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COMMISSION IMPLEMENTING DECISION

of 5.12.2018

adopting a

Cross-border cooperation Action Programme between

Kosovo* and the former Yugoslav Republic of Macedonia

for the years 2018-2020

* 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.

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Cross-border cooperation Action Programme between Kosovo* and the former Yugoslav Republic of Macedonia for the years 2018-2020

THE EUROPEAN COMMISSION,

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

Having regard to Regulation (EU, Euratom) No 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012¹, and in particular Article 110 thereof,

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 action² and in particular Article 2(1) thereof,

Whereas:

- (1) In order to ensure the implementation of the cross-border cooperation action Programme Kosovo - the former Yugoslav Republic of Macedonia for the years 2018-2020, it is necessary to adopt a multiannual financing decision, which constitutes the multiannual work programme, for 2018-2020. Article 110 of Regulation (EU, Euratom) 2018/1046 ("the Financial Regulation") establishes detailed rules on financing decisions.
- (2) The envisaged assistance is deemed to follow the conditions and procedures set out by the restrictive measures adopted pursuant to Article 215 TFEU³.
- (3) Regulation (EU) No 231/2014⁴ lays down the objectives and main principles for pre-accession assistance to beneficiaries listed in Annex I to that Regulation.

* 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.

¹ OJ L 193, 30.7.2018, p.1.

² OJ L 77, 15.03.2014, p. 95.

³ www.sanctionsmap.eu Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

⁴ 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) 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.
- (5) 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 2018, the commitments are indicative and depend on the future annual budgets of the Union.
- (6) 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 2014⁵, revised on 31 May 2018⁶ which provides indicative allocations for the 2014-2020 territorial cooperation programmes
- (7) The cross-border cooperation programme between Kosovo and the former Yugoslav Republic of Macedonia for the period 2014-2020 approved through the Commission Implementing Decision C(2014)9314 of 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.⁷
- (8) The cross-border cooperation action Programme Kosovo - the former Yugoslav Republic of Macedonia for the years 2018-2020, aims at providing assistance for cross-border cooperation in the following thematic priorities: i) enhancing competitiveness, business and Small and Medium Enterprises development, trade and investment; ii) encouraging tourism, culture and natural heritage; iii) protecting the environment, promoting climate change adaptation and mitigation, risk prevention and management.
- (9) It is necessary to allow for the payment of interest due for late payment on the basis of Article 116(5) of Regulation (EU, Euratom) 2018/1046.
- (10) In order to allow for flexibility in the implementation of the work programme, it is appropriate to allow changes which should not be considered substantial for the purposes of Article 110(5) of the Financial Regulation.
- (11) The action programmes 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 231/2014⁸.

⁵ Commission Implementing Decision C(2014)4293 of 30.6.2014 adopting a Multi-country Indicative Strategy Paper for the period 2014-2020.

⁶ Commission Implementing Decision C(2018)3442 of 31.05.2018 amending Commission Implementing Decision C(2014)4293 of 30.6.2014 adopting a Multi-country Indicative Strategy Paper for the period 2014-2020.

⁷ 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.

⁸ 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.

HAS DECIDED AS FOLLOWS:

Article 1

The programme

The cross-border cooperation action programme between Kosovo and the former Yugoslav Republic of Macedonia under the Instrument for Pre-accession Assistance (IPA II) for the years 2018-2020 as set out in the Annex, is hereby adopted.

Article 2

Union contribution

The maximum amount of the European Union contribution for the implementation of the cross-border cooperation action programme Kosovo – the former Yugoslav Republic of Macedonia for the years 2018-2020 under the Instrument for Pre-accession Assistance (IPA II) is set at EUR 3,480,000 and shall be financed from the appropriations entered in the following line[s] of the general budget of the Union,

EUR 1,200,000 to be financed from budget line 22.02.04.01 of the general budget of the EU for year 2018.

EUR 1,200,000 to be financed from budget line 22.02.04.01 of the general budget of the EU for year 2019.

EUR 1,080,000 to be financed from budget line 22.02.04.01 of the general budget of the EU for year 2020.

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

The implementation of this Decision is subject to the availability of the appropriations provided for in the general budget of the Union for year 2019 and 2020 as adopted by the budgetary authority,.

Article 3

Methods of implementation

This programme shall be implemented by direct management.

A Financing Agreement shall be concluded between the Commission and the Governments of the Kosovo and the former Yugoslav Republic of Macedonia in conformity with the Framework Agreements concluded between the Commission and Kosovo and the former Yugoslav Republic of Macedonia respectively.

Article 4

Non-substantial changes

The following changes shall not be considered substantial within the meaning of Article 110(5) of Regulation (EU, Euratom) 2018/1046, provided that they do not significantly affect the nature and objectives of the actions:

- (a) Increases⁹ 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, considering each financial year separately;
- (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, 5.12.2018

For the Commission
Johannes HAHN
Member of the Commission

⁹ These changes can come from external assigned revenue made available after the adoption of the financing decision.

ANNEX

of the Commission Implementing Decision adopting a Cross-border cooperation Action Programme between Kosovo* and the former Yugoslav Republic of Macedonia for the years 2018-2020

Multi-Annual Work Programme
**This document constitutes the multi-annual work programme in the sense of
Article 110(2) of Regulation (EU, Euratom) 2018/1046**

1 IDENTIFICATION

Beneficiary	Kosovo and the former Yugoslav Republic of Macedonia
CRIS/ABAC Commitment references	2018/041-473 EUR1,200,000.00 -22.020401
EU Contribution	2019/041-476 EUR 1,200,000.00 -22.020401
Budget line	2020/041-477 EUR 1,080,000.00 -22.020401
Management mode	Direct management by the European Commission
Responsible structures	In Kosovo: the Ministry of Local Government Administration In the former Yugoslav Republic of Macedonia: the Ministry for Local Self-Government
Final date for concluding <u>Financing Agreement(s) with the IPA II beneficiaries (tripartite)</u>	For the budgetary commitment of year 2018 at the latest by 31 December 2019 For the budgetary commitment of year 2019 at the latest by 31 December 2020 For the budgetary commitment of year 2020 at the latest by 30 November 2021
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 114(2) Financial Regulation
Indicative operational implementation period	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	12 years following the conclusion of the Financing Agreement (signature of the last party)

* 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.

should be de-committed and closed) after the acceptance of the accounts	
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2 DESCRIPTION OF THE ACTION PROGRAMME

2.1 OVERVIEW OF THE 2014-2020 CROSS-BORDER COOPERATION PROGRAMME AND THE 2018-2020 CBC ACTION PROGRAMME

The 2014-2020 Cross-Border Cooperation (CBC) programme Kosovo* – the former Yugoslav Republic of Macedonia was approved by Commission Implementing Decision C(2014)9314 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 programmes also serve as a reference for the adoption of the CBC action programmes. The 2018-2020 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).

On 6 February 2018, the European Commission adopted a Communication on "A credible enlargement perspective for and enhanced EU engagement with the Western Balkans". This Communication aims to generate renewed reform momentum in the Western Balkans and provide significantly enhanced EU engagement to better support their preparations on the European path. The Communication sets the new strategic orientations, in particular as regards the implementation of the six Flagship Initiatives (i.e. strengthening support to the rule of law; reinforcing engagement on security and on migration; supporting socio-economic development; increasing connectivity; implementing a Digital Agenda for the Western Balkans and supporting reconciliation and good neighbourly relations).

In particular, cross-border cooperation is a key vehicle for fostering reconciliation and dealing with the legacy of the past in the Western Balkans, in line with flagship 6 (supporting reconciliation and good neighbourly relations) and for sustainable local development, in line with flagship 3 (supporting socio-economic development).

List of geographical eligible areas

The Kosovo part of the programming area includes two economic regions and 17 municipalities with a total of 529 settlements:

- East Economic Region (eligible area), is composed of the municipalities of Gjilan/Gnjilane, Kamenicë/Kamenica, Viti/Vitina, Novo Bërdë/Novo Brdo, Ferizaj/Uroševac, Kaçanik/Kaçanik, Shtërpcë/Štrpce, Hani i Elezit/Elez Han, Ranillug/Ranilug, Partesh/Parteš and Klllokot/Klokot.
- South Economic Region (eligible area), is composed of the municipalities of Prizren, Suharekë/Suva Reka, Malishevë/Mališevo, Dragash/Dragaš, Rahovec/Orahovac, and Mamusha/Mamuša.

The eligible area of the former Yugoslav Republic of Macedonia includes three Regions: the Polog, Northeast and Skopje Regions. It consists of 32 municipalities plus the city of Skopje including 518 settlements (six towns and 512 villages):

- Polog Region (eligible area) includes nine municipalities: Bogovinje, Brvenitsa, Gostivar, Jegunovtse, Mavrovo and Rostusha, Teartse, Tetovo, Vrapchishte, and Zhelino.

- Northeast Region (eligible area) includes six municipalities: Kratovo, Kriva Palanka, Kumanovo, Lipkovo, Rankovtse and Staro Nagorichane.
- Skopje Region (eligible area) includes 17 municipalities: Arachinovo, Chucher-Sandev, Ilinden, Petrovets, Sopishte, Studenichani, and Zelenikovo. The City of Skopje is an administrative unit and also includes 10 municipalities: Aerodrom, Butel, Chair, Centar, Gazi Baba, Gjorche Petrov, Karposh, Kisela Voda, Saraj, and Shuto Orizari.

Cross-border cooperation (CBC) eligible area context

The five regions in the programme area have many common characteristics (i.e. geography, demographic trends, health care system, social services standards, agricultural production system, historical and cultural heritage, environmental asset and biodiversity, energy resources and consumption and infrastructural system). Such common characteristics have to be seen as an opportunity for building or strengthening synergies between them. These synergies are particularly important for the development of tourism in the mountain areas, agriculture and trade exchange and in overall economic development and improving citizens' life. These synergies are:

- Both beneficiaries are becoming attractive for foreign investors, but they have differing necessary preconditions for the operation of foreign direct investments (FDIs). Kosovo authorities and business community could learn from the positive results achieved in the former Yugoslav Republic of Macedonia in terms of creating a proper business climate. Production of renewable energy is an important sector which could be a source for attracting more FDI.
- It is also important that the economy of the area becomes more competitive and the quality of products and services is improved through use of more innovative technologies. Strengthening small and medium sized enterprises (SMEs) networks and service connections existing in the bordering areas is crucial for SMEs to grow and become more competitive. Investment on know-how transfer, in particular on the use of new technologies and development of the human capital, will be equally important for the area. Promotion of e-business will be instrumental.
- Agriculture is another major economic potential in the programme area, with agriculture products being a large share of exports for both beneficiaries. Further investment is needed to support farmers for the modernisation of outdated production technologies, through economic incentive schemes.
- There is an unfavourable structure of the labour market, coupled with high unemployment rates among youth, and especially women. A great number of young people who completed secondary education are seeking employment. Unemployment in rural areas is high. The same is also true among vulnerable groups such as the non-majority communities. The labour market is dominated by service and trade sectors, with fewer jobs in industrial production.
- During the last years, the standard of living has deteriorated for the whole community in the border area, most particularly in remote and mountain areas. Together with the labour market crisis the phenomena of marginalisation, social hardships and youth emigration have increased. The presence of strong migration flows has impacted the labour force and resulted in loss of the skilled and educated workers in lower urbanised areas. The continuous depopulation of some regions in favour of the central area is a real threat as the development of tourism and in

particular agriculture depends largely on the presence of an active and relatively dense rural population.

- The presence of important private and public universities and business research centres in the programme area is an asset for the CBC programme. Joint actions should be undertaken to establish a network of higher education institutions and well-known research agencies and organisations.
- Natural resources are extremely rich and diverse, and are considered as a main asset for the whole region. A significant part of the border area on both sides is covered by either national parks or landscape protection areas on both sides of the border. The presence of the National Park of Sharr/Šar in the programme area, situated at the border between the two beneficiaries will certainly be a specificity of this cross-border programme. Further protection of natural resources and sustainable exploitation is therefore a key issue for the economic development of the region. It is important that a more integrated approach is taken: establishment of joint areas, design of joint management procedures and common actions instead of local actions focusing only on one side of the area.
- Environmental issues remain a big concern in the programme area: the risk of floods and river pollution is an issue. River pollution is also a problem that requires common actions in controlling industrial waste. Waste management is another matter of concern requiring actions to be taken in both beneficiaries. Air pollution is high, particularly in Kosovo, affecting the health of citizens. Strong actions are required to improve the infrastructure in energy in support of the industrial sector and in order to reduce gas emissions to the atmosphere.
- Improved connectivity, road and railway infrastructure in the programme area as well as functional border crossings are seen as a potential for facilitating and promoting economic and social exchanges between the communities living on both sides of the border. Development of infrastructure and the diffusion of networks and services to support business development and innovation, could contribute to a general increase of wealth and economy in the area. Construction of the R6 road in Kosovo will further facilitate movement of citizens and business between the regions of both beneficiaries.
- Further valorisation of historical and cultural heritage will contribute to strengthening the identity of the area. The area has a multi-ethnic population, and consequently, there are multicultural traditions. The cooperation among cultural institutions has started but it should be strengthened.
- Institutional infrastructure for fostering an integrated regional development concept is available in the programme area. Operation of the Regional Development Agencies in Kosovo and the Regional Development Centres in the former Yugoslav Republic of Macedonia is a great administrative asset for the development of regional strategic programmes.

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.

Key lessons learnt were also identified by the final evaluation of IPA CBC Programmes 2007-2013 that was carried out between 2016 and 2017. The lessons learnt and the recommendations were discussed with the CBC stakeholders in the Western Balkans and follow-up measures were identified for the short and medium term, both for the on-going 2014-2020 CBC programmes and for the future 2021-2027 CBC programmes.

The main recommendations regarding all CBC programmes at intra- Western Balkans level include:

- The main objective of promoting good neighbourly relations should be clearly reflected in the CBC projects proposals.
- The calls for proposal should be more focused on fewer priority issues that have high cross-border content.
- The intervention logic of programmes and the reporting and monitoring systems must be improved as they are not structured to set out a clear basis for measuring the results at regional level.
- There is a need for continuing capacity building activities for Operating Structures and Joint Technical Secretariats/Antennas.
- There is a need for improving synergies with other policies and donors, capitalising and sharing experiences with the other CBC environments (e.g. INTERREG and ENI CBC programmes).

2.2 DESCRIPTION AND IMPLEMENTATION OF THE ACTIONS

Action 1	Cross-Border Cooperation Operations	EUR 3,480,000
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The envisaged assistance to Kosovo and the former Yugoslav Republic of Macedonia is deemed to follow the conditions and procedures set out by the restrictive measures adopted pursuant to Article 215 TFEU¹.

(1) Description of the Action, objective, expected results and key performance indicators

Description of the action: Cross-border cooperation operations in the border region in the fields of environment, climate change adaptation and mitigation, risk prevention and management, tourism and cultural and natural heritage, competitiveness, business and SME development, trade and investment.

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

¹ https://eeas.europa.eu/headquarters/headquarters-homepage/8442/consolidated-list-sanctions_en

- a) 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;
- b) encouraging tourism and cultural and natural heritage;
- c) enhancing competitiveness, the business environment and the development of small and medium-sized enterprises, trade and investment through, inter alia, promotion and support to entrepreneurship, in particular small and medium-sized enterprises, and development of local cross-border markets and internationalisation.

Expected results:

The 2018-2020 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)9314 of 10.12.2014).

The programme will address three priorities, each underpinned by a specific objective and results to be achieved over the whole of the programme's duration.

Priority I: Enhancing competitiveness, business and SME development, trade and investment.

The specific objective under this thematic priority is to improve labour market skills and access to the international market for economic operators.

The intended results of Priority I are:

- Employment opportunities enhanced among young and marginalised groups;
- Opportunities to intensify cross-border trade are utilised, while upgrading services for access to regional and international markets.

Priority II: Encouraging tourism, culture and natural heritage. The specific objective under this thematic priority is to enhance tourism potentials and further promote regional values.

The intended results of Priority II are:

- New tourism opportunities are exploited and tourism sector capacities are increased;
- The quality of tourist products and services is improved;
- The identity of the programme area is strengthened through the enhancement of cultural and natural heritage values.

Priority III: Protecting the environment, promoting climate change adaptation and mitigation, risk prevention and management. The specific objective under this thematic priority is to enhance joint efforts to address environmental pollution issues in the area.

The intended results of Priority III are:

- Coordinated and harmonised future interventions to address environmental pollution;
- Improved management of solid waste and wastewater as well as sewage systems.

(2) Assumptions and conditions

As a necessary condition for the effective management of the programme, the participatory beneficiaries 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 Office, 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.

So far, the beneficiaries have complied with this condition by ensuring the smooth run of the Joint Technical Secretariat in Gjilan/Gnjilane, Kosovo and the Antenna Office in Kumanovo, the former Yugoslav Republic of Macedonia. These structures are fully financed by the Support Measure for Technical Assistance for cross-border cooperation programmes between IPA II beneficiaries under the Instrument for pre-accession assistance (IPA II) for the year 2014 C(2014)9421 of 10 December 2014.

Further financial support has been programmed by the European Commission for keeping on providing support to the Joint Technical Secretariat and the Antenna Office from 2019 onwards. Therefore new arrangements will be established with the beneficiaries who have to ensure that the conditions under this paragraph are furtherly respected.

(3) Implementation modalities

Direct Management

Essential elements of the action

Grant – Call for proposals: EUR 3,480,000

(a) The essential eligibility criteria:

The eligible activities are set out in section 3.2 of the 2014-2020 CBC programme, Annex 2 of the Commission Implementing decision C(2014)9314 of 10 December 2014. The following list is a summary indicating the main eligible actions/operations:

1) Actions to identify labour skills that are becoming a bottleneck for further business development and competitiveness; development and delivery of advanced training programmes for sectors where lack of particular skills is identified, particularly targeting youth and women groups; joint actions targeting to strengthen the co-operation in field of education and vocational education and training (VET) qualifications; actions to contribute to increasing access to employment of youth people and women, with a particular focus on marginalised areas; actions that foster entrepreneurship thinking and promote entrepreneurship skills among youth and women; actions to promote and encourage social entrepreneurship.

2) Design and development of joint tourism offers, products and services ; actions to encourage entrepreneurship in tourism sector; actions seeking for synergies between recreation tourism, nature tourism and business and rural tourism; exchange of best models and best practices in the hospitality industry, in particular actions aiming at

introducing new management models and improving service quality; small scale improvements of tourism, transport infrastructure, restoration and/or preservation of cultural, natural and historical sites and procurement of equipment; reinforcement of the existing networks amongst cultural institutions (i.e. museums, historical centres, theatres, libraries, etc.) and/or establishment of new ones; development of joint programmes for protection, promotion and management of cultural assets, and for safeguarding the most valuable cultural heritage monuments and sites; youth initiatives on cultural exchange for promotion of cultural heritage with a particular focus on youth living in rural areas, minorities and vulnerable groups; support to the commercialisation of new artists' and artisans' products; and promotion of creative industries with particular focus on youth and women related initiatives.

3) Development of harmonised plans of actions to address soil contamination in a sustainable way; development of joint design of plans and measures for improvement of the quality of water flows through protection of water from different sources of contamination; support preparation of feasibility studies for future investments in solid waste, water and sewage systems; small infrastructure works and procurement of equipment in the fields of solid waste and wastewater, sewage systems; exchange of good international practices between local authorities on management of solid waste, water and sewage systems; and awareness measures on implementation of environmental standards in solid and wastewater, sewage and water protection.

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

Potential beneficiaries could include: 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 centres 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 3,480,000

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 merge the 2018 and 2019 allocation with subsequent budget allocations.

- (f) Indicative date for launch of the call(s) for proposals: first semester of 2019.

3. BUDGET

2018				2019				2020				
	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	Total Financing Decision
CBC operations	1,200,000.00	211,764	1,411,764.00	CBC operations	1,200,000.00	211,764	1,411,764.00	CBC operations	1,080,000.00	190,589.00	1,270,589.00	3,480,000.00
in %	85	15	100		85	15	100		85	15	100	
TOTALS 2018	1,200,000.00	211,764	1,411,764.00	TOTALS 2019	1,200,000.00	211,764	1,411,764.00	TOTALS 2020	1,080,000.00	190,589.00	1,270,589.00	4,094,117.00

**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 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.