



Brussels, 29.11.2018
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COMMISSION IMPLEMENTING DECISION

of 29.11.2018

adopting a

Cross-border cooperation Action Programme

between the former Yugoslav Republic of Macedonia and the Republic of Albania

for the years 2018-2020

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Cross-border cooperation Action Programme

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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 programme for the period 2014-2020 between the former Yugoslav Republic of Macedonia and the Republic of Albania, 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 to the former Yugoslav Republic of Macedonia and the Republic of Albania is deemed to follow the conditions and procedures set out by the restrictive measures adopted pursuant to Article 215 TFEU.
- (3) 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.
- (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

¹ OJ L 193, 30.7.2018, p.1.

² OJ L 77, 15.03.2014, p. 95.

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.

and the relevant country or multi-country indicative strategy papers referred to in Article 6 of that Regulation.

- (5) 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.
- (6) 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.
- (7) The cross-border cooperation programme between the former Yugoslav Republic of Macedonia and the Republic of Albania for the period 2014-2020 approved through the Commission Implementing Decision C(2014) 9674 of 11 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.⁵

The cross-border cooperation action Programme between the former Yugoslav Republic of Macedonia and the Republic of Albania for the years 2018-2020, aims at providing assistance for cross-border cooperation in the following thematic priorities: encouraging tourism, culture and natural heritage; enhancing competitiveness, business, trade and investment; protecting the environment, promoting climate change adaptation and mitigation, risk prevention and management.

- (8) 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.
- (9) 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.
- (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 programme

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

⁴ Commission Implementing Decision C(2014)4293 of 30.6.2014 adopting a Multi-country Indicative Strategy Paper for the period 2014-2020.

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

Article 2

Financial contribution

The maximum amount of the European Union contribution for the implementation of the cross-border cooperation action programme the former Yugoslav Republic of Macedonia - Republic of Albania under the Instrument for Pre-accession Assistance (IPA II) referred to in Article 1 is set at EUR 4,930,000.

EUR 1,700,000 to be financed from budget line 22.02.04.01 of the general budget of the EU for year 2018.

EUR 1,700,000 to be financed from budget line 22.02.04.01 of the general budget of the EU for year 2019.

EUR 1,530,000 to be financed from budget line 22.02.04.01 of the general budget of the EU for year 2020.

The implementation of this Decision is subject to the availability of the appropriations provided for in the draft budgets for 2019 and 2020, 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 the former Yugoslav Republic of Macedonia and the Republic of Albania in conformity with the Framework Agreement to be concluded between the Commission and the former Yugoslav Republic of Macedonia and the Republic of Albania 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, 29.11.2018

For the Commission
Johannes HAHN
Member of the Commission

ANNEX

CROSS-BORDER COOPERATION ACTION PROGRAMME THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA - REPUBLIC OF ALBANIA FOR THE YEARS 2018-2020

1 IDENTIFICATION

Beneficiaries	The former Yugoslav Republic of Macedonia Republic of Albania
CRIS/ABAC Commitment references Union Contribution Budget line	2018/041-370 EUR 1,700,000 22.020401 2019/041-371 EUR 1,700,000 22.020401 2020/041-372 EUR 1,530,000 22.020401
Management mode Responsible Structures	Direct management by the European Commission In the former Yugoslav Republic of Macedonia: the Ministry of Local Self Government In the Republic of Albania: the Ministry for Europe and Foreign Affairs
Final date for concluding <u>Financing Agreement(s)</u> with the IPA II beneficiary countries (tripartite)	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 31 December 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
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 NEAR, Unit D3 - the former Yugoslav Republic of Macedonia, Kosovo
Implementing Unit/ EU Delegation	Delegation of the European Union to the former Yugoslav Republic of Macedonia

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 the former Yugoslav Republic of Macedonia - Republic of Albania was approved by Commission Implementing Decision C(2014) 9674 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 programme also serves 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 Communication¹, which 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. 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

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

- Pelagonia region: municipalities Bitola, Demir Hisar, Dolneni, Krivogastani, Krusevo, Mogila, Novaci, Prilep, and Resen;
- Polog region: municipalities: Bogovinje, Brvenica, Gostivar, Jegunovce, Mavrovo and Rostusa, Tearce, Tetovo, Vrapciste and Zelino;
- Southwest region: municipalities Centar Zupa, Debar, Debarca, Kicevo, Makedonski Brod, Ohrid, Plasnica, Struga and Vevcani.

In the Republic of Albania the eligible areas are:

- Dibra region: districts Bulqiza, Burreli and Diber;
- Elbasan region: districts Cerriku, Elbasan, Gramshi, Librazhdi and Peqini;
- Korca region: districts Devolli, Korça, Kolonja and Pogradec.

Cross-border cooperation (CBC) eligible area context

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

¹ On 6 February 2018, the European Commission adopted a Communication on "A credible enlargement perspective for and enhanced EU engagement with the Western Balkans".

border cooperation. In particular the Programme envisages addressing the following thematic priorities:

1. Encouraging tourism, culture and natural heritage;
2. Enhancing competitiveness, business, trade and investment;
3. Protecting environment, promoting climate change adaptation and mitigation, risk prevention and management.

Thematic priority 1 builds on identified strategic opportunities related to the increasing importance of tourism as an economic driver. Also, fostering cultural exchange and promotion of natural heritage will enhance dialogue between institutions, including civil society, and people-to-people encounters in general.

Thematic priority 2 is needs and opportunity-driven and seeks to address low employment levels in the Programme Area.

Thematic priority 3 aims to respond to specific needs of one of the most neglected policy sectors: environment and climate change. In this sector the identified needs include the promotion of cleaner and greener economy, more responsible and sustainable use of natural resources, climate resilience small-scale support infrastructures.

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 Instrument of Pre-Accession Assistance (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.
- The calls for proposal should be more focused on a few 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 keeping on 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 4,930,000
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The envisaged assistance to the former Yugoslav Republic of Macedonia and Republic of Albania is deemed to follow the conditions and procedures set out by the restrictive measures adopted pursuant to Article 215 TFEU².

(1) Description of the action, objective, expected results

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:

- 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;
- 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:

- Awareness and knowledge of sustainable use of natural resources and environment is fostered;
- Mutual co-operation, understanding and respect of cultural heritage and values are furthered;

² https://eeas.europa.eu/headquarters/headquarters-homepage/8442/consolidated-list-sanctions_en

- c) Business opportunities for local service providers and operators in the field of tourism are increased;
- d) The Small Medium Enterprises and start-ups awareness and capacity to tap into new markets and value chains are enhanced.

The objectives and expected results will be achieved over the period of implementation of this programme, from 2014 to 2020. 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) 9674 of 11 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.

So far, the beneficiaries have complied with this condition by ensuring the smooth running of the Joint Technical Secretariat in Struga (beneficiary Ministry of Local Self Government) and the Antenna Office in Elbasan. 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 2014³.

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) Essential elements of the action

Grant – Call for proposal: EUR 4,930,000

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) 9674 of 11 December 2014. The following list is a summary indicating the main eligible actions/operations:

- Design, development and promotion of joint tourism products and services and small scale investment in public tourism infrastructure;
- Training for uplifting of skills in hospitality industry;

³ C(2014) 37629

- Restoration/reservation, preservation, cleaning and maintenance of cultural and historical sites and associated built environment;
- Support to joint cultural events;
- Assistance to SMEs and start-ups for internationalisation and business partner finding;
- Investment in small-scale cross-border market and trading facilities;
- Promoting and supporting sustainable use of natural resources and environment;
- Promoting investments in small-scale infrastructure for disaster resilience and environmental protection.

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, non-governmental 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, chambers of commerce, associations of eligible regions residents, farmers organisations, public enterprises.

- 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 4,930,000

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

The responsible structures may decide to launch a call for proposals which will merge the 2018 allocation with subsequent budget allocations.

- f) Indicative date for launch of the call(s) for proposals: Q2 2020 for the budgetary commitment of years 2018-2020.

3 BUDGET

2018				2019				2020				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	1,700,000	300,000	2,000,000	CBC operations	1,700,000	300,000	2,000,000	CBC operations	1,530,000	270,000	1,800,000	4,930,000
in %	85	15	100		85	15	100		85	15	100	
TOTALS 2018	1,700,000	300,000	2,000,000	TOTALS 2019	1,700,000	300,000	2,000,000	TOTALS 2020	1,530,000	270,000	1,800,000	5,800,000

**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 in direct management by the Commission / by the Union Delegations in accordance with article 62(1)(a) 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.