COMMISSION IMPLEMENTING DECISION

of 29.11.2018

adopting a

Cross-border cooperation Action Programme Montenegro – Kosovo*

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.
COMMISSION IMPLEMENTING DECISION

of 29.11.2018

adopting a

Cross-border cooperation Action Programme Montenegro – Kosovo*

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) No 2018/1046 of the European Parliament and of the Council of 30 July 2018 on the financial rules applicable to the general budget of the Union, 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 action and in particular Article 2(1),

Whereas:

(1) In order to ensure the implementation of the Cross-border cooperation Action Programme Montenegro – Kosovo 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) 2018/1046 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 TFEU.

(3) Regulation (EU) No 231/2014 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.


2 OJ L 77, 150.03.2014, p. 95.

3 Multiannual financing decision shall always constitute a multiannual action programme.

4 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) 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)(a) 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, the commitments are indicative and depend on the future annual budgets of the Union.


(7) The Cross-border cooperation action programme between Montenegro – Kosovo for the period 2014-2020 approved through the Commission Implementing Decision C(2014)9307 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.8

The Cross-border cooperation action programme Programme Montenegro – Kosovo for the years 2018-2020, aims at providing assistance for cross-border cooperation in the following thematic priorities: encouraging tourism, culture and natural heritage; promoting employment, labour mobility and social and cultural inclusion across borders; protecting the environment, promoting climate change adaptation and mitigation, risk prevention and management.

(8) Pursuant to Article 4(7) of Regulation (EU) No 236/2014, indirect management is to be used for the implementation of the programme.

(9) The Commission should be able to entrust budget-implementation tasks under indirect management to the IPA II beneficiary specified in this Decision, subject to the conclusion of a Financing Agreement. In accordance with Article 154(3) and (4) of Regulation (EU, Euratom) 2018/1046 and first subparagraph of Article 14(3) of Commission Implementing Regulation (EU) No 447/20149 the Commission is to ensure a level of protection of the financial interests of the Union with regards to entities and persons entrusted with the implementation of Union funds by indirect management and, if necessary, to take appropriate supervisory measures in

---

accordance with Article 154(5) of the Regulation (EU, Euratom) 2018/1046 before the relevant agreement can be signed.

(10) It is necessary to allow for the payment of interest due for late payment on the basis of Article 116(5) of Regulation (EU) 2018/1046.

(11) In order to allow for flexibility in the implementation of the programme, it is appropriate to allow changes which should not be considered substantial for the purposes of Article 110(5) of Regulation (EU, Euratom) 2018/1046.

(12) 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 231/2014.10

HAS DECIDED AS FOLLOWS:

Article 1

The programme

The multi-annual financing decision, constituting the multi-annual work programme for the implementation of the cross-border cooperation action programme between Montenegro – Kosovo under the Instrument for Pre-accession Assistance (IPA II) for the years 2018-2020 as set out in the Annex, is adopted.

Article 2

Union contribution

The maximum amount of the European Union contribution for the implementation of the cross-border cooperation action programme Montenegro – Kosovo for the years of 2018-2020 under the Instrument for Pre-accession Assistance (IPA II) is set at EUR 3,930,000 and shall be financed from the appropriations entered in the following line of the general budget of the Union:

EUR 1,200,000 to be financed from budget line 22.02.04.01 for year 2018.
EUR 1,200,000 to be financed from budget line 22.02.04.01 for year 2019.
EUR 1,080,000 to be financed from budget line 22.02.04.01 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 2019 and 2020 as adopted by the budgetary authority.

10 The Member States have declared, recalling the Council Conclusions of 18 February 2008, that the adoption of this programme does not prejudge 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.
Article 3

Methods of implementation and entrusted entities or persons

The implementation of the actions carried out by way of indirect management, as set out in the Annex, may be entrusted to the entities or persons referred to or selected in accordance with the criteria laid down in the Annex.

Article 4

Flexibility clause

The following changes shall not be considered substantial, within the meaning of Article 110(5) of Regulation (EU) 2018/1046, 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, 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, 29.11.2018

For the Commission
Johannes HAHN
Member of the Commission

---

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

to the Commission Implementing Decision
adopting a Cross-border cooperation Action Programme Montenegro – Kosovo* for the years 2018-2020\(^1\)

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

<table>
<thead>
<tr>
<th>Beneficiaries</th>
<th>Montenegro, Kosovo</th>
</tr>
</thead>
<tbody>
<tr>
<td>CRIS/ABAC Commitment references</td>
<td>2018/ 041-472 EUR 1,200,000 22.020401</td>
</tr>
<tr>
<td>Union Contribution</td>
<td>2019/ 041-474 EUR 1,200,000 22.020401</td>
</tr>
<tr>
<td>Budget line</td>
<td>2020/ 041-475 EUR 1,080,000 22.020401</td>
</tr>
</tbody>
</table>

Management mode
Indirect management by Montenegro.

The Operating Structure responsible for the execution of the operations is: Office for European Integration

The Contracting Authority is the Directorate for Finance and Contracting of the EU Assistance Funds (CFCU) at the Ministry of Finance

The partner Operating Structure in Kosovo is: Ministry of Local Government Administration

<table>
<thead>
<tr>
<th>Final date for concluding Financing Agreement(s) with the IPA II beneficiaries (tripartite)</th>
<th>For the budgetary commitment of year 2018 at the latest by 31 December 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>For the budgetary commitment of year 2019 at the latest by 31 December 2020</td>
</tr>
<tr>
<td></td>
<td>For the budgetary commitment of year 2020 at the latest by 31 December 2021</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Final date for concluding contracting including conclusion of contribution/delegation agreements</th>
<th>3 years following the date of conclusion of the Financing Agreement with the exception of the cases listed under Article 189(2) Financial Regulation</th>
</tr>
</thead>
</table>

| Indicative operational | 6 years following the date of conclusion of the |

---

* 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.

\(^1\) This programme concerns 2018, 2019, 2020.
<table>
<thead>
<tr>
<th>Implementation period</th>
<th>Financing Agreement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Final date for implementing the Financing Agreement</td>
<td>12 years following the conclusion of the Financing Agreement</td>
</tr>
</tbody>
</table>

(= date by which this programme should be de-committed and closed) after the acceptance of the accounts

2 DESCRIPTION OF THE ACTION PROGRAMME

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

The 2014-2020 CBC (Cross-Border Cooperation) programme Montenegro – Kosovo was approved by Commission Implementing Decision C(2014)9307 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 year period.

The 2014-2020 CBC programme Montenegro- Kosovo 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 that are 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.

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 eligible geographical areas

In Montenegro the eligible areas the municipalities of Andrijevica, Bar, Berane, Bijelo Polje, Gusinje, Kolašin, Mojkovac, Petnjica, Plav, Podgorica, Rožaje and Ulcinj

In Kosovo, the eligible area is the West Economic Region, which is composed of the municipalities of Pejë/Peć, Istog/Istok, Klinë/Klina, Junik, Deçan/Dečani, Gjakovë/Dakovica.


Cross-border cooperation (CBC) eligible area context

The programme area is diverse, but still several common features related to nature, geographic position, demographic trends, economy and human capital could generate synergies and be a good opportunity for developing and implementing CBC initiatives.

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

- **Regional differences in terms of economic and social development**, not only between Montenegro and Kosovo, but even within their regions, constitute a characteristic of the programme area.

- **In terms of private sector development there are clear synergies to be developed within the programme area and to be supported by the CBC programme.** The entrepreneurial tradition identified in the programme area, with a long history of cross-border trade, should be utilized. The challenge will be how to overcome the culture of a short investment horizon, favouring short-term trade opportunities over long-term capital investments.

- **Unemployment is a major economic and social problem across the programme area.** Creation of new jobs and improving unemployment characteristics (especially reducing gender inequalities, stimulating employment of youth and the disabled, addressing the digital literacy deficit), are among the key sustainable development challenges.

- **Common deficiencies in the rural development sector.** A clear agricultural policy, better land management, access to broadband, the improvement of irrigation schemes and infrastructure, and the introduction of a modern agro-processing industry remain key challenges and pre-conditions for an efficient development of agriculture in the programme area.

- **Tourism is a potential for local development in the cross-border area, at different speed.** The importance of tourism in the economies of Montenegro and Kosovo varies a lot - the share of tourism in GDP could be over 30% in Montenegro, while it is still negligible in Kosovo. This is a sector of potential growth for the cross-border area, thanks to rich natural resources, unspoiled nature and mountainous landscapes, traditional folklore, national parks and the presence of valuable cultural and historic sites. Linking cultural and natural heritage promotion with tourism could provide various opportunities for development and for cross-border cooperation initiatives.

- **Presence of a well-developed local network of community organisations, both in Montenegro and in Kosovo.** Some of them, such as mountaineer associations, environment protection organisations, conservation of the cultural heritage etc. could play an important role in tourism development.

- **Improving the educational system and school infrastructure is a major priority for the programme area.** The CBC programme will have a limited role in addressing this issue, but could support exchanges between schools and vocational training centres in the border areas.

- **Health prevention campaigns and health education** are potential activities, which can be covered within the framework of CBC.
The whole programme area is abundant in environmental resources and biodiversity. Environmental protection and preservation is therefore the key for the sustainable development of this area.

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 an 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 learned were also identified by through 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 CBC stakeholders in the Western Balkans and follow-up measures were identified for the short and medium term, both for the on-going 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 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 on and sharing experiences with the other CBC environments (e.g. INTERREG (Interregional Cooperation Programme) and ENI (European Neighbourhood CBC programmes).

Following the experience gained in the previous programme period of 2011 to 2013, the Joint Monitoring Committee (JMC) became the cross-border programme’s decision making body to oversee the effectiveness and quality of implementation of the programme. The JMC role is in the overall programming and monitoring of the CBC programme, meanwhile, the selection of actions falls under the responsibility of the Contracting Authority.

The experience of the previous years has shown that on one side, the number of interested applicants is steadily increasing – thus reaching a wide variety of stakeholder and small-scale entities. On the other side, participants still require intense capacity building actions so that future potential applicants can better incorporate best practice elements and other features in their actions. Furthermore, previous programmes promoted the establishment of cross-border partnerships, whose long-term cooperation
needs to be encouraged with the aim of fostering local development. Cross-border cooperation actions have shown to be a powerful instrument for local development processes, bringing people and institutions together by tackling very concrete and local development needs.

The responsible structures at national level for implementing this Cross-Border Programme under indirect management mode have gained experience during the execution of the first four years of the current financial period, from 2014 to 2020. It is expected that this process will continue with increasing efficiency in the management of related calls for proposals and grant contracts under indirect management. In addition, this indirect management method, under the lead of Montenegro and in close partnership with Kosovo, has a strong stimulus for enhancing regional cooperation and trust.

2.2 DESCRIPTION AND IMPLEMENTATION OF THE ACTIONS

<table>
<thead>
<tr>
<th>Action 1</th>
<th>Cross-Border Cooperation Operations</th>
<th>EUR 3,480,000</th>
</tr>
</thead>
</table>

The envisaged assistance to Montenegro and Kosovo is deemed to follow the conditions and procedures set out by the restrictive measures adopted pursuant to Article 215 TFEU.

(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 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 (including actions to address the digital literacy deficit); 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

4 https://eeas.europa.eu/headquarters/headquarters-homepage/8442/consolidated-list-sanctions_en
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; through, inter alia, support to cultural and other social exchanges; the promotion of tourism offer and valorisation of cultural heritage of the area, including the improvement of the quality of services, the establishment of networks and partnerships between local government and local stakeholders to promote joint tourist sites; the preservation of cultural heritage; enhancing exchanges of cultural and historical values, and cultural diversity.

**Expected results**

a) Employment, labour mobility and social and cultural inclusion

- More people seeking employment as a result of the programme actions;
- More unemployed people, including students that finished school, succeed in finding a job;
- The employability of students still attending school is improved;
- More people decide to start their own business;
- Increased participation of socially vulnerable groups in sports and cultural life;
- Increased participation of socially vulnerable groups in education;
- Health of socially vulnerable groups improved.

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

- Air, water and soil pollution reduced.

c) Tourism and cultural and natural heritage

- Increased number of entrepreneurs in tourism;
- Hotel industry services enhanced;
- Sites and buildings with a cultural and natural value conserved, revitalised and open to public;
- The offer of active tourism services improved.

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)9307 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 an Antenna Office, in case the latter will be set up.

Under indirect management, the participating countries shall conclude a bilateral arrangement for the whole duration of the programme, setting out their respective responsibilities for implementation the programme.

This bilateral arrangement has been concluded between the two participating countries and shall remain valid for the whole implementation of the programme.

Failure to comply with the requirements set out above may lead to a recovery of funds under this programme and/or the re-allocation of future funding.

So far, the beneficiaries have complied with the above assumptions and conditions, including setting up the Joint Technical Secretariat in Podgorica and the Antenna Office in Pristina. 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)37629.  

Further financial support should be programmed by the European Commission for continuing to provide support to the Joint Technical Secretariat and the Antenna Office from 2020 onwards.

(3) Implementation modalities:
(3)(a) Indirect management with Montenegro

Short description of the tasks entrusted

The operating structures of Montenegro and Kosovo shall agree on the necessary arrangements for the management and implementation of the programme including establishing a system to monitor implementation.

The operating structure of Montenegro shall arrange for procurement and grant award procedures in the selected thematic priorities of the programme. As regards the call for proposals, the entrusted tasks include drafting guidelines for applicants, launching the calls, selecting the grant beneficiaries and signing grant contracts. The entrusted tasks also include activities linked with the implementation and financial management of the programmes, such as monitoring, evaluation, payments, recoveries, expenditure verification, ensuring internal audit, irregularity reporting, and the setup of appropriate anti-fraud measures.

Essential elements of the action

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

a) The essential eligibility criteria:

The list of eligible actions (activities) is set in section 3.2 of the Annex 2 of the Commission Decision C(2014) 9307 of 11 December 2014. The following list is a

summary indicating the main eligible actions/operations: improving public sewage and solid waste collection and processing systems; exchange of good practices between local authorities and environmentally friendly initiatives; joint environmental management of river banks and national parks; fight against illegal landfills; training for upgrading hospitality skills in the tourism sector, involving the regional education and private sector; promote and stimulate joint tourism products (for example: hiking and biking tours etc.) as well as (multi-sector) clusters in the tourism sector; support initiatives to preserve, restore and maintain natural, cultural and historical sites.

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

Potential beneficiaries could be: local authorities, local governments and their institutions, associations of municipalities, development agencies, local business support organisations, economic factors such as SMEs, tourism and cultural organisations, NGOs, public and private bodies supporting the workforce, vocational and technical training institutions, bodies and organisation for nature protection, public bodies responsible for water management, fire/emergency services, schools, colleges, universities and research canters including vocations and technical training institutions. Additional entities can be added if relevant to the programme.

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

f) 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, 2019 and 2020 allocations with subsequent budget allocations.

g) Indicative date for launch of the call(s) for proposals
   Q3 2020 for the budgetary commitment of years 2018, 2019 and 2020 to be launched in one call for proposals.
### 3 BUDGET

*(The tables in this section shall be based on the financial tables included in the cross-border programme in Annex 2)*

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Union contribution*</td>
<td>Grant beneficiary/ies</td>
<td>Total</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Co-financing**</td>
<td>Co-financing</td>
<td>expenditure</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CBC operations</td>
<td>1,200,000</td>
<td>211,764</td>
<td>1,411,764</td>
<td>CBC operations</td>
</tr>
<tr>
<td>in %</td>
<td>85</td>
<td>15</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>TOTALS 2018</td>
<td>1,200,000</td>
<td>211,764</td>
<td>1,411,764</td>
<td>TOTALS 2019</td>
</tr>
</tbody>
</table>

*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 Country Strategy Paper.

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

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

The overall progress will be subject to evaluation which will take place following the implementation of activities.