Cross-border cooperation Programme Serbia – Montenegro for the years 2014-2020

and a

Cross-border cooperation Action Programme Serbia - Montenegro for the year 2014

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Cross-border cooperation Programme Serbia – Montenegro for the years 2014-2020

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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 Union² and in particular Article 84(2) thereof,

Whereas:

- (1) Regulation (EU) No 231/2014 of the European Parliament and of the Council of 11 March 2014 establishing an Instrument for Pre-accession Assistance³ lays down the objectives and main principles for pre-accession assistance to beneficiaries listed in Annex 1 of 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 framework for assistance referred to in Article 4 of 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) The Council established an Accession Partnership or a European Partnership for all beneficiaries listed in Annex 1 of the Regulation (EU) No 231/2014. The Commission adopted an indicative multi-country strategy paper for 2014 – 2020⁴ which provides indicative allocations for the 2014-2020 territorial cooperation programmes..

¹ OJ L 77, 15.03.2014, p. 95

² OJ L 298, 26.10.2012, p.1

³ OJ L 77, 15.03.2014, p. 11

⁴ C(2014)4293, 30.06.2014

- (4) The responsible authorities of Serbia and Montenegro submitted to the Commission on the 18 June 2014 a proposal for a cross-border cooperation programme between Serbia and Montenegro for the period 2014-2020. This draft programme has been drawn up in accordance with Article 49 of the 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)⁵. It aims at providing assistance for cross-border cooperation in the following thematic priorities: 1) Promoting employment, labour mobility and social and cultural inclusion across the border; 2) Protecting the environment, promoting climate change adaptation and mitigation, risk prevention and management; and, 3) Encouraging tourism and cultural and natural heritage, and sets out the indicative allocations for the period 2014-2020. In accordance with Article 31(4) of the Commission Implementing Regulation (EU) No 447/2014, the Commission shall approve such programme.
- (5) The Cross-border cooperation programme between Serbia and Montenegro for the period 2014-2020 annexed to the present decision, will serve as a reference for the adoption of the relevant financing decisions, without constituting a financial commitment itself.
- (6) 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 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 Union⁶.
- (7) The Commission should be allowed to entrust budget-implementation tasks under indirect management to the IPA II beneficiary identified in this Decision, subject to the conclusion of a Financing Agreement. In accordance with Article 60(1) and (2) of Regulation (EU, Euratom) No 966/2012 and Article 13(3) of the Commission Implementing Regulation (EU) No 447/2014, the responsible authorising officer has ensured that the entrusted entity guarantees a level of protection of the financial interests of the Union equivalent to that required when the Commission manages Union funds. The entrusted entity is currently undergoing a complementary assessment of its systems and procedures. In anticipation of the results of this review, the responsible authorising officer deems that, based on the entity's positive assessment under Council Regulation (EC, Euratom) No 1605/2002 and Commission Regulation (EC) No 718/2007 and the entity's present compliance with the requirements of such regulations, budget implementation tasks can be entrusted to this entity. In accordance with Article 60(1)(c) of Regulation (EC, Euratom) No 966/2012, the responsible authorising officer has ensured that measures have been 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 1 to the Decision.
- (8) 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 the Regulation (EU, Euratom) No 966/2012 and Article 111(4) of the Commission Delegated Regulation (EU) No 1268/2012.

⁵ OJ L 132, 3.5.2014, p. 32.

⁶ OJ L 362, 31.12.2012, p. 1.

- (9) It is necessary to define the term "non-substantial change" within the meaning of Article 94(4) of the Commission Delegated Regulation (EU) No 1268/2012 to ensure that any such changes can be adopted by the authorising officer by delegation, or under his or her responsibility, by sub-delegation (hereinafter referred to as the 'responsible authorising officer').
- (10) The action programmes or measures provided for by this Decision are in accordance with the opinion of the IPA Committee referred to in Article 13 of the Regulation (EU) No 231/2014.

HAS DECIDED AS FOLLOWS:

Article 1

Adoption of the programme

The Cross-border cooperation programme Serbia – Montenegro under the Instrument for Pre-accession Assistance (IPA II) for the year 2014 as set out in the Annex 1, is hereby adopted.

The 2014-2020 Cross-border cooperation programme Serbia – Montenegro under the Instrument for Pre-accession Assistance (IPA II) as set out in the Annex 2, is hereby adopted..

Article 2

Financial contribution

The maximum amount of the European Union contribution for the implementation of the cross-border cooperation action programme Serbia - Montenegro under the Instrument for Pre-accession Assistance (IPA II) for the year 2014 referred to in Article 1 is set at EUR 840,000 to be financed from budget line 22.02.04.01. of the general budget of the EU for year 2014.

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 indirect management.

The budget implementation tasks under indirect management may be entrusted to the entities identified in the Annex 1 subject to the conclusion of the relevant agreements.

A Financing Agreement shall be concluded between the Commission and the Governments of the Republic of Serbia and the Republic of Montenegro in conformity with the Framework Agreement concluded between the Commission and Serbia and Montenegro respectively.

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 of the contribution referred to in the first paragraph of Article 2 by not more than 20% of the initial contribution and not exceeding 10 million;
- (b) reassignments of funds between specific actions covered by one given budgetary commitment;
- (c) extensions of the implementation and closure period;
- (d) 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 responsible authorising officer may adopt such non-substantial changes in accordance with the principles of sound financial management and proportionality.

Done at Brussels, 10.12.2014

For the Commission
Johannes HAHN
Member of the Commission

ANNEX 1

CROSS-BORDER COOPERATION ACTION PROGRAMME SERBIA – MONTENEGRO FOR THE YEAR 2014

1 IDENTIFICATION

Beneficiaries	Serbia and Montenegro
CRIS/ABAC Commitment references	IPA/2014/37637
Union Contribution	EUR 840,000.00
Budget line	BGUE-B2014-22.020401-C1-ELARG
Management mode	Indirect management by the Republic of Serbia
Responsible Structures	<p>The Operating Structure responsible for the execution of the operations is:</p> <p>Serbian European Integration Office – Sector for Cross-border and transnational programmes</p> <p>The Contracting Authority is the Department for Contracting and Financing of EU funded projects (CFCU) at the Ministry of Finance</p> <p>The partner Operating Structure in Montenegro is: National IPA Coordinator (NIPAC); Ministry for European Integration.</p>
Final date for concluding <u>Financing Agreement(s)</u> with the IPA II beneficiary countries (tripartite)	For the budgetary commitment of year 2014 at the latest by 31 December 2015
Final date for concluding <u>procurement and grant contracts</u>	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
Final date for operational implementation	6 years following the date of conclusion of the Financing Agreement (signature of the last party)
Final date for implementing the Financing Agreement (date by which this programme should be de-committed and closed) after the acceptance of the accounts	12 years following the conclusion of the Financing Agreement (signature of the last party)
Programming Unit	DG ELARG – Dir. C, Unit C2 - Serbia
Implementing Unit/ EU Delegation	EU Delegation in Serbia

2 DESCRIPTION OF THE ACTION PROGRAMME

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

In Montenegro, the eligible areas are: Andrijevica, Berane, Bijelo Polje, Gusinje, Kolašin, Mojkovac, Petnjica, Plav, Pljevlja, Plužine, Rožaje, Šavnik; and, Žabljak.

In Serbia, the eligible areas are: Nova Varoš, Priboj, Prijepolje, Sjenica (Zlatiborski district), Kraljevo, Novi Pazar, Raška, Tutin, Vrnjačka Banja (Raški district); and, Ivanjica (Moravički district).

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:

Increasing employability and generation of sustainable jobs

Generation of sustainable jobs is the main economic and social challenge for the programme area. The young people are the most vulnerable. Youth unemployment is caused by the mismatch between the education and the labour market needs, a high share of young people with no qualifications, lack of jobs in general and the high share of the grey economy.

Protecting the environment

Effective waste management and wastewater treatment are the key environmental challenges. Waste generated by the population living in villages and small settlements is to a large extent not collected due to lack of services and is disposed on illegal dumpsites. Water pollution is also a threat to the area. Discharge of communal and industrial wastewater into natural water flows is done with almost no treatment. An additional problem is the lack of pre-treatment of industrial wastewater discharged into the public sewage systems and a low level of residential connection to the sewerage.

The programme territory includes areas exposed to the risk of floods, fires, earthquakes and landslides. The risk of fires is particularly acute along the border. Joint risk prevention and mitigations measures are of strategic importance, especially with a view of the recent disasters (floods, fires).

Valorisation of natural and cultural assets of the programme area

The programme area has well preserved environment and significant surface under protection. The eligible areas contain four national parks, which are important assets for sustainable tourism development and have potential to improve the income of the people living within and nearby.

The programme area is also one of the most culturally diverse areas in the Balkan region. It is known for its cultural heritage of national and international importance. It is known for some important monasteries, churches, and mosques. Access to cultural offer in the eligible area varies especially with a view of the urban and rural area. There is generally good coverage of the area with libraries, while other offer such as theatre or concert halls is rare. Each of the municipalities is known for a specific cultural event or festival. There are over 100 events taking place in the area every year.

Based on the above analysis results, thematic priorities and definition of programme strategy have been guided by the following principles:

- Promoting the integration of the programme area;
- Building on strengths and potentials to seize the most relevant opportunities;
- Mitigating the most relevant weaknesses and minimising threats;
- Creating synergies and value added in addressing common needs and challenges by cross border cooperation;
- Building on the objectives and actions set up by the two macro-regional Strategies where both Serbia and Montenegro are members: the EU Strategy for the Danube Region and the EU Strategy for the Adriatic and Ionian Region;
- Respecting specificities within the programme area;
- Promoting sustainable, innovative and inclusive development of the regions aiming at better quality of life for the people;
- Complementing national, EU and other donors programme; and,
- Building on the past experience and aiming at improving the effectiveness of partnerships, feasibility of implementation and the quality and sustainability of results.

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

Serbia and Montenegro benefited from Cross-Border Cooperation Programme under IPA I for a total amount of EUR 8,4 million for the period 2007-2013. Evaluations and audits have been carried out as well as monitoring activities. 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.

2.2 DESCRIPTION AND IMPLEMENTATION OF THE ACTIONS

Action 1	Cross-Border Cooperation Operations	EUR 840,000
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(1) Description of the action, objective, expected results

Description of the action: Cross-border cooperation in the border region in the fields of Employment, labour mobility and social and cultural inclusion, environment, climate change adaptation and mitigation, risk prevention and management 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.
- Protecting the environment and promoting climate change adaptation and mitigation, risk prevention and management through, inter alia: joint actions for environmental protection; promoting sustainable use of natural resources, resource efficiency, renewable energy sources and the shift towards a safe and sustainable low-carbon economy; promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems and emergency preparedness.
- Encouraging tourism and cultural and natural heritage.
- Taking in to account the objectives set up by the macro-regional strategies where both countries participate.

Where applicable, the actions related to the aforementioned objectives as developed in the Action Plan of the Adriatic and Ionian macro-regional strategy and the [EU Strategy for the Danube Region](#) where both countries participate shall be taken into account.

Expected results:

Employment, labour mobility and social and cultural inclusion:

- Improved knowledge, skills and competence, and work experience of unemployed and employed persons to better adjust to the needs of the labour market and to exploit the employment potential in perspective sectors;
- Increased access to social and cultural services for vulnerable/excluded groups.

Environment, climate change adaptation and mitigation, risk prevention and management

- Improved capacities of the municipalities and public utility companies for effective and efficient waste management and wastewater treatment; and,
- Better awareness of the inhabitants and industry on the importance of preserving the environment and nature;
- Increased capacities for joint management of nature resources; and,
- Improved level of emergency preparedness and joint risk management

Tourism and cultural and natural heritage

- Joint tourism offers and products enhanced through valorisation of natural and cultural potentials; and,
- Complementary products and services developed through complemented, upgraded and diversified tourism offers.

The objectives and expected results, will be achieved over the period of implementation of this programme, from 2014 to 2020.

(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 Montenegro jointly prepared the 2014-2020 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 840,000

a) The essential eligibility criteria:

The list of eligible actions (activities) is set in part 3.2 of the Annex 2 of the Programme, in line with the objectives, specific objectives, and results set. They comprise among others: trainings and capacity building, people to people activities, support to education, enhancement of health care facilities and social services, technical cooperation and development of data's' system exchange, joint risk management activities... etc. Additionally, in the context of the implementation of the programme, preference may be given to the actions related to the macro-regional strategies where both countries participate.

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 centers 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 840,000. The responsible structures may decide to merge the 2014 allocation with subsequent budget allocations.
- f) Indicative date for launch of the call(s) for proposals: 1st quarter of 2016

3 BUDGET

2014			
	Union co-financing*	Grant beneficiary/ies Co-financing	Total expenditure
CBC operations	840,000	148,235	988,235
in %	85%	15%	100%
TOTALS 2014	840,000	148,235	988,235

* 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:

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

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 Country Strategy Paper.

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

The overall progress will be monitored through the following means: a) Result Orientated Monitoring (ROM) system; b) IPA II Beneficiaries' own monitoring; c) self-monitoring performed by the EU Delegations; d) joint monitoring by DG Enlargement 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.