

FINANCING AGREEMENT

SPECIAL CONDITIONS

The European Commission, hereinafter referred to as "**the Commission**" or "the party", acting on behalf of the European Union, hereinafter referred to as "**the Union**",

on the one part, and

Montenegro, represented by the Government of Montenegro – European Integration Office, and Kosovo*, represented by the Ministry of European Integration, hereinafter jointly referred to as "the IPA II beneficiaries", or separately referred to as "**the IPA II beneficiary**" or "the party",

on the other part,

and together, jointly referred to as "**the parties**"

HAVE AGREED AS FOLLOWS:

Article 1 - The Action Programme

- (1) The Union agrees to finance and the IPA II beneficiaries agree to accept the financing of the 2017 allocation of the following Action Programme as described in Annex I:

Cross-border Cooperation Action Programme Montenegro - Kosovo* for the years 2015 - 2017.
(CRIS 2017 / 038-183)

This Action Programme is financed from the Union Budget under the following basic act: Instrument for Pre-Accession Assistance (IPA II)¹.

- (2) The total estimated cost of the 2017 allocation of this Action Programme is EUR 988,235 and the maximum Union contribution to this Action Programme is set at EUR 840,000.

No financial contribution is required from the IPA II beneficiaries.

Article 2 – Execution period and operational implementation period

- (1) The execution period of this Financing Agreement as defined in Article 1(1) of Annex II is fixed at 12 years, from the entry into force of this Financing Agreement.

* 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 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.

- (2) The operational implementation period of this Financing Agreement as defined in Article 1(2) of Annex II is fixed at 6 years, from the entry into force of this Financing Agreement.

Article 3 – Addresses and Communication

All communication concerning the implementation of this Financing Agreement shall be in writing, shall refer expressly to the Action Programme as identified in Article 1(1) and shall be sent to the following addresses:

a) **for the Commission**

Ms Genoveva Ruiz Calavera
Director D, Western Balkans
Directorate-General for Neighbourhood and Enlargement Negotiations
European Commission
15, Rue de la Loi, B – 1049 Brussels, Belgium
E-mail: NEAR-D1@ec.europa.eu

b) **for the IPA II beneficiaries**

For Montenegro:

Ms Ivana Glišević Đurović, Deputy Chief Negotiator and
National IPA Coordinator
Government of Montenegro
European Integration Office
Bulevar Revolucije 15
81000 Podgorica, Montenegro
E-mail: ivana.glisevic@mep.gov.me

For Kosovo:

Ms Dhurata Hoxha
Minister of European Integration
National IPA Coordinator
Ministry of European Integration
10000 Pristina, Kosovo
Functional e-mail address: mei@rks-gov.net

Article 4 – OLAF contact point

The contact point of the IPA II beneficiary having the appropriate powers to cooperate directly with the European Anti-Fraud Office (OLAF) in order to facilitate OLAF's operational activities shall be:

For Montenegro:

AFCOS contact point/AFCOS office
Ms Nataša Kovačević
Ministry of Finance of Montenegro
Stanka Dragojevića 2, 81000 Podgorica, Montenegro

natasa.kovacevic@mif.gov.me

For Kosovo:

Ms Dhurata Hoxha
Minister of European Integration
National IPA Coordinator (NIPAC)
10000 Pristina, Kosovo
E-mail: dhurata.hoxha@rks-gov.net

Article 5 – Framework Agreements

The Action Programme shall be implemented in accordance with the provisions of the Framework Agreement between the European Commission and Montenegro on the arrangements for implementation of Union financial assistance to Montenegro under the Instrument for Pre-Accession Assistance (IPA II) which entered into force on 04 June 2015 and in accordance with the provisions of the Framework Agreement between the European Commission and Kosovo on the arrangements for implementation of Union financial assistance to Kosovo under the Instrument for Pre-Accession Assistance (IPA II) which entered into force on 16 April 2015, respectively (hereafter referred to as “the Framework Agreement(s)”).

This Financing Agreement supplements the provisions of the abovementioned Framework Agreements. In case of conflict between, on the one hand, the provisions of this Financing Agreement and, on the other hand, the provisions of the respective Framework Agreement, the latter shall take precedence.

Article 6 - Annexes

- (1) This Financing Agreement is composed of:
- a) these Special Conditions;
 - b) Annex I: Cross-border Cooperation Action Programme Montenegro – Kosovo* for the years 2015- 2017;
 - c) Annex IA: IPA II CBC Programme Montenegro-Kosovo* 2014-2020 ;
 - d) Annex II: General Conditions;
 - e) Annex III: Model Annual Report CBC on the implementation of IPA II assistance in accordance with Article 80 of the Framework Agreement;
 - f) Annex IIIA: Model annual report on the implementation of IPA II assistance in accordance with Article 58; and 59(1) of the Framework Agreement;
 - g) Annex IV: Model Financial Report as per Article 59(2) of the Framework Agreement;
 - h) Annex V: Accrual Based Accounting System Minimum Specification;

- i) Annex VI: *Ad hoc* measures for entrusting budget implementation tasks under this Programme.
- (2) In the event of a conflict between, on the one hand, the provisions of the Annexes and, on the other hand, the provisions of these Special Conditions, the latter shall take precedence. In the event of a conflict between, on the one hand, the provisions of Annex I, and Annex IA and the provisions of Annex II on the other hand, the latter shall take precedence. In the event of a conflict between, the provisions of Annex I on the one hand, and the provisions of Annex IA, on the other hand, the former shall take precedence.
- (3) Annex VI provides for *ad hoc* measures for entrusting budget implementation tasks under this Action Programme, in addition to the IPA II beneficiary duties that is the Contracting Authority in regard to the entrustment of budget implementation tasks provided for under this Financing Agreement, in particular Annex II.

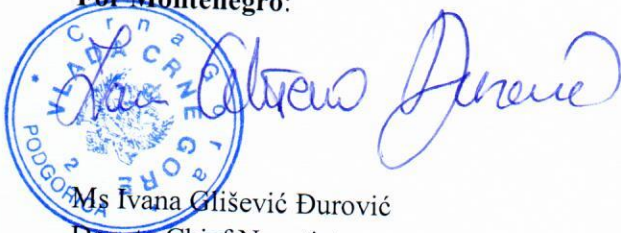
Article 7 – Entry into force

This Financing Agreement shall enter into force on the date on which the Commission receives a notification from the last IPA II beneficiary confirming the completion of the internal procedures of the IPA II beneficiary necessary for its entry into force. The Commission shall inform the IPA II beneficiaries of the date the receipt of this notification. The Financing Agreement shall not enter into force if such a notification is not received by the Commission by 31 December 2018.

This agreement is drawn up in triplicate in the English language, one being handed to the Commission and one to each of the IPA II beneficiaries.

For the IPA II beneficiaries:

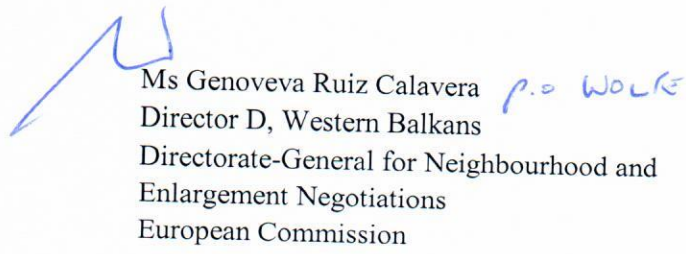
For Montenegro:



Ms Ivana Glišević Đurović
Deputy Chief Negotiator
and National IPA Coordinator
Government of Montenegro –
European Integration Office

Podgorica, on 13 November 2018.

For the Commission:



Ms Genoveva Ruiz Calavera
Director D, Western Balkans
Directorate-General for Neighbourhood and
Enlargement Negotiations
European Commission

Brussels, on 20/11/18

For Kosovo:



Ms Dhurata Hoxha
Minister of European Integration
National IPA Coordinator

Pristina, on 5 December 2018