



Brussels, 22.7.2015
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COMMISSION IMPLEMENTING DECISION

of 22.7.2015

**adopting the Cross-border Cooperation Action Programme Albania - Kosovo* for the
years 2015-2017**

* This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

COMMISSION IMPLEMENTING DECISION

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adopting the Cross-border Cooperation Action Programme Albania - Kosovo* for the years 2015-2017

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 of that Regulation.
- (2) In accordance with Article 7 of the Regulation (EU) No 231/2014 the assistance should be provided 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) 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 1 of the Regulation (EU) No 231/2014. The Commission adopted an indicative multi-country strategy paper for 2014 – 2020 which provides indicative allocations for the 2014-2020 territorial cooperation programmes⁴.
- (5) The cross-border cooperation programme between Albania and Kosovo for the period 2014-2020, approved through the Commission Implementing Decision C(2014) 9574 of 11 December 2014, provides the framework for the adoption of the cross-border

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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 of 30.06.2014.

cooperation action programmes and sets out the indicative allocations for the period 2014-2020 without constituting a financial commitment itself.

- (6) The cross-border cooperation action programme Albania-Kosovo for the years 2015-2017 aims at providing assistance for cross-border cooperation in the following thematic priorities: (i) environment protection, climate change adaption and mitigation, risk prevention and management; (ii) tourism and cultural and natural heritage; (iii) youth and education with a focus on employment generation.
- (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 1268/2012⁵.
- (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.
- (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 programmes or measures provided for by this Decision are in accordance with the opinion of the IPA II Committee referred set up by Article 13 of the Regulation (EU) No 231/2014⁶,

HAS DECIDED AS FOLLOWS:

Article 1

Adoption of the programme

The cross-border cooperation action programme between Albania and Kosovo under the Instrument for Pre-accession Assistance (IPA II) for the years 2015-17, as set out in Annex 1, 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 Albania - Kosovo under the Instrument for Pre-accession Assistance (IPA II) for the years 2015-17 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 year 2015.

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

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.

⁶ The Member States have declared, recalling the Council Conclusions of 18 February 2008 that the adoption of this programme does not prejudice the position of each individual Member State on the status of Kosovo, which will be decided in accordance with their national practice and international law.

EUR 840,000 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 2016 and 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 management.

A Financing Agreement shall be concluded between the Commission and the Governments of Albania and Kosovo in conformity with the Framework Agreements concluded between the Commission and Albania and Kosovo 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 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 Albania – Kosovo* for the years 2015-17

1 IDENTIFICATION

Beneficiaries	Albania and Kosovo
CRIS/ABAC Commitment references	2015/038-153 - EUR 1,200,000.00 - 22.020401
Union Contribution	2016/038-154 - EUR 1,200,000.00 - 22.020401
Budget line	2017/038-155 - EUR 840,000.00 - 22.020401
Management mode	Direct management by the European Commission (EU Delegation to Albania)
Responsible Structures	For Albania: Ministry of European Integration For Kosovo: Ministry of Local Government Administration
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 by 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 D4
Implementing Unit/ EU Delegation	For Albania: EU Delegation to Albania, Operation Section

* This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

2 DESCRIPTION OF THE ACTION PROGRAMME

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

The 2014-2020 CBC programme Albania-Kosovo was approved by Commission Implementing Decision C(2014) 9574 of 11 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 programmes also serve 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 cross-border programme area covers a territory of 8,335 km² with a population totalling around 936,761 inhabitants, of which 76% live in the Kosovo territory and 24% in the Albanian side of the programme area. The length of the border is 114 km. In Albania the eligible areas include the regions of Kukës and Lezha (8 municipalities with a total of 362 settlements), covering 48% of the programme area. In Kosovo, the eligible areas include the West Economic Region and the South Economic Region (12 municipalities), covering 52% of the programme area.

Cross-border cooperation (CBC) eligible area context

The border region has a predominately agrarian economy, with industry more developed on the Kosovo side, while the Albanian regions are more based on agriculture and services. The agriculture sector retains a high degree of importance for economic development and employment, as a large portion of the population still resides in rural areas, despite significant recent movements towards urban areas. Agriculture activity is mainly a family-based and subsistence-oriented economic activity also because land fragmentation is rather high and the size of agriculture farms is on average 1.5 ha. Improvement of rural infrastructure and better management of water resources are important priorities to increase the productivity of the sector.

Competitiveness and know-how are quite low throughout the programme area and require further investment to expand both nationally and internationally. Labour skills do not respond to the market demand for high-quality services and products. Light industry, particularly food processing, has considerable potential to accelerate economic growth. Small and medium-sized enterprises (SMEs) dominate the businesses map, while business network and business cooperation across the border is still unexploited. Local products have little or no access to regional and international markets. Business support mechanisms are weak and insufficient, being slightly more active in Kosovo.

Unemployment remains at a disturbing rate for the population of the programme area, especially on the Kosovo side where there is much higher unemployment especially amongst youth, rural population and women (in some areas it exceeds 50%). Social services are poorly and unevenly developed. Improving the educational system at all levels is a major priority for the programme area, particularly in rural areas. Joint actions could be undertaken to establish a network of vocational training centres and foster cooperation across higher education

institutions, research agencies and organisations. Advantages coming from the common language should be further exploited in developing educational curricula.

The area's rich historic-cultural-artistic heritage is an asset for the economic development but tourism is still a missed opportunity. Different types of tourism (mountain, culinary and agro-tourism) can be developed; historical and cultural sites deserve higher visibility and traditional peculiarities can be better promoted.

Environmental protection needs serious consideration. Natural resources valorisation is a key issue to increase the attractiveness of the border region and improve the quality of life for citizens. Key challenges to cope with for local authorities are the reduction of pollution, management of urban waste, quality of drinking water, protection of the land from natural and man-made destruction, strategic urban planning process and efficient use of energy resources.

Considering the problematic aspects affecting the economy of the area and its sustainable development, the programme will focus on the following thematic priorities, where cross-border cooperation initiatives can have a real added value:

- (1) Environment protection, climate change adaption and mitigation, risk prevention and management;
- (2) Tourism and cultural and natural heritage;
- (3) Youth and education with a focus on employment generation.

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 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 2015-17

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

In accordance with the thematic priorities identified in the 2014-2020 cross-border cooperation programme, during the period 2015-17 operations in the border region will focus on (1) environment, climate change adaptation and mitigation, risk prevention and management; (2) tourism and cultural and natural heritage and (3) youth and education with a focus on employment generation.

Objective

The objective of the action programme for the years 2015-17 is to foster socioeconomic development and strengthen the neighbourly relations in the programme area through the implementation of cross-border cooperation operations such as:

- (a) 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;
- (b) joint actions to encourage tourism and promote cultural and natural heritage;
- (c) joint actions for designing and implementing education and vocational training schemes and supporting youth initiatives.

Expected results

- (a) Environment resources and biodiversity are better managed and promoted.
- (b) The quality of tourism services and products is improved and more competitive; cultural, historical and natural heritage is better preserved and promoted;
- (c) Access to education for young people is improved; skills are strengthened to meet the demand of the labour market; youth networking and exchanges are enhanced.

During the period 2015-17 the 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) 9574 of 11 December 2014).

(2) Assumptions and conditions

As a necessary condition for the effective management of the programme, the beneficiaries shall provide proper and functioning offices and staff for the Joint Technical Secretariat and the Antenna Office.

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 2014-2020 cross-border programme. The following list is a summary indicating the main eligible actions/operations:

- Environmental awareness campaigns; small scale environmental infrastructure interventions and procurement of equipment; integrated environmental monitoring systems; preparation of regional strategies and action plans for solid waste management, soil erosion and prevention and mitigation of man-made hazards and natural disasters (e.g. re-forestation and civil emergency services); joint studies in the field of energy efficiency; small-scale renewable energy projects; introduction of environmentally-friendly farming practices.

- Small-scale reconstruction, modernisation and restoration interventions to facilitate tourist attraction (e.g. upgrade of potential touristic sites) and procurement of equipment; development of joint touristic thematic routes; joint tourism promotion initiatives; integration of historical heritage within tourist offers; touristic mapping (e.g. historic and gastronomy); development and promotion of existing/new regional brands of typical local products (e.g. agro-food products and handicrafts); promotion of new tourism marketing techniques (e.g. use of ICT and multi-media); organisation of local festivals, fairs and competitions.
- Youth empowerment and self-employment initiatives; support to innovative start-up businesses; common initiatives to prevent school drop-outs; joint curricula and vocational and educational training programmes for young generations; teachers' exchanges and training for new qualifications; joint activities of employment agencies; networking activities (e.g. sports tournaments, culture and music festivals and events).

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 canter including vocations and technical training institutions.

- The essential selection criteria are financial and operational capacity of the applicant.
- The essential award criteria are relevance, effectiveness and feasibility, sustainability and cost-effectiveness of the action.
- 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.

- Indicative date for launch of the call(s) for proposals: tentatively in the first semester of 2016.

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	1,200,000	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 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

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 Papers.

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 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.