



Brussels, 22.7.2015
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COMMISSION IMPLEMENTING DECISION

of 22.7.2015

**adopting a Cross-border cooperation Action Programme Bosnia and Herzegovina -
Montenegro for the years 2015-2017**

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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 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 (2015), the commitments are indicative and depend on the future annual budgets of the Union.
- (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 cross-border cooperation programme between Bosnia and Herzegovina and Montenegro for the period 2014-2020 was adopted through Commission Decision C(2014)9351 on 10 December 2014, provides the framework for the adoption of the cross-border cooperation action programmes and sets out the indicative allocations for the period 2014-2020 without constituting a financial commitment itself.

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 C(2014) 4293, 30.06.2014.

- (6) The cross-border cooperation action Programme Bosnia and Herzegovina - Montenegro for the years 2015-2017 aims at providing assistance for cross-border cooperation in the following thematic priorities: Promoting employment, labour mobility and social and cultural inclusion across the border; protecting the environment, promoting climate change adaptation and mitigation, risk prevention and management; encouraging tourism and cultural and natural heritage.
- (7) 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 1268/2012.⁵
- (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 Regulation (EU, Euratom) No 966/2012 and Article 111(4) of Commission Delegated Regulation (EU) No 1268/2012.
- (9) Pursuant to Article 94(4) of Commission 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.
- (10) The action programme provided for by this Decision is 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 action programme

The cross-border cooperation action programme between Bosnia and Herzegovina - Montenegro under the Instrument for Pre-accession Assistance (IPA II) for the years 2015-2017 as set out in the Annex, 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 Bosnia and Herzegovina-Montenegro under the Instrument for Pre-accession Assistance (IPA II) referred to in Article 1 is set at EUR 3,240,000.

EUR 1,200,000 to be financed from budget line 22.02.04.01 of the general budget of the EU for the year 2015.

EUR 1,200,000 to be financed from budget line 22.02.04.01 of the general budget of the EU for the year 2016 .

EUR 840,000 to be financed from budget line 22.02.04.01 of the general budget of the EU for the year 2017.

The implementation of this Decision is subject to the availability of the appropriations provided for in the draft budget for 2016 and 2017, after the adoption of the general budget for that financial year or as provided for in the system of provisional twelfths.

⁵ 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 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 management.

A Financing Agreement shall be concluded between the Commission and Bosnia and Herzegovina and the government of Montenegro in conformity with the Framework Agreements to be concluded between the Commission and Bosnia and Herzegovina 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 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, 22.7.2015

For the Commission
Johannes HAHN
Member of the Commission

ANNEX 1

Cross-border Cooperation Action Programme Bosnia and Herzegovina – Montenegro for the years 2015-2017

1 IDENTIFICATION

Beneficiaries	<i>Bosnia and Herzegovina, Montenegro</i>
CRIS/ABAC Commitment references	2015/038-211 EUR 1,200,000 22.020401
Union Contribution	2016/038-213 EUR 1,200,000 22.020401
Budget line	2017/038-214 EUR 840,000 22.020401
Management mode	Direct management by the European Commission
Responsible Structures	Bosnia and Herzegovina: Directorate for European Integration Montenegro: Ministry of Foreign Affairs and European Integration
Final date for concluding <u>Financing Agreement(s)</u> with the IPA II beneficiary countries (tripartite)	For the budgetary commitment of year 2015 at the latest by 31 December 2016 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
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
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
Programming Unit	DG NEAR, Unit Bosnia and Herzegovina (D4)
Implementing Unit/ EU Delegation	EU Delegation to Bosnia and Herzegovina

2 DESCRIPTION OF THE ACTION PROGRAMME

2.1 OVERVIEW OF THE 2014-2020 CROSS-BORDER COOPERATION PROGRAMME AND THE 2015-2017 CBC ACTION PROGRAMME

The 2014-2020 CBC programme Bosnia and Herzegovina - Montenegro was approved by Commission Implementing Decision C(2014)9351 of 10 December 2014. The adopted 2014-2020 programme 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 7 years period.

The 2014-2020 CBC programme also serves as a reference for the adoption of the CBC action programmes. The 2015-2017 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

The following 56 municipalities in Bosnia and Herzegovina and 14 municipalities in Montenegro are eligible under this programme:

Bosnia and Herzegovina: Jablanica, Konjic, Trnovo, Trnovo RS, Pale, Pale Prača, Novo Goražde, Goražde, Čajniče, Foča Ustikolina, Kalinovik, Rudo, Višegrad, Rogatica, Foča, Gacko, Nevesinje, Mostar, Hadžici, Ist. Ilidža, Ilidža, Široki Brijeg, Ljubuški, Čapljina, Čitluk, Stolac, Berkovići, Bileća, Ljubinje, Neum, Ravno, Istočni Mostar, Trebinje, Prozor/Rama, Kupres, Kupres (RS), Tomislavgrad, Posušje, Grude, Livno, Sokolac, Istočno Novo Sarajevo, Sarajevo Novi Grad, Vogošća, Sarajevo Stari Grad, Sarajevo Istočni Stari Grad, Ilijaš, Vareš, Breza, Visoko, Kiseljak, Fojnica, Kreševo, Centar Sarajevo, Novo Sarajevo, Olovo.

Montenegro: Pljevlja, Plužine, Žabljak, Šavnik, Nikšić, Herceg Novi, Kotor, Tivat, Bijelo Polje, Mojkovac, Kolašin, Berane, Petnjica, Danilovgrad.

- Cross-border cooperation (CBC) eligible area context

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

Lack of employment opportunities:

Lack of employment opportunities is one of the major threats in the programme area. It does affect the standard of living of the majority of the population and is a crucial cause of migration flows. Short-term improvement of this situation is unlikely and negative impacts might even worsen especially for vulnerable groups and rural population.

Rich natural resources threatened by pollution and natural disasters

While rich in natural resources, the programme area is also considered vulnerable and exposed to several risks ranging from pollution to natural disasters. Due to the region's high vulnerability to climate change, risk of flooding and forest fires have increased in the last decade. The climate change will also put an additional stress on hydropower production, and adaptation measures will have to take this into consideration. The programme territory's

potential for renewable energy sources, especially in sustainable biomass, has not been tapped in.

Tourism can contribute to economic development

Adequate use and promotion of natural resources and cultural heritage can contribute to opening the area to sustainable tourism as a way for economic growth.

- 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, 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. Close cooperation between the two countries during every step of the implementation of the programme has been essential and will need to be ensured also for this CBC programme with one single contracting authority. Furthermore, experience has shown that potential applicants need support to identify possible project partners on the other side of the border and in the development of high-quality proposals. This support will be continued to be provided.

Moreover the Programme should build on the precise features and actions defined by both countries, Bosnia and Herzegovina and Montenegro, in the framework of the EU Adriatic and Ionian macro-regional Strategy (COM(2014) 357 on the EU Strategy for the Adriatic and Ionian Region), as well as, the EU Danube macro-regional Strategy (COM(2010) 715 on the EU Strategy for the Danube Region)

2.2 DESCRIPTION AND IMPLEMENTATION OF THE ACTIONS

Action 1	Cross-Border Cooperation Operations	EUR 3,240,000
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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; 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

- (a) 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;

(b) 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;

(c) encouraging tourism and cultural and natural heritage;

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:

Related to objective a):

- Advisory support to and skills of the employment seeking population in the cross border area are advanced.
- Opportunities for creation of new jobs for vulnerable groups and their employability are increased.

Related to objective b):

- The capacity to enforce environmental and energy efficiency standards at local level for water supply, solid waste and wastewater management is strengthened.
- Public awareness of the merits of complying with EU water supply, solid waste and wastewater management, and environment protection practices is increased.
- The capacity of environmental emergency prevention and mitigation services to deal with natural disasters is strengthened.

Related to objective c):

- The number of tourists in rural and natural protected areas is increased.
- The image and tourist attractiveness of the cross-border region as a multi-ethnic and culturally diverse European destination is improved.

The 2015-2017 CBC Action Programme will contribute to the achievement of the overall objectives and expected results as defined in the 2014-2020 CBC programme. For further details see section 3.2 of the 2014-2020 CBC programme (Annex 2 of the Commission Implementing Decision C(2014)9351 of 10 December 2014).

(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.

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

Grant – Call for proposal: EUR 3,240,000

a) The essential eligibility criteria:

The eligible activities are set out in section 3.2 of the Annex 2 of Commission implementing Decision C(2014)9351 of 10.12.2014. They comprise among others:

- training and capacity building,
- exchange of experiences and best practices among stakeholders,
- information exchange,
- organisation of promotional events and communication and publicity campaigns,
- organisation of joint events, symposiums and workshops,
- procurement of equipment,
- small infrastructure works,
- restoration and preservation of historical and cultural sites.

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, legal entities managed by local authorities, 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.

Indicative amount of the call(s): EUR 3,240,000

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.

e) Indicative date for launch of the call(s) for proposals: Q2 of 2016 for the budgetary commitment of years 2015-2016 and Q2 of 2018 for the budgetary commitment of year 2017.

3. BUDGET

2015				2016				2017				Total Financing Decision
	Union contribution*	Grant beneficiary/ies Co-financing**	Total expenditure		Union contribution	Grant beneficiary/ies Co-financing	Total expenditure		Union contribution	Grant beneficiary Co-financing	Total expenditure	
CBC operations	1,200,00	211,765	1,411,765	CBC operations	1,200,000	211,765	1,411,765	CBC operations	840,000	148,235	988,235	3,240,000
in %	85	15	100		85	15	100		85	15	100	
TOTALS 2015	1,200,000	211,765	1,411,765	TOTALS 2016	1,200,000	211,765	1,411,765	TOTALS 2017	840,000	148,235	988,235	3,240,000

* The Union co-financing 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

DIRECT MANAGEMENT:

This programme shall be implemented by direct management by the Commission / by the Union Delegations in accordance with article 58(1)(a) of the Financial Regulation and the corresponding provisions of its Rules of Application.

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

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

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

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

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 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 Neighbourhood and Enlargement Negotiations (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.