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ANNEX

to the Commission Implementing Decision on the financing of the cross-border cooperation programme Serbia – North Macedonia for 2021-2027

Action Document for: Cross-border cooperation programme Serbia – North Macedonia for 2021-2027

TABLE OF CONTENTS

PROGRAMME SYNOPSIS	3
LIST OF ACRONYMS	6
1. PROGRAMME SUMMARY	7
1.1. Summary of the Programme	7
1.2. Preparation of the programme and involvement of the partners	8
2. PROGRAMME AREA	12
2.1. Situation Analysis	12
2.2. Main findings	16
3. PROGRAMME STRATEGY	19
3.1. Rationale - Justification for the selected intervention strategy	19
3.2. Description of programme priorities	21
3.3. Horizontal and cross-cutting issues.....	34
3.3.1. Equal opportunities	34
3.3.2. Contribution to the promotion of equality between men and women	34
3.3.3. The mainstreaming of the thematic cluster 5.....	35
3.4. Coherence with other programmes and macro regional strategies	36
3.5. Conditions and assumptions	38
4. INDICATIVE BUDGET	40
5. IMPLEMENTATION ARRANGEMENTS	42
5.1. Financing agreement.....	42
5.2. Indicative implementation period.....	42
5.3. Methods of implementation	42
5.4. Programme Management Structure.....	43
5.5. Project development and selection and implementation.....	44
5.6. Scope of geographical eligibility for procurement and grants	44
6. REPORTING, MONITORING AND EVALUATION.....	44
7. INFORMATION AND VISIBILITY	44
8. SUSTAINABILITY	45

PROGRAMME SYNOPSIS

Basic Act	Instrument for Pre-accession Assistance (IPA III)
Programme title	Cross-border cooperation programme Serbia - North Macedonia for 2021-2027
OPSYS number	ACT-60810 2021: JAD.975034 2022: JAD.975086 2024: JAD.975087 2026: JAD.975088 2027: JAD.975089
Programming document	IPA III Programming Framework
Window	IPA III Window 5 Territorial and cross-border cooperation
Programme area	<p>Serbia:</p> <p><i>Jablanica district:</i> City of Leskovac and municipalities of Bojnik, Lebane, Medveđa, Vlasotince and Crna Trava</p> <p><i>Pčinja district:</i> City of Vranje with two city municipalities: Vranje and Vranjska Banja, and municipalities of Vladičin Han, Surdulica, Bosilegrad, Trgovište, Bujanovac and Preševo</p> <p>North Macedonia:</p> <p><i>North – East Region:</i> municipalities of Kratovo, Lipkovo, Kumanovo, Staro Nagoričane, Rankovce and Kriva Palanka</p> <p><i>Skopje Region:</i> municipalities of Aračinovo, Čučer Sandevo, Ilinden, Petrovec, Sopište, Studeničani, Zelenikovo, and municipalities Butel, Gjorče Petrov, Šuto Orizari, and Gazi Baba of the City of Skopje</p>
Programme objective/Impact	<p>overall</p> <p>to promote good neighbourly relations, foster Union integration and contribute to social, economic and territorial development of the programme cross-border area by improving social and cultural inclusion and health and by developing sustainable tourism</p>
Programme thematic clusters (TC), thematic priorities (TP) and specific objectives/outcomes (SO) per thematic priority	<p>TP0: Technical Assistance</p> <p>SO1: To ensure the efficient, effective, transparent and timely implementation of the cross-border cooperation programme as well as to raise awareness of the programme amongst national, regional and local communities and, in general, the population in the eligible programme area</p> <p><u>TC 1: Improved employment opportunities and Social Rights</u></p> <p>TP1: Employment, labour mobility and social and cultural inclusion across borders; SO: Improving social and cultural inclusion and health</p> <p><u>TC 4: Improved business environment and competitiveness</u></p> <p>TP5: Encouraging tourism and cultural and natural heritage; SO: Enhancement of cultural and natural heritage for sustainable tourism development</p> <p>NB: The thematic cluster TC 5: <i>Improved capacity of local and regional authorities to tackle local challenges</i> will be mainstreamed. The mainstreaming of this thematic cluster will be presented in Section 3.3 of this document.</p>

Sustainable Development Goals (SDGs)	<p>Main SDG):</p> <p>8 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p> <p>In the framework of the implementation of the 7 years cross border cooperation programme, the operations selected will also contribute to the following SDGs:</p> <p>3 Ensure healthy lives and promote well-being for all at all ages</p> <p>4 Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p> <p>5 Achieve gender equality and empower all women and girls</p> <p>10 Reduce inequality within and among countries</p> <p>11 Make cities and human settlements inclusive, safe, resilient and sustainable</p> <p>13 Take urgent action to combat climate change and its impacts</p> <p>15 Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss</p>
DAC code(s) ¹	<p>15110 – Public sector policy and administrative management (10%)</p> <p>16010 – Social protection (25%)</p> <p>16020 – Employment creation (25%)</p> <p>33210 – Tourism policy and administrative management (40%)</p>
BUDGET INFORMATION	
Budget Line	15.020300
Total cost 2021-2027	EUR 9 734 117.65
Total EU contribution 2021-2027	EUR 8 400 000
Yearly EU contribution	<p>For year 2021 - EUR 360 000</p> <p>For year 2022 - EUR 3 240 000</p> <p>For year 2024 - EUR 2 520 000</p> <p>For year 2026 - EUR 2 160 000</p> <p>For year 2027 - EUR 120 000</p>
MANAGEMENT AND IMPLEMENTATION	
Method of Implementation	<p><i>For Operations:</i></p> <p>Indirect management by Serbia</p> <p><i>For Technical Assistance</i></p> <p>Direct management by the European Commission</p>
Responsible CBC structures/ relevant authorities in the IPA III participating countries ²	<p>In Serbia:</p> <ul style="list-style-type: none"> - Ministry of European Integration of Serbia (MEI) (Managing Authority) Ministry of Finance of Serbia, Department for Contracting and Financing of EU funded Programmes – CFCU (Intermediate body for financial management) - . <p>In North Macedonia:</p> <ul style="list-style-type: none"> - Government of North Macedonia, NIPAC Office and CBC Structure established under the IPA III legal framework

¹ DAC sectors (codes and descriptions) are indicated in the first and fourth columns of the tab 'purpose codes' in the following document: <http://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/dacandcrscodelists.htm>

² Responsible structures and responsibilities will be defined upon adoption of their accordance with the IPA III legislative framework and corresponding Framework partnership Agreement and Financial Agreement.

JTS/Antenna Offices of the joint technical secretariat (JTS)	JTS Main office: Leskovac, Serbia Antenna office: Kumanovo, North Macedonia
Final date for concluding <u>Financing Agreement</u>	For 2021 and 2022 credits (budgetary commitment in 2022) at the latest by 31 December 2023
Final date for agreement (exchange of letters) of all parties on further yearly budget allocations for implementation of the Financing Agreement	For the budgetary commitment of 2024 at the latest by 31 December 2025 For the budgetary commitment of 2026 at the latest by 31 December 2027 For the budgetary commitment of 2027 at the latest by 31 December 2028
Final date for concluding <u>procurement and grant contracts</u>	3 years following the date of conclusion of the Financing Agreement (or the exchange of letters for the subsequent budgetary instalments) except for the cases provided for in Article 114 FR
Indicative operational implementation period	6 years following the date of conclusion of the Financing Agreement (or the exchange of letters for the subsequent budgetary instalments)
Final date for implementing the Financing Agreement	12 years following the conclusion of the Financing Agreement (or the exchange of letters for the subsequent budgetary instalments)

LIST OF ACRONYMS

CA	Contracting Authority
CBC	Cross-border cooperation
CBC-Forum	CBC regional consultative forum
CBIB+3	Cross-border Institution Building Plus Phase III
CFCU	Central Finance and Contracting Unit
CfP	Call for Proposals
CSO	Civil Society Organisation
EU	European Union
DEU	Delegation of European Union
GDP	Gross Domestic Product
GVA	Gross Value Added
IPA	Instrument for Pre-accession Assistance
JMC	Joint Monitoring Committee
JTF	Joint Task Force
JTS	Joint Technical Secretariat
MEI	Ministry of European Integration, Serbia
MK	North Macedonia
MLSG	Ministry of Local Self-Government, North Macedonia
NGO	Non-Governmental Organisation
OS	CBC Structure (if the text refers to IPA II, Operating Structure)
PESTLE	Political, Economic, Sociological, Technological, Legal and Environmental
RS	Serbia
SME	Small and Medium Size Enterprise
SO	Specific Objective
SORS	Statistical Office of the Republic of Serbia
SWOT	Strengths, Weaknesses, Opportunities, Threats
TA	Technical Assistance
TC	Thematic Cluster
TP	Thematic Priority

1. PROGRAMME SUMMARY

The cross-border cooperation programme between Serbia (RS) and North Macedonia (MK) will be implemented under the framework of the 2021-2027 Instrument for Pre-accession Assistance (IPA III) with a view to promoting good neighbourly relations, fostering Union integration and promoting socio-economic development through joint local and regional initiatives.

The legal basis for drafting the cross-border programme³: Regulation (EU) 2021/1529 of the European Parliament and of the Council of 15 September 2021 establishing the Instrument for Pre-Accession assistance (IPA III).

1.1. Summary of the Programme

The programme area is located in the central and southern part of the Balkan Peninsula, comprising the south-eastern part of Serbia with Jablanica and Pčinja districts and the north-eastern part of North Macedonia with the North-East Region and part of the Skopje Region. The area covers **10 086 km²** with approximately **834 161 people**, out of which 49% are women, residing in **31 municipalities**. About 60 % of the population lives in four larger urban centres including 8 municipalities: Leskovac, Vranje (two municipalities), Kumanovo and the four municipalities of the City of Skopje.

Nature with **rich bio and geodiversity** as well as **cultural diversity** represent a potential for development, especially for tourism development.

The COVID-19 crisis negatively affected the economy and employment of both countries, and hence the programme area. Tourism and travel sector suffered the greatest damage and recovery of the tourism sector is one of the common challenges for the cross-border area.

In terms of socio-economic development there are **great disparities** within the programme area as it comprises the least developed areas of the two countries, with some of the most underdeveloped municipalities, as well as parts of the most developed Skopje Region on the North Macedonia side. The territory reflects **urban/rural divide** in terms of population density, employment, accessibility of services. High unemployment coupled with low level of economic activity also poses additional challenges of social exclusion for several disadvantaged groups (elderly, women, Roma, youth in peripheral areas, people with disabilities, etc.) at risk of poverty and deprivation.

Overall objective/impact

To promote good neighbourly relations, foster Union integration and contribute to social, economic and territorial development of the programme cross-border area by improving social and cultural inclusion and health and by developing sustainable tourism .

The programme builds on identified potentials and strengths and works towards reducing the weaknesses. Creation of equal opportunities to establish sound foundations and partnerships for cross-border cooperation shall be integrated as a general approach in the implementation.

Considering the identified needs and challenges and the amount of the available funds, the programme shall address two thematic priorities:

1) TP1: Promoting employment, labour mobility and social and cultural inclusion across the border

The programme seeks to promote an inclusive society by developing new or upgrading existing services and programmes that would fall under social welfare and health sectors. It shall respond particularly to the social and

³ Also, during the programming process, the document 'Advice for programming' developed by CBIB+ was used as a key guidance and useful tool.

health needs of disadvantaged groups in the programme area, such as elderly, women, persons living with disabilities, young in peripheral areas, Roma community and other vulnerable citizens.

This thematic priority includes joint cross-border activities of promotion, exchange of experience, knowledge and joint development of innovative solutions (services, tools, programmes) aimed to increase the access to social, health and cultural services particularly for those who can be considered as vulnerable or social groups at disadvantage.

2) TP5: Encouraging tourism and cultural and natural heritage

Activation of the natural and cultural potentials of the programme area for sustainable tourism was recognised as one of the key areas of cooperation where significant improvements and increase in the gross value added can be made in a long term and where a variety of different stakeholders can actively participate. The priority shall respond both to establishing basic conditions as well as to support concrete cross-border tourism products.

The programme aims to encourage local governments and other local and regional players to collaborate in the development and management of sustainable cross-border tourist products based on natural and cultural heritage and other competitive advantages of the programme territory.

- ✓ NB: The thematic cluster 5 Improved capacity of local and regional authorities to tackle local challenges will be mainstreamed in the implementation of the selected thematic priorities.

The support to be provided under this multi-annual action plan will directly contribute and create synergies with the priorities of the Economic and Investment Plan⁴ and the Green Agenda⁵ for the Western Balkans.

1.2. Preparation of the programme and involvement of the partners

IPA III Cross-border cooperation programme Serbia – North Macedonia was prepared jointly by two participating countries and for this purpose a Joint Task Force (hereinafter JTF) was established.

The role of the JTF in strategic planning and programming for the future implementation of the 2021-2027 programme was to ensure the quality of the various drafts of the CBC programme and that the latter focuses on needs identified in the concerned programme region in terms of thematic clusters, priorities, specific objectives and expected results.

Due to the COVID-19 pandemic all the meetings of the JTF were held online.

Throughout the time of the programming process, Serbia's and North Macedonia's operating structures jointly ensured the implementation of all tasks related to the preparation of CBC programme, including the following tasks: agreement on the extension of the eligible programme area; organisation and monitoring of the programming process; provision of all relevant background documents to the expert team; finalisation, circulation and collection of the questionnaires filled by CBC stakeholders of the programme area, required for the SWOT analysis; collection and delivery of the list of data needed for the PESTLE analysis; preparation of the final SWOT analysis; selection of the thematic clusters, thematic priorities and specific objectives; selection and adoption of the final indicators; preparation of the final financial table; an advanced version of the programming document for the respective programme area; then submission and update of the advanced version to the European Commission when it was required; provision of technical inputs to the JTF, ensuring visibility and communication of the process and hosting online consultation via their website and the website of the programme.

The programming exercise was supported by the CBIB+3 project (Cross-Border Institution Building). The following steps were taken: i) preparation of the programming advise with details on the steps and activities to be undertaken and a detailed plan for the preparation of the programming document, ii) preparation of the draft situation analysis and SWOT on the basis of inputs from beneficiaries, secondary sources and lessons learned, iii) identification of

⁴ COM(2020) 641, 6.10.2020

⁵ SWD(2020) 223, 6.10.2020

key needs and challenges of the programme area, iv) selection of thematic priorities and elaboration of a draft strategy including specific objectives/outcomes, results/outputs, activities and indicators, v) amendments of the programme according to the comments of the JTF. Also, trainings for JTF members were held.

During the programme preparation, operating structures were focused on ensuring a transparent consultation process, in order to exchange views with all relevant stakeholders (e.g. local self-governments, civil society organisations, educational institutions...). In that sense, a questionnaire was designed for the potential beneficiaries, in order to thoroughly assess the situation in the border region.

20 municipalities out of 31, covering 81% of the programme area population on the Serbian side (according to census in 2011) and 73% of the programme area population on the North Macedonia side (according to the census in 2002) responded. In addition, two centres for region development and 14 legal entities other than local authorities in North Macedonia and 22 legal entities other than local authorities in Serbia completed the questionnaires.

The completed questionnaires served as an important basis for the preparation of the SWOT analysis and all gathered questionnaires were carefully analysed.

In order to get the views of various stakeholders, **public consultations** were organised.

The first draft of the programme document was sent by e-mail on 11 December 2020 to all stakeholders, whose contacts were available in the programme database. The document was also published on the programme's website⁶. According to the available records, there were 20 visits to this article (14 on English and 6 on North Macedonia language page). The document was also published on the websites of both OSs: Serbia⁷ and North Macedonia⁸. The web page of Serbian OS was viewed 38 times. Unfortunately, no comment in writing on the first draft of the programme document was received.

The **public consultations process** for the 2nd draft of the programme document also included a survey, apart from the online meeting held on 20 April 2021. This survey was launched on 15 April 2021 on the Programme website and the link to the questionnaire was sent to the Programme stakeholders by e-mail. All were invited to fill the questionnaire until 20 April but the option remained opened even after the set deadline.

13 responses have been received. 23.10% of respondents are representatives of local governments, 30.8% are Development agencies' representatives, 15.4% are representatives of private companies, while public companies and institutions and cultural institutions participated with 7.7% each.

The stakeholders were asked to assess their agreement with the Intervention logic and the answers were as follows:

- On the scale from 1 (strongly disagree) to 5 (strongly agree) the majority of respondents (53.8%) strongly agree with the proposed **Overall objective/impact**, 4 agree very much (30.8%) and 15.4% agree on medium level.
- The majority of respondents strongly agree (38.5%) or agree very much (38.5%) with the proposed **Thematic priority 1** formulation.
- The majority of respondents strongly agree (38.5%) or agree at the medium level (38.5%) with the proposed **Specific objective/outcome 1.1** formulation.
- The majority of respondents strongly agree (38.5%) or agree very much (46.2%) with the proposed **Thematic priority 2** formulation,
- The majority of respondents strongly agree (46.2%) or agree very much (30.8%) with the **Specific objective/outcome 2.1** formulation.

⁶ <https://eu.rs-mk.org/2020/12/11/preparation-of-the-new-ipa-iii-cross-border-cooperation-programme-serbia-north-macedonia-2021-2027/>

⁷ <https://www.mei.gov.rs/srp/vesti/2178/189/335/detaljnije/priprema-novog-ipa-iii-programa-prekogranicne-saradnje-srbija-severna-makedonija-2021-2027/>

⁸ <https://mls.gov.mk/en/information/public-announcements/2143-preparation-of-the-new-ipa-iii-cross-border-cooperation-programme-serbia-%E2%80%93-north-macedonia-2021-2027>

Table 1.1: Summary of the programme milestones

Date and place	Event/purpose
22 April 2020	A letter from the European Commission regarding IPA III and starting of programming process received by the NIPAC Office
4 May 2020	Kick-off meeting between RS OS and CBIB+3 on the IPA III CBC programming process (required steps and draft working plan)
15 May 2020	The first bilateral meeting between Serbia and North Macedonia on IPA III CBC programming. Discussion on the required steps and the working plan
18 May 2020	Kick off meeting between MK OS and CBIB+3 on the IPA III CBC programming process (required steps and draft working plan)
13 July 2020	The process of appointing JTF members started
29 July 2020	The second bilateral meeting between Serbia and North Macedonia
4-6 August 2020	JTS RS-MK dispatched the questionnaires to the relevant CBC stakeholders
1 September 2020	Mobilisation of the programming expert for this programme
16 September 2020	2 nd deadline for the collection of the completed questionnaires
28 September 2020	The aggregated answers from the collected questionnaires were delivered to the programming expert for further elaboration and analysis
12 October 2020	Training for JTF members, OSs and JTS staff, programming expert on programme formulation and development
13 October 2020	The third bilateral meeting between Serbia and North Macedonia
22 October 2020	1 st JTF meeting: Establishment of the JTF, adoption of its rules of procedure and the programming work plan; presentation of IPA II programme structure/bodies; analysis of the questionnaires; strategic direction of the future programme
3 November 2020	1 st preparatory meeting for the Serbian JTF members. Discussion on the SWOT and situation analysis
4 November 2020	1 st preparatory meeting for the North Macedonia JTF members. Discussion on the SWOT and situation analysis
5 November 2020	2 nd JTF meeting: Discussion and provisionally adoption of the first draft of the Situation and SWOT analysis; preliminary discussion and selection of two scenarios (with two thematic priorities in each one of them) that should be additionally considered and selected
12 November	2 nd preparatory meeting with the Serbian members of the JTF on suggested TPs and SOs
12 November 2020	3 rd JTF meeting: Approval of the comments included in the provisionally adopted SWOT and SA by JTF; Discussion of the Scenarios, TPs and SOs
17 November 2020	Completion of a written procedure for the selection of thematic priorities and specific objectives
24 November 2020	3 rd preparatory meeting with the Serbian members of the JTF on the draft strategy
24 November 2020	4 th JTF meeting: Discussion and adoption of the first draft of the programme strategy.
30 November 2020	Submission of the 1 st draft of the programme document to European Commission

11 December 2020	Invitation to public consultations
11-31 December 2020	Online public consultations
4 February 2021	Internal technical meeting on preparation for addressing the European Commission comments on the IPA III CBC RS-MK programme document
10 February 2021	The fourth bilateral meeting between Serbia and North Macedonia on IPA III CBC programming and the CBIB+3 Project
18 February 2021	Coordination meeting with the UNWomen project for RS on the gender analysis and the IPA III CBC programming document
19 March 2021	Coaching event on the intervention logic of the programme – Promel project
22 March 2021	European Commission's Review of the draft Cross-Border Cooperation programme Serbia – North Macedonia funded under the Instrument for Pre-accession Assistance (IPA III) received
25 March 2021	The fifth bilateral meeting of the OSs of the IPA III CBCP RS- MK and the CBIB+3 Project
12 April 2021	Promel advisory note on intervention logic received
20 April 2021	Public consultations
22 April 2021	5 th JTF meeting: Presentation and discussion of the 2 nd version of the programme document
28 April 2021	Approval of the 2 nd draft of the programme strategy through written procedure by JTF
29 April 2021	Submission of the 2 nd version of the programme document RS-MK to the European Commission
7 June 2021	Informal European Commission comments on the submitted 2 nd version received
08 July 2021	Official European Commission comments on the submitted 2 nd version received
15 July 2021	Approval of the 3 rd draft of the programme strategy through written procedure by JTF
15 July 2021	Submission of the 3 rd version of the programme document RS-MK to the European Commission

2. PROGRAMME AREA

2.1. Situation Analysis

The geographical coverage and size of the eligible programme area is almost identical to the previous 2016-2020 IPA II CBC programme except that municipality of Saraj which was included in previous programme has been replaced by the municipalities of Shuto Orizari and Gazi Baba within the City of Skopje.

Map 2.1: Programme area

The programme area of the 2021-2027 IPA III cross-border cooperation programme Serbia – North Macedonia comprises the districts of Jablanica and Pčinja in Serbia and the North-East Region and part of the Skopje Region in North Macedonia, with a total of **31 towns and municipalities and 987 settlements**. It covers **10 086 km²**, of which 62.4 % on the Serbian and 37.6 % on the North Macedonia side, representing 7 % of territory of Serbia and 14.8 % of territory of North Macedonia.

Pan-European Corridor X goes through the area, connecting Salzburg-Ljubljana-Zagreb-Belgrade-Niš-Leskovac-Vranje-Skopje-Thessaloniki, as well as Corridor VIII which connects Skopje-Kumanovo-Sofia.

A variety of landscapes (mountains, valleys, gorges), water resources, including thermal springs, forests and mineral resources are the area's main natural resources. Nature with rich bio and geo diversity as well as cultural diversity represent a potential for development.

Demography

The population of the programme area according to the censuses (2011-RS & 2002-MK) is **834 161**, out of which 49% are women, and is relatively balanced between the participating countries (50.6% RS and 49.4 % MK). From the country perspective, about 5.8 % of the population of Serbia and 20.4 % of the population of North Macedonia is living in the programme area. About 60% of the population in the programme area reside in four larger urban centres including 8 municipalities: Leskovac, Vranje (with two city municipalities), Kumanovo and four municipalities of the City of Skopje (Butel, Gjorče Petrov, Suto Orizari, Gazi Baba). Some other parts on the contrary are very scarcely populated and remote.

Demographic trends differ between regions. According to the available data for 2018, on the Serbian side both districts recorded population decline in all municipalities (except in the municipality of Preševo), a decline is also characteristic for the predominantly rural North-East Region, while the population of the Skopje Region is growing mainly due to net migrations from other parts of the country to the capital city. Differences exist within the North-East Region - a population decline is noticed in Kratovo, Rankovce and Staro Nagoričane, while the population in Lipkovo and Kumanovo are growing fast.

Level of development

The border region is characterized by a **diverse economic structure and levels of development** as well as by sectorial disparities at different levels: districts/regions within the programme area and compared with national statistics, and urban centres as opposed to rural areas.

The districts of Jablanica and Pčinja belong to the Region of South and East Serbia, **the least developed region** in the country, with a GDP per capita about € 4 000, which represents a 64.8 % of the average national GDP per capita. All municipalities in the districts of Jablanica and Pčinja, excluding the City of Vranje (with two municipalities) and the City of Leskovac, belong to the **underdeveloped municipalities** whose level of development is below the 60 % of the average development of Serbia. Nine municipalities are even considered as backward because their level of development is below 50 % of the national average.

The North-East Region is the **least developed region** in North Macedonia with a share of only 5 % in the total GDP of North Macedonia in 2016. On the other hand, the Skopje Region, including the country capital city, is the **most developed region** in North Macedonia. It participated with 43.1 % in the total GDP of North Macedonia and had a level index of GDP per capita of 143.4 %.

Tourism

According to the *OECD report on the Covid-19 crisis in the Western Balkans*⁹, tourism contributes directly 15 % to the overall GDP of the Western Balkans, and supports a multitude of jobs and industries, accounting for around 550 000 jobs in 2019. But tourism revenues in Serbia as well as North Macedonia in 2020 were significantly reduced and contributed to the GDP slightly above 5 %.

Tourism was recognised by majority of municipalities in the programme area as one of the key potentials and driving forces for development, what is also reflected in local and regional strategic documents. At present this economic activity is lagging behind other areas in the domestic economy.

Positive trends in arrivals and in the number of overnights have been recorded in recent years, but the length of stay has slowly increased. In the period from 2014 until 2018, the number of overnight stays in the programme area in Serbia increased by 25%, in the North-Eastern region by 33%, and in the Skopje region by 68%. In the same period, the average length of stay of both, domestic and foreign tourists, decreased in the entire programme area. The length of stay of domestic tourists in the programme area in Serbia in 2018 was above the national average (in Serbia it is 3.4 days, and in the Serbian part of the programme area 3.9 days), while in the Macedonia part of the programme area, it is below the average of North Macedonia (in the Northeast region 1.7, in the Skopje region 3.7, while for entire North Macedonia it is 4.1 days). The length of stay of foreign tourists in the entire programme area is below the average of two countries. In the programme area of Serbia, it is 1.5 (average for entire Serbia is 2.1), in the Skopje region 1.7, Northeast region 1.5, while average in North Macedonia it is 2.2 days.

Utilization rate of accommodation capacity in the programme area is below the satisfactory minimum of 30 %. The spas are predominantly visited by domestic guests for health treatment reasons, especially in Serbia. 33 % of all tourist arrivals and 45 % of all arrivals of foreign tourists to North Macedonia in 2018 were generated in the Skopje Region; at the doorstep to the programme area, the North-East region potentials not seized.

Tourism has been recognised as one of the thematic priorities in IPA II CBC RS-MK programme. It is also recognised as priority in the local development strategies of the majority of municipalities within programme area. One of the main recognized potentials for development of North Macedonia is tourism and cultural heritage as well, which is supported by several documents adopted on national level, such as, the 2016-2021 national strategy for tourism development, the sub-strategy for traditions and events, and the 2021 strategic plan for the promotion and support of tourism, which depicts the territory as attractive for its remarkable tourism potentials and cultural heritage, with tradition as the most famous value in the area.

According to the *OECD report on the COVID-19 crisis in the Western Balkans* tourism is among the economy sectors which experienced the greatest damage caused by the COVID-19 crisis. Depending on the pandemic intensity, forecasts related to decline in the international tourism industry in 2020 are between 45 % and 70 %.

The COVID-19 pandemic will change the way people travel as well as tourists' expectations. One can expect a shift from mass tourism to a more individual, personal/tailored experience. Developing sustainable tourism will be key for the post COVID-19 recovery.

Specific measures targeting the tourism sector will be required to mitigate the impact of the pandemic and accelerate the recovery of tourism in the region. The industry needs to prepare for COVID-19 recovery and adapt the offer to the new global tourism market, once the restrictions are lifted.

Labour market

Employment trends in both countries are positive, comparing official statistical data for 2015 and 2018. In this period, the employment rate in Serbia raised from 42.5 % to 46.6 %, while in North Macedonia the increase recorded was from 42.1 % to 45.1 %.

⁹ <https://www.oecd.org/south-east-europe/COVID-19-Crisis-Response-Western-Balkans.pdf>

Despite the positive employment trends, **lower level of economic activity** and **high unemployment rates** are still characteristic for the programme area.

In 2018 the employment rate of the programme area in Serbia was 35.7 %, while in North Macedonia the lowest employment rate was recorded in the North-East Region, that is 33.7 % in the same year.

Unemployment remains one of the biggest problems in both countries, what leads to a decreased standard of living and eventually to depopulation of border regions. In 2018 the unemployment rate in Serbia was 20.6 %, and almost the same as the unemployment rate of North Macedonia which was 20.7 %. Looking at the programme area, the unemployment is even more critical. In 2018, the unemployment rate in the North-East Region was 35.9 % and 19.3 % in the Skopje Region. The unemployment rate in rural parts of that region was 43.7 % (for men 44.5 % and 41.3 % for women). The unemployment rate in the programme area in Serbia is 34 % and it is much higher than the country average rate (20.6 %).

Nature and biodiversity

Relatively **well-preserved nature** is one of the programme area advantages. Landscape diversity including geodiversity (gorges, canyons, river valleys, marches, pastures, etc.) are the bases for the rich biodiversity of the area, including numerous endemic species. The main threats to natural biodiversity and landscape diversity loss in the programme area are human activities (agriculture, mining, uncontrolled use of natural resources), but also climate change. Biodiversity as a concept is poorly understood among the general public. The involvement of the local population in protected areas as well as in planning and management is becoming more important, in particular regarding sustainable tourism development and maintaining a good conservation status of the area.

Regarding **protected areas**, there is a **nature reserve** Kukavica (in Vladičin Han) as well as the following **strictly protected nature reserves** Kačer-Zeleničje (Ostrozub-Crna Trava, Leskovac), Jarešnik (Bosilegrad), Ploče Litotelmi (it is a unique habitat in the world for the relict crustacean species *Chirocephalus*) and Kratovo in the programme territory. **Sites of special interest** are the following: Dolina Pčinje/Pčinja valley (Bujanovac), Vlasina (Surdulica, Crna Trava), St. Nicholas's Church from the 17th century, in Staro Nagoricani, Kokino Megalithic Observatory in Staro Nagoricani, St. Joachim Osogovski Monastery, Mal Kamnesh. There are many **nature monuments**¹⁰ in the eligible area, such as: several biozenosis and protected tree areas in Bogujevce, Leskovac, Bojnik, Vlasotince, Bosilegrad, Kuklica in Kratovo, neolithic multi-layer settlement in Rankovce, and Kalin Kamen Mountain in Kriva Palanka.

Social cohesion

According to the UNDP Human Development Report 2019, Serbia and North Macedonia belong to the group of countries with high human development indexes (HDI).

Serbia's HDI value for 2018 was 0.799 (the 63rd in the ranking of 189 UN countries and territories), while North Macedonia's HDI value was 0.759 (the 82nd). Between 1990 and 2018, both countries made progress in each of the HDI indicators.

Life expectancy at birth is 75.8 years in Serbia and 75.7 in North Macedonia. In Serbia, the expected period of schooling is 14.5 years, but the average is 11.2 years, while these numbers are lower in North Macedonia with 13.5 years of expected schooling and 9.7 years of average schooling. The GNI per capita was \$ 15 218 in Serbia and \$ 12 874 in North Macedonia.

According to 2019 EUROSTAT data, in the EU-28, more than two fifths (43.8 %) of the population were at risk of poverty before social transfers in 2017, with this share dropping to one sixth (16.9 %) of the population once the impact of social transfers was taken into account. At the same time the proportion of the population that was **at risk of poverty** (after social transfers) in Serbia was at 25.7 % (25.4 % of men and 26 % of women) and somewhat lower rate was recorded in North Macedonia (22.2 % - 22.4 % of men and 22 % of women).

¹⁰ A **natural monument** is a small unaltered or partially altered natural and spatial entity, object or phenomenon, physically clearly expressed, recognizable and / or unique, representative geomorphological, geological, hydrographic, botanical and / or other features, as well as botanical value formed by human work from scientific, of aesthetic, cultural or educational significance.

Severe material deprivation rate was slightly higher than 30 in North Macedonia (in 2017) and slightly higher than 17 in Serbia (in 2016).

One of the most vulnerable and often invisible groups in the programme area are the **elderly living in rural parts** without any income or pensions. In Serbia, due to the conditions governing the entitlement to welfare assistance which exclude those who are land and/or property owners, many of these elderly people are not recipients of social welfare assistance and have no health insurance.

The percentage of the inhabitants benefiting from social welfare assistance is higher than the country average in Jablanički and Pčinjski districts in Serbia and North East Region in North Macedonia. The average share of social protection beneficiaries in the total population in Serbia was 10.3 %, while it was 13.9 % in Jablanički District and 14.3 % in Pčinjski District in 2019. The number of households – recipients of social financial benefits, aged 18+ per 1 000 inhabitants was 14.1 in North Macedonia, 10.8 in the Skopje Region and even 30.1 in the North-East Region in 2018.

Access to **social and health services** is well accessible in urban and municipal centres, while the overall quality of services is decreasing due to shortage of funding.

The network of social care institutions in the Serbian part of the programme territory consists of 12 centres for social welfare, of which one is inter-municipal for the municipalities of Vlasotince and Crna Trava, with departments in both municipalities.

In Serbia CSOs and the private sector are fully involved in the system of social welfare services through standardization of services and the licensing procedures. Within the programme area, the providers of the following social care services are licensed: 3 institutions for permanent housing of the elderly in Leskovac); one nursing home for seniors in Surdulica; housekeeping assistants for seniors in Surdulica, Leskovac and Vlasotince; personal assistance service in Leskovac; day care services for mentally underdeveloped persons in Leskovac; shelter for victims of domestic violence in Leskovac and supported housing services in Vlasotince.

According to the review on Social Welfare for Children, Juveniles and Adults, 2018, issued by the State Statistical Office of North Macedonia, there are several social welfare centres in the programme area of North Macedonia. Inter-municipal centres for social work are institutions providing social welfare services in one or more municipalities and they are located in Kumanovo (covering the municipalities of Kumanovo, Lipkovo and Staro Nagoričane), Kriva Palanka (covering the municipalities of Kriva Palanka and Rankovce) and Skopje (covering all municipalities in the Skopje Region). Gazi Baba is home to a series of apartments where the dwellers receive social care. Butel has an institution for the care of persons living with disabilities, as well as an institution for the care of children and juveniles with educational and social difficulties and disorderly conduct.

According to the census in 2002 in the overall programme area, most of the population comprised Serbs (42.17%), followed by North Macedonia (29.35 %) and Albanians (13.67 %). Minorities on both sides enjoy equality granted by the constitution. **Cultural and ethnic diversity** in the programme area is vibrant comprising also Roma (around 50 000), Bulgarians, Turks, Vlachs and others.

Roma population is one of the most vulnerable groups in the programme area. Many of them are not included in the social welfare assistance system and have no health insurance. They live in substandard settlements. Discrimination, together with poverty, remains the main obstacle to social inclusion of Roma. Roma girls are highly vulnerable due to early marriage and gender-based violence and have lower school-completion rates than non-Roma.

North Macedonia ranks 35 out of 189 countries in the *Human Development Report's* gender-inequality index. **Women** have a human-development index value of 0.73 in contrast with 0.77 for men, resulting in a country-level gender-development index value of 0.95. In the World Economic Forum's *Global Gender Gap Report*, the country ranks well above average on educational attainment, health and survival, and political empowerment, while below average on economic participation and opportunity¹¹.

11 Source: USAID/NORTH MACEDONIA GENDER ANALYSIS REPORT 2019

The USAID/ North Macedonia Gender Analysis Report of 2019¹² shows that only 28 % of women own property and rural women own even less. 15 % of women landowners are not active in the decision-making process on activities related to land, and fewer than 10 % of women have a leading role in decision-making activities related to land. Participation of Roma and Albanian women in local-level decision-making, public-sector employment, education (especially for Roma women), and the formal labour market remains low. Roma girls and women are subject to early marriage, have the lowest rates of school attendance, and are generally marginalized in the political, social, and economic aspects. **Youth** also feel excluded, and 77 % of them considers the option of leaving the country. Youth policy and youth infrastructure (such as youth centres, social content, and activities) are rare.

The gender analysis for Serbia from 2016¹³ indicates that men, dominantly, take decisions and leadership in all sectors and at all levels; do work in both formal and informal economy; own resources and have access to resources; contribute to development; do have access to enjoy results of development. On the contrary, women, prevalently, do not take decisions neither leadership in any sector neither at any level; do work in both formal and informal economy, dominantly in care economy; do not own resources and have limited access to resources; contribute in a lesser degree to development; have limited access to enjoy results of development.

As reported by the Protector of Citizens in Serbia, health care services are not sufficiently available particularly to **female Roma, women living in rural areas, women living with disabilities and women who have been left without health insurance** due to omissions of their employers and other persons. Health care facilities, gynecologic and dental services are not sufficiently accessible to women living with disabilities and are not sufficiently adapted to their specific needs. Women who are insured as employed persons are left without health insurance and health care covered by compulsory health insurance if their employers fail to pay health insurance contributions. Women who live in rural areas often have no health insurance and, when they have it, are forced to travel to the nearest health care institution and often have no available public transport links to towns or cities where specialist medical examinations are provided. Specific services aimed at women in particularly vulnerable situations (Roma women, women in extreme poverty and victims of violence) have not been developed and are mostly unavailable to female population.

The programme area is part of the Western Balkan route for illegal cross-border crossing by non-regional migrants. It became a passageway into the EU in 2012 when Schengen visa restrictions were relaxed for five countries of the Western Balkans, including Serbia and North Macedonia.

Civil society organisations in the area are not well developed, especially outside urban centres. Their operational capacities are weak, faced with financial constraints. Possible alternatives on how to strengthen their role in society are not fully explored, e.g. social innovation and fostering cooperation with the public and private sectors.

2.2. Main findings

The situation analysis and SWOT analysis have identified several potential intervention areas that are regarded as instrumental for the development of the border region.

Key needs and challenges identified in the programme area:

- **Developing good neighborly relations and lasting cross-border partnerships in a region**

As the cross-border cooperation programme between the two countries started in 2016 with the first projects being implemented from 2021, the establishment of networks and partnerships in all sectors remains necessary. Although some cooperation agreements at local levels exist, these have not been explored so far due to various reasons, ranking from insufficient economic and administrative capacities, language barriers, political instability, and others. Some actors in the programme area however are experienced in other CBC programmes (Bulgaria-Serbia, Bulgaria-North Macedonia).

¹² https://pdf.usaid.gov/pdf_docs/PA00WJW5.pdf

¹³ http://europa.rs/files/Gender_Equality/Gender-Analysis-Serbia-dec-2016.pdf

Support for people to people actions is seen as an appropriate instrument for establishing a sound platform for successful cross-border cooperation in the long term.

- **Combating poverty and promoting social inclusion**

A few disadvantaged groups were identified in the programme area (elderly, women, Roma, young in peripheral areas, people living with disabilities, etc.).

Poverty and threat of social exclusion of the disadvantaged people is high. Availability of social and health services varies and their quality and accessibility is weak outside urban and municipal centres.

There is a need to strengthen cross-border initiatives addressing new approaches and cooperation between the public and private sectors, as well as public and civil sectors, aiming at new solutions, services and programmes improving the situation of disadvantaged groups.

The border area was and will probably continue to be affected by the mixed migration flows and local self-governments need to improve their readiness, resilience and responsiveness in such situations.

- **Promotion of cross-border cultural and inter-ethnic cooperation:**

The multicultural and multi-ethnic diversity of the programme is one of its assets, which on the other hand needs to be nurtured and developed in order to foster an open, inclusive and cooperative cross-border community. Cooperation in the social, arts and cultural sphere can contribute to diminishing language barriers, promoting diversity, cooperation of the young and strengthening of institutional cooperation and women's and vulnerable groups' initiatives.

- **Activation of resources for tourism development**

The available natural and cultural resources, the chances of developing niche tourism (eco-, ethno- health- tourism tourism) and its symbiosis with other economic branches (food processing, bio-agriculture) represent a solid basis for this programme's aims.

Tourism has been seen as an opportunity for the less developed settlements to catch-up with the more developed ones in terms of job creation and self-employment, and in catalysing local investments, with the special focus on empowering women and other disadvantaged groups to organize and be active in this sector.

Tourism is however confronted with challenges. In addition to the current COVID-19 crisis which has practically stopped the inflow of foreign tourists, the sector is affected by low quality of services, lack of diversification and innovativeness when developing new tourism products.

- **Protection of nature and environment**

The area is rich in biodiversity, landscape and geo diversity. Common approaches to nature conservation and to improved awareness of the population regarding the nature conservation and influence of human activities biodiversity is necessary. Conservation is needed due to vulnerability of the environment. However, carefully planned activation of these resources for sustainable tourism and arrangement of site and visitor management, together with taking care of all aspects of safety of all effected, can contribute to the development of the area and local economy.

Local Governance Perspective

In accordance with the Law on Local Self-government of both countries, the municipalities in Serbia and North Macedonia are in charge and have competencies with regard to all sectors covered by the selected thematic priorities.

In accordance with the article 20 of the Law on Local Self-government of Serbia, as well as the article 22 of the Law on Local Self-government of North Macedonia, the municipalities in Serbia and North Macedonia, inter alia, do the following:

- Take care of meeting the needs of citizens in the field of education (preschool education and primary and secondary education and upbringing), **culture, health and social protection, child protection**, sports and physical culture;
- Take care of local economic development including the development and improvement **of tourism**;

- Take care of the **protection of the environment**, protection from natural and other disasters, **protection of cultural goods** of importance for the municipality;

Additionally, the Serbian Law on Local Self-government defines that the municipalities also ensure the realisation of the special needs of persons living with disabilities and the protection of the rights of vulnerable groups and take care of the enforcement, protection and promotion of human and minority rights and gender equality.

Considering their competences defined in this way, local self-government units are seen as one of the main beneficiaries (potential applicants) of this programme. Therefore, it is very important to have the public bodies with sufficient capacities for direct participation in the CBC programme.

The assessment of capacities of local governments is based on the mid-term evaluation of cross-border cooperation programmes between IPA II beneficiaries¹⁴ (from August 2021). Some of the key conclusions and recommendations related to the local governments recognised in the mid-term evaluation report were as follows:

- Cross border cooperation strengthens the capacity of local authorities to respond to the common border challenges, to access financial assistance and build lasting partnerships.
- However, capacity is an issue for the local authorities, which could explain their reliance on external partners or consultants and limits participation of smaller municipalities. The requirement for full comprehension of English language forces local authorities to remain reliant on CSOs and consultancy organisations. The EU procurement procedures of the Practical Guide are difficult for those that are not familiar with them, what discourage new applicants. Also, stakeholders mentioned that salaries in public sector are insufficient to attract and motivate staff to be engaged in CBC projects, considering the complexity of CBC operations and the perception that they are additional to their daily tasks.
- In the case of local authorities, sustainability often depends on people, with limited institutionalisation of benefits. Also, limited ownership, with mainly external staff involved, is likely to affect the sustainability. At the local level, the IPA CBC Programme can strengthen the capacity of local authorities through their inclusion in the programming process and needs assessment as implementing partners, and more indirectly, through financing continuation of other operations. The ratio of in-house experts and external consultants in operations coordinated by local authorities varies from case to case, from all in house team members to projects with fully outsourced team members. Capacity building and the sustainability thereof will depend on the actual involvement of the local authorities.

Supporting European integration of IPA beneficiaries (Serbia and North Macedonia) by promoting good neighborhood relations and building capacities of local, regional and national institutions to implement EU programmes is also particularly important.

¹⁴ <https://ec.europa.eu/neighbourhood-enlargement/system/files/2021-09/IPA%20CBC%20mid-term%20evaluation%20final%20version%20-%20Annexes.pdf>

3. PROGRAMME STRATEGY

3.1. Rationale - Justification for the selected intervention strategy

The 2021-2027 IPA III cross-border cooperation programme Serbia – North Macedonia was prepared in cooperation with many stakeholders from the programme area. The process of selection of thematic priorities was conducted in a participative manner, ensuring consensus. During the preparation of the situation analysis, more than 100 representatives of the local authorities, chambers of crafts and economy, civil society organisations, educational institutions and development organizations were directly invited to take part in a survey, in order to collect opinions on the strengths, weaknesses, opportunities and threats with regards to cooperation as well as the identification of development potentials and priorities to be addressed within the programme.

The following approaches were considered in the selection of thematic clusters and relevant thematic priorities and subsequent design of the intervention strategy:

- Promoting the integration of the programme area
- Building on strengths and potentials to seize the most relevant opportunities
- Mitigating the most relevant weaknesses and minimising threats
- Creating synergies and value added in addressing common needs and challenges by cross-border cooperation
- Respecting specifics within the programme area
- Promoting sustainable, innovative and inclusive development of the regions aiming at better quality of life for the people
- Building on the past experience and aiming at improving the effectiveness of partnerships, feasibility of implementation and the quality and sustainability of results
- Complementing national, EU and other donors' programmes
- Focusing on a limited number of thematic priorities.

The IPA III Programming Framework contains the following indicators of the strategic objectives of IPA III CBC, common for all IPA III CBC programmes:

Table 3.1: The IPA III programming strategic indicators

IPA III strategic objective for CBC	Indicator	Baseline value ¹⁵ (2021)	Intermediate target (2025) ¹⁶	Target (2030)
<i>Reconciliation, confidence building and good neighbourly relations</i>	Number of cross-border networks/partnerships formed, disaggregated by type of organisation (especial mention of women's associations)	0	20 (5)	40 (9)
	Number of organisations directly involved in the implementation of the projects, disaggregated by type of organisation (especial mention of women's associations)	0	30 (7)	60(14)
<i>Economic, social and territorial</i>	Number of new jobs resulting from programme activities, disaggregated	0	8	20

¹⁵ The baseline values are extracted from the regional monitoring system, currently managed by CBIB+3. However, baseline values on 31 March 2021, the last time that the regional monitoring system uploaded data, are zero because the first five projects funded under this programme started their implementation in the first and second quarter of 2021 and therefore they did not yield any result so far. This situation with the baseline values is extensive to the tables displayed from page 26 onwards below.

¹⁶ Intermediate target includes expected values only from the 1st CfP under IPA III in order to be in line with the Section 4 Financial plan of this document.

<i>development of border areas</i>	by the sex and age of the new employees			
	Number of new businesses established, disaggregated by the sex and age of the owner	0	5	12
<i>Capacity building at all levels</i>	Number of organisations/institutions with increased capacities, disaggregated by the type of organisation (especial mention of women's associations)	0	12 (3)	18 (4)

On the basis of the programming process and the considerations-described above, the JTF members selected the following two thematic priorities:

- | |
|--|
| <p>1) TP1: Employment, labour mobility and social and cultural inclusion across borders</p> <p>2) TP5: Encouraging tourism and cultural and natural heritage</p> |
|--|

Following table provides synthetic overview of the justification for selection of the thematic priorities.

Table 3.2: Synthetic overview of the justification for selection of thematic priorities

Selected thematic priorities	Justification for selection
1 - TP1: Employment, labour mobility and social and cultural inclusion across borders	<ul style="list-style-type: none"> - Mostly underdeveloped areas (except the City of Skopje) in both countries with high unemployment rates, low mobility of labour force and distinct 'brain drain', as well as population aging. Due to low cooperation between educational institutions and enterprises there are skills mismatch in the labour market. - Deep rural-urban divide; Poor accessibility of social, health and cultural services, particularly in remote rural areas; Poor internal connectivity. - Vulnerable groups facing discrimination and multiple socio-economic challenges, such as elderly, victims of violence, population at rural areas, Roma, LGBTI communities, women, youth. - Further increase of the share of population at risk of poverty and social exclusion. - Management of the mixed migration flows. - Long-term effects of the COVID-19 pandemic on health and the labour market trends. - Existence of basic educational, social and healthcare networks and active CSOs in the programme area which could carry out joint CBC initiatives.
2 - TP5: Encouraging tourism and cultural and natural heritage	<ul style="list-style-type: none"> - Potentials for sustainable tourism development exist in mobilisation and valorisation of the area's extraordinary natural, cultural and historical heritage, as well as intangible cultural heritage. - Large number of tourists/passengers already pass the programme area through Corridors X and VIII, substantial tourist arrivals generated by Skopje. - Local and regional strategies address tourism, the sector can connect a variety of local and regional actors across the border and create synergies with other sectors (local food, crafts, transport, IT services...). - Favourable ground for achieving strong cross-border cooperation effect. - Trends in green tourism, outdoor, cultural and city tourism not seized.

Selected thematic priorities	Justification for selection
	<ul style="list-style-type: none"> - Main cultural/historical sites lack the necessary tourist infrastructure to accept visitors, sites are not promoted. - Overall visibility of the programme area in terms of tourism is quite low; tourist infrastructure and services underdeveloped. - Low level of knowledge and skills for development of sustainable tourist products and destinations, their promotion and marketing. Poor knowledge of the population on economic opportunities in the sector, strong potentials for community-based tourism and empowerment of disadvantaged groups through engagement in the sector. - Low awareness on the importance of preserving bio and geo diversity, healthy and clean environment as preconditions for development of sustainable tourism and creating a healthier living environment. - Lack of management of the most important nature protected areas, which are potentially interested in the development of green tourism products.

The selected thematic priorities are intended to create synergies with regional priorities in the Green Agenda and the Economic and Investment Plan for the Western Balkans.

NB: Please note that both thematic priorities of the programme are in line with strategic documents at the national levels in both participating countries, with an aim of addressing common challenges of the programme territory in more efficient manner. Also, importance of both thematic priorities was recognized through various strategic and planning policy documents, which were adopted at the local level (in towns and municipalities) in the programme area.

The specific objectives/outcomes of IPA III cross-border cooperation programme Serbia - North Macedonia 2021-2027 take into account common challenges and needs shared by the border area and can thus contribute better to social, economic and territorial cohesion than national endeavours alone. The programme strategy/intervention logic seeks to reduce barriers to development by promoting sustainable and integrated territorial approach. It aims to make use of yet untapped potentials to support territorial integration or to strengthen existing, that will result in economic growth and jobs creation, and better quality of life of the citizens in the programme area. Consequently, by exploiting potentials of the programme area and striving to overcome barriers of development, IPA III cross-border cooperation programme Serbia - North Macedonia 2021-2027 builds on the thematic priorities which are in line with the problems and needs identified as well as with the development goals set out in relevant strategic documents. Programme territory has to manage the ongoing transition to a more competitive region, respecting principles of digitalization and greener economy as well as socially inclusive and just way to ensure that “no one is left behind”.

3.2. Description of programme priorities

1 - Thematic priority 1: Employment, labour mobility and social and cultural inclusion across borders

Many different groups in the programme area can be considered as vulnerable, such as people in rural areas, elderly, women, young, ethnic minorities, persons living with disabilities, LGBTI community, people with mental health challenges, refugees/migrants. Among them are groups that are vulnerable in many ways, such as elderly living in rural parts without any income or pensions, women and children exposed to domestic violence, Roma women, persons living with disabilities in rural area, etc.

Creation of an inclusive community was a primary goal in the process of the European integration from its start, and intention of this Programme is to contribute to that goal – to enable social and cultural inclusion.

Given the fact that this is a relatively young programme (which was adopted in the end of 2016 and under which the first projects have started implementation in 2021), it is very important to support initiatives that nurture exchange and **cross-cultural cooperation** between various national and ethnic groups within the programme territory to diminish language and cultural barriers and strengthen the area's social and cultural diversity.

Specific objective/outcome 1.1: Improving social and cultural inclusion and health

Focus of the specific objective/outcome:

- Joint approaches to **improving existing programmes and services** provided for citizens of the programme area (in particular people in rural area, elderly, women, youth, Roma community and other ethnic minority groups, persons living with disabilities, people living with mental health challenges, refugees/migrants, and others).
- Promotion of social innovation¹⁷ - **development and testing new innovative approaches, programmes or services** through cooperation of public and private sector with focus on active approaches to inclusion.
- Promotion of **healthy lifestyle** and addressing **health inequalities** among people at risk of poverty and social exclusion including women and rural population.
- Cross-border initiatives supporting exchange and **cross-cultural cooperation** between various national and ethnic groups within the programme territory to diminish language and cultural barriers and strengthen the area of social and cultural diversity through promotion of women and initiatives of members of other vulnerable groups.

Expected result/output

1.1.1. Increased access to social, health and cultural services for vulnerable groups

This result will enable to increase the access to social, health and cultural services by promoting social and health inclusion of all those who can be considered as vulnerable or groups at disadvantage in society as well as by developing and / or improving social, health and cultural services. Cross-border cooperation is reflected in joint activities of promotion, exchange of experience, knowledge and joint development of innovative solutions (services, tools, programmes), etc.

Types of activities:

- Activities promoting social and cultural inclusion (including gender equality and integration of migrants, seasonal workers, refugees, returnees and vulnerable groups)
- Activities promoting social innovation related to social and cultural inclusion – demonstrations projects focusing on the joint development of new solutions (services, tools, programmes) improving the wellbeing and active participation of, for instance, groups at disadvantage in society (elderly, women, young in peripheral areas; victims of domestic violence, victims of bullying, people living with mental health problems, people living with disabilities, etc.)
- Programmes promoting healthy lifestyle and sickness prevention activities
- Activities supporting the exchange of experience between local self-governments, CSOs and other actors in the field of social and cultural inclusion
- Small scale investments into equipment or renovation of facilities for improvement of the quality and accessibility of health and social services

¹⁷ **Social innovation** can be defined as the development and implementation of new ideas (products, services and models) to meet social needs and create new social relationships or collaborations. It represents new responses to pressing social demands, which affect the process of social interactions. It is aimed at improving human well-being. Social innovations are innovations that are social in both their ends and their means. They are innovations that are not only good for society but also enhance individuals' capacity to act. They rely on the inventiveness of citizens, civil society organizations, local communities, businesses and public servants and services. They are an opportunity both for the public sector and for the markets, so that the products and services better satisfy individual but also collective aspirations. Source: Guide to social innovation, European Commission.

- Activities supporting cross-cultural cooperation among different national and ethnic minorities (e.g. social and cultural inclusion initiatives, community cooperation supporting the learning and exchanges regarding traditions and cultural heritage, youth cooperation and exchanges)

Main beneficiaries¹⁸:

- CSOs active in the field of social, health and cultural policies and CSOs representing interests of vulnerable groups
- Institutions and organisations providing formal, non-formal and/or informal education
- Social, health and cultural institutions
- Local self-governments
- Organisations representing national or ethnic minorities
- Local and regional development organisations/agencies
- Science and research institutions and organisations
- Governmental ministries and institutes overseeing social and health policy

Main target groups and final beneficiaries¹⁹:

- Groups at disadvantage, such as: people in rural areas, elderly, women, young, Roma community and other ethnic minorities, persons living with disabilities, LGBTI community, people living with mental health challenges, refugees/migrants and other vulnerable citizens
- Social, health and cultural public institutions
- Staff of all levels of administration in both countries and in particular those sectors and departments bearing responsibility for social, health and cultural policies
- Social partners and civil society organisations active in the field of social and cultural inclusion, health and other fields
- Local population in general.

2 - Thematic priority 5: Encouraging tourism and cultural and natural heritage

Tourism is an opportunity for the less developed settlements to catch-up with the more developed ones in terms of job creation and self-employment, and in catalysing local investments.

The following bottlenecks can be however identified: limited number of joint tourism products and jointly branded offers with attractiveness for longer stays; lack of cooperation between communities across the border; low overall visibility of the programme area in terms of tourism; underdeveloped tourist infrastructure and services; main cultural/historical sites lack the necessary tourist infrastructure to accept visitors; lack of interconnection amongst individual elements of supply; low awareness on the importance of preserving bio and geo diversity, healthy and clean environment as preconditions for development of sustainable tourism.

Specific objective/outcome 2.1: Enhancement of cultural and natural heritage for sustainable tourism development

Focus of the specific objective/outcome:

- Establishing knowledge base and common approach to **protection and revitalisation** of natural and cultural heritage.
- Improvement of **professional capacities and coordination** for joint interventions in sustainable tourism.

¹⁸ Legal entities that would be expected to implement the CBC operations under this thematic priority.

¹⁹ The stakeholders directly benefiting from the changes linked to the outcomes/SO (i.e. the target groups) and those who only benefit indirectly i.e. at the impact/overall objective level (final beneficiaries)

- Awareness raising and **promotion of a culture of safety** for the local population and visitors to natural and cultural heritage sites.
- Smart and sustainable approaches to **mobilising the natural and cultural heritage** for development of sustainable tourism in the programme area (active preservation and valorisation).
- Identifying and activating **resources among the local population** for the creation of complementary offers to key natural, cultural and historical attractions (crafts, foods, traditions, etc.).
- Applying innovative approaches in **management and increasing visibility** of sustainable tourist products and destinations.

Expected results/outputs:

2.1.1 Cross-border tourism products developed

The result/output will mobilise local actors and support them to jointly upgrade or develop innovative, unique, authentic **tourist products** (*new or improved CB product*)²⁰, which build on or complement the natural and cultural heritage, promote local traditions and activate local resources in new and sustainable manners. Local tourist products and services will be integrated across the border along specific commonly identified themes or products (e.g., cross-border cultural and heritage routes, hiking, biking, regional food).

Types of activities

- Planning and designation of routes, signs
- Small scale investments in conservation of natural and cultural heritage sites, related to visitors' infrastructure and accessibility
- Investments in new exhibition and interpretation methods, including accessible digital solutions and interpretation
- Creation, improvement and connection of local offers (food, crafts, accommodation and other services), especially exploring community-based forms of tourism/offers
- Development of complementary specific thematic products (e.g. hiking, biking, culture, nature)
- Integration of local offers itineraries, packages
- Skills development for raising quality of services, especially with women and members of vulnerable groups
- Introduction of quality standards
- Destination management and promotion
- Establishment of common structures to coordinate and promote CB sustainable tourism products
- Marketing actions, digital marketing

2.1.2 Cultural and natural heritage protected and valorised

This result/output will mobilise local actors and support them to jointly work on protection and valorisation of cultural and natural heritage.

Types of activities

- Activities related to knowledge base development, such as: cross-border mapping of common cultural and/or natural heritage, identification of good practices in its conservation, protection and revitalisation

²⁰ "A **tourism product** is a combination of tangible and intangible elements, such as natural, cultural and man-made resources, attractions, facilities, services and activities around a specific centre of interest which represents the core of the destination marketing mix and creates an overall visitor experience including emotional aspects for the potential customers. A tourism product is priced and sold through distribution channels and it has a life-cycle", Source: UNWTO.

In that respect **new or improved CB tourist product** should be considered any combination of tangible and intangible elements, such as natural, cultural and man-made resources, attractions, facilities, services and activities from both sides of the border around a specific centre of interest, developed or improved by beneficiaries of this programme and offered in the market.

- Common cross-border training for specific common cultural and/or natural heritage preservation, management
- Investments in rehabilitation, accessibility and revitalisation of cultural heritage
- Investments in protection and revitalisation of natural heritage and values
- Common management of cultural and natural heritage
- Promotion of cultural and natural heritage
- Cross-border awareness raising events
- People to people actions for strengthening cultural cooperation

Main beneficiaries²¹:

- Local and regional tourist organisations
- National tourism boards
- Local and regional development organisations/agencies
- Local self-governments
- Chamber of commerce, crafts, business associations, clusters, cooperatives, associations of farmers
- Nature/environment protection institutions
- Institutions in the field of cultural or historical heritage
- CSOs active in tourism, nature, environment and/or cultural/historical heritage
- Science and research institutions and organisations
- Institutions and organisations providing formal, non-formal and/or informal education
- Government ministries and institutes overseeing tourism policy

Main target groups and final beneficiaries²²:

- Tourism providers - all businesses offering tourism services (food, crafts, accommodation and other services) and experiences (e.g. hiking, biking, culture, nature, etc.) to consumers
- Potential tourism providers (rural population, tourism start-ups, young, women, unemployed, students)
- Tourist agencies
- Local and regional institutions and organizations responsible for development and promotion of sustainable tourism
- CSOs active in tourism, nature, environment and/or cultural/historical heritage
- Nature/environment protection institutions
- Institutions in the field of cultural or historical heritage
- Tourists and local population in general

3 - Thematic priority 0: Technical assistance

The specific objective/outcome of the technical assistance is twofold: (i) to ensure the efficient, effective, transparent and timely implementation of the cross-border cooperation programme; and (ii) to raise awareness of the programme amongst national, regional and local communities and, in general, the population in the eligible programme area.

It also supports awareness-raising activities at country level in order to inform citizens in both IPA III beneficiaries. This priority will also reinforce the administrative capacity of the authorities and beneficiaries implementing the programme with a view to improve ownership and suitability of the programme and projects' results.

The technical assistance allocation will be used to support the work of the national Operating Structures (OS) and of the JMC in ensuring the efficient set-up, implementation, monitoring and evaluation of the programmes as well

²¹ Legal entities that would be expected to implement the CBC operations under this thematic priority

²² The stakeholders directly benefiting from the changes linked to the outcomes/SO (i.e. the target groups) and those who only benefit indirectly i.e. at the impact/overall objective level (final beneficiaries)

as an optimal use of resources. This will be achieved through the operation of a JTS whose main office is based in the territory of Serbia (Leskovac) and its antenna office in North Macedonia (Kumanovo). The JTS will be in charge of the day-to-day management of the programme and will be reporting to the OS and JMC.

Expected results/outputs:

- 1.1. Enhanced administrative support to the CBC structures and the joint monitoring committee
- 1.2. Increased technical and administrative capacity for programme management and implementation
- 2.1. Guaranteed visibility and publicity of the CBC programmes and their outcomes

Target groups and final beneficiaries (non-exhaustive list)

- Programme management structures
- Potential applicants
- Grant beneficiaries
- Final project beneficiaries
- Wider public

Main beneficiaries:

- CBC Structures
- Joint Monitoring Committee
- Joint Technical Secretariat/Antenna

Disclaimer

- The OSs allow the possibility that due to the COVID-19 crisis some of the specific objectives, results and indicators might be altered during the mid-implementation period. This could be the case if the epidemiological crisis extends into the implementation period and a broad impact is higher than expected. Eventual amendments would be done based on a mid-term evaluation.

Table 3.3: Overview of the intervention logic

Thematic cluster: Improved employment opportunities and social rights (TC1)						
1 - Thematic priority 1: Employment, labour mobility and social and cultural inclusion across the border			Indicators	Baseline value (2021) ²³	Target value (2030)	Data source
Specific objective(s) (Outcomes)	Results (Outputs)	Types of activities (examples)	<u>Impact</u>			
			Number of new beneficiaries ²⁴ of the upgraded ²⁵ social, health and cultural services (disaggregated by gender, and age, and rural/urban community)	0	2 000	Relevant institutions' reports, statistical data
1.1. Improving social and cultural inclusion and health	1.1.1. Increased access to social, health and cultural services for vulnerable groups	<ul style="list-style-type: none"> - Activities promoting social and cultural inclusion (including gender equality and integration of migrants, seasonal workers, refugees, returnees and vulnerable groups) - Activities promoting social innovation related to social and cultural inclusion – demonstrations projects focusing on the joint development of new solutions (services, tools, programmes) improving the wellbeing and active participation of, for instance, groups at disadvantage in society (elderly, women, young in peripheral areas; victims of domestic violence, victims of bullying, people with mental health problems, people with disabilities, etc.) - Programmes promoting healthy lifestyle and sickness prevention activities - Activities supporting the exchange of experience between local self-governments, CSOs and other actors in the field of social and cultural inclusion 	<u>Outcome</u>			
			Number of participants in promotional events and programmes (such as events and programmes promoting social and cultural inclusion, healthy lifestyle, cultural and sports events) (disaggregated by sex and age)	0	500	Relevant institutions' reports, JTS reports, Monitoring system
			Number of new solutions (services, tools, programmes) developed for fostering social and cultural inclusion	0	2	AIR, Monitoring system
			Number of existing health and social services improved as well as their accessibility	0	2	AIR, Monitoring system
			<u>Output</u>			
			Number of events organized across the border for promotion of social and cultural inclusion (including gender equality and integration of migrants, seasonal workers, refugees, returnees and vulnerable groups)	0	3	AIR, Monitoring system

²³ The majority of baseline for indicators are 0 since the fact that the first projects under the IPA II RS-MK programme (2016-2020) only started implementation in 2021.

²⁴ New beneficiaries are beneficiaries from vulnerable, excluded groups who have, thanks to this programme, been given the possibility to access to social, health and cultural services that they didn't have before.

²⁵ Upgraded service refers to new service based on innovative solution and/or existing service that is improved.

Thematic cluster: Improved employment opportunities and social rights (TC1)						
1 - Thematic priority 1: Employment, labour mobility and social and cultural inclusion across the border			Indicators	Baseline value (2021) ²³	Target value (2030)	Data source
		<ul style="list-style-type: none"> - Small scale investments into equipment or renovation of facilities for improvement of the quality and accessibility of health and social services - Activities supporting cross-cultural cooperation among different national and ethnic minorities (e.g. social and cultural inclusion initiatives, community cooperation supporting the learning and exchanges regarding traditions and cultural heritage, youth cooperation and exchanges) <p>(the list is non-exhaustive)</p>	Number of innovative approaches, methods and processes designed in promoting social and cultural inclusion across the border	0	3	AIR, Monitoring system
			Number of programmes promoting healthy lifestyle, women health and sickness prevention activities (to be disaggregated by type of activity)	0	3	AIR, Monitoring system
			Number of local actors that exchange their experience in the field of social and cultural inclusion (to be disaggregated by type of inclusion)	0	4	AIR, Monitoring system
			Number of investments into equipment or renovation of facilities for improvement of the quality and accessibility of health and social services	0	4	AIR, Monitoring system
			Number of cultural and sports events as a result of cross-cultural cooperation (to be disaggregated by type of event)	0	3	AIR, Monitoring system

Thematic cluster: Improved business environment and competitiveness (TC4)						
2 - Thematic priority 5: Encouraging tourism and cultural and natural heritage			Indicators ²⁶	Baseline value ²⁷ (2021)	Target value (2030)	Data source
		Types of activities (examples)	<u>Impact</u>			
			Number of tourist arrivals in the cross-border area ²⁸ (disaggregated by domestic and foreign tourists)	83 299 (domestic) 351 498 (foreign)	Increase of 30%	State statistical offices
			Length of tourist stays in the cross-border area (disaggregated by domestic and foreign tourists)	3.1 (domestic) 1.7 (foreign)	Increase of 15%	State statistical offices
2.1. Enhancement of cultural and natural heritage for sustainable tourism development	2.1.1. Cross-border tourism products developed	<ul style="list-style-type: none"> - Planning and designation of routes, signs - Small scale investments in conservation of natural and cultural heritage sites, related to visitors' infrastructure and accessibility - Investments in new exhibition and interpretation methods, including accessible digital solutions and interpretation - Creation, improvement and connection of local offers (food, crafts, accommodation and other services), especially exploring community-based forms of tourism/offers - Development of complementary specific thematic products (e.g. hiking, biking, culture, nature) - Integration of local offers itineraries, packages 	<u>Outcome</u>			
			Number of new/improved CB tourism products ²⁹ commercialized	0	8	AIR, Monitoring system
			Number of tourist providers (disaggregated by gender) with improved competences	0	10	AIR, Monitoring system
			<u>Output</u>			
			Number of new/improved sites	0	4	AIR, Monitoring system
			Number of investments in new exhibition and interpretation methods, including accessible digital solutions and interpretation	0	3	AIR, Monitoring system
			Number of new itineraries developed	0	3	AIR, Monitoring system
Number of new/improved services/thematic products	0	4	AIR, Monitoring system			

²⁶ Should the COVID-19 pandemic carry on for several years, the target values of indicators will have to be revised at the first possible occasion, for instance when a mid-term revision of the programme document will be performed.

²⁷ The majority of baseline for indicators are 0 since the fact that the first projects under the IPA II RS-MK programme (2016-2020) only started implementation in 2021.

²⁸ The 2018 data include the entire Skopje region as there was no data available for the municipalities of the Skopje region that are part of the programme area.

²⁹ "A **tourism product** is a combination of tangible and intangible elements, such as natural, cultural and man-made resources, attractions, facilities, services and activities around a specific centre of interest which represents the core of the destination marketing mix and creates an overall visitor experience including emotional aspects for the potential customers. A tourism product is priced and sold through distribution channels and it has a life-cycle", Source: UNWTO.

In that respect **new or improved CB tourist product** should be considered any combination of tangible and intangible elements, such as natural, cultural and man-made resources, attractions, facilities, services and activities from both sides of the border around a specific centre of interest, developed or improved by beneficiaries of this programme and offered in the market.

Thematic cluster: Improved business environment and competitiveness (TC4)						
2 - Thematic priority 5: Encouraging tourism and cultural and natural heritage			Indicators ²⁶	Baseline value ²⁷ (2021)	Target value (2030)	Data source
		<ul style="list-style-type: none"> - Skills development for raising quality of services, especially with women and members of vulnerable groups - Introduction of quality standards - Destination management and promotion - Establishment of common structures to coordinate and promote CB sustainable tourism products - Marketing actions, digital marketing <p>(the list is non-exhaustive)</p>	Number of women and men (disaggregated by gender and age) with increased capacity for provision of complementary services	0	40	AIR, Monitoring system
			Number of women and men (disaggregated by sex and age) with increased capacity for management of tourism products	0	20	AIR, Monitoring system
			Number of hotels and other hospitality facilities included in activities aiming to introduce international quality standards (to be disaggregated by type of facility)	0	5	AIR, Monitoring system
			Number of participants (disaggregated by sex and age) in visibility and communication events organized to promote newly developed tourism products	0	200	AIR, Monitoring system
	2.1.2. Cultural and natural heritage protected and valorised	<ul style="list-style-type: none"> - Activities related to knowledge base development, such as: cross-border mapping of common cultural and/or natural heritage, identification of good practices in its conservation, protection and revitalisation - Common cross-border training for specific common cultural and/or natural heritage preservation, management - Investments in rehabilitation, accessibility and revitalisation of cultural heritage - Investments in protection and revitalisation of natural heritage and values - Common management of cultural and natural heritage - Promotion of cultural and natural heritage - Cross-border awareness raising events 	<u>Outcome</u>			
			Number of newly established thematic routes	0	3	AIR, Monitoring system
			Number of cross-border networks between cultural institutions formalized	0	3	AIR, Monitoring system
			<u>Output</u>			
			Number of knowledge bases established	0	2	AIR, Monitoring system
			Number of cultural heritage places which received support	0	2	AIR, Monitoring system
			Number of natural heritage places which received support	0	2	AIR, Monitoring system
			Number of people with increased capacity for common cultural and/or natural heritage preservation and management (disaggregated by sex and age)	0	15	AIR, Monitoring system
Number of cross-border intangible cultural/natural heritage coordination bodies established	0	4	AIR, Monitoring system			

Thematic cluster: Improved business environment and competitiveness (TC4)						
2 - Thematic priority 5: Encouraging tourism and cultural and natural heritage			Indicators ²⁶	Baseline value ²⁷ (2021)	Target value (2030)	Data source
		- People to people actions for strengthening cultural cooperation (the list is non-exhaustive)	Number of participants (disaggregated by sex and age) in joint cultural/awareness raising events	0	200	AIR, Monitoring system

3 - Thematic priority 0: Technical assistance					Indicators	Baseline value (2021) ³⁰	Target value (2030)	Data source	
				<u>Impact</u>					
				Percentage of funds available under the programme that are contracted	0	100	AIR, Monitoring system		
0.1. To ensure the efficient, effective, transparent and timely implementation of the cross-border cooperation programme as well as to raise awareness of the programme amongst national, regional and local communities and, in general, the population in the eligible programme area	0.1.1 The administrative capacity for CBC reinforced	The CBC	<ul style="list-style-type: none"> - Establishment and functioning of the Joint Technical Secretariat and its Antenna - Organisation of JMS and OS meetings - Support to the work of the Joint Task Force in charge of preparing the programme cycle 2028-2034 - Monitoring of project and programme implementation, including the establishment of a monitoring system and related reporting - Organisation of evaluation activities, analyses, surveys and/or background studies 	<u>Outcome</u>					
				Percentage of JMC and OSs decisions implemented in a timely manner (as prescribed in the minutes of meetings)	0	90	AIR, MoM, Monitoring system		
				Percentage of projects covered by monitoring missions	0	100	AIR, project reports, Monitoring system		
				<u>Output</u>					
				Number of JTS/antenna offices newly equipped and functional	2	2	AIR		
				Number of events organized in relation to programme management	35	70	AIR, Monitoring system		
	0.1.2. Potential applicants and grant beneficiaries supported			<ul style="list-style-type: none"> - Organisation of events, meetings, training sessions, study tours or exchange visits to learn from best practice of other territorial development initiatives - Preparation of internal and/or external manuals/handbooks - Assistance to potential applicants in partnership and project development (partners search forums etc.) - Advice to grant beneficiaries on project implementation issues - 	<u>Outcome</u>				
					Average share of potential applicants, applicants, grant beneficiaries and other target groups satisfied with programme implementation support	0	60	AIR, project reports, Monitoring system	
					<u>Output</u>				
					Number of civil servants at the local level with increased capacities for PM / CBC	0	60 (50% women)	AIR, project reports, Monitoring system	
				Number of capacity building events for potential applicants, grant beneficiaries and programme structures' employees	14	40	AIR, project reports, Monitoring system		

³⁰ Cut-off date: January 2021 inclusive

3 - Thematic priority 0: Technical assistance						
			Indicators	Baseline value (2021) ³⁰	Target value (2030)	Data source
			Number of internal/external manuals or handbooks prepared	1	4	AIR and other reports
			Number of queries of grant beneficiaries resolved	34	100	AIR and other reports
	0.1.3 The visibility of the programme and its outcomes is guaranteed	- Information and publicity, including the preparation, adoption and regular revision of a visibility and communication plan, dissemination (info-days, lessons learnt, best case studies, press articles and releases), promotional events and printed items, development of communication tools, maintenance, updating and upgrading of the programme website, etc.	<u>Outcome</u>			
			Number of people reached by information/promotion campaigns	335	1000	AIR and other reports
			<u>Output</u>			
			Number of information/promotion campaigns implemented	1	4	AIR and other reports
			Number of promotional and visibility events organized	5	20	AIR and other reports
			Number of publications produced and disseminated	2	4	AIR and other reports

3.3. Horizontal and cross-cutting issues

Sustainable development has been a key principle throughout the programming process – reflected in the findings of the Situation analysis and in defining of specific objectives, as well as in type of activities envisaged.

With regard to the thematic priority 1: *Employment, labour mobility and social and cultural inclusion across the border*, all activities under this TP will pay special attention to promoting sustainable development goals by addressing social exclusion and inequalities.

With regard to the thematic priority 5: *Encouraging tourism and cultural and natural heritage*, all activities under this TP will pay special attention to promoting sustainable utilisation and development of natural and cultural heritage, while protecting and maintaining the functionality of the ecological network. Respect for environmental standards in product development will be specifically observed.

Special attention shall be given to appropriate arrangement of high nature value sites in order to manage the increase in the visits and prevent any degradation. When improving the accessibility of tourist attractions, the environmentally friendly transport solutions will be preferred.

The programme authorities shall throughout the programme implementation ensure that approved projects will not have any environmentally harmful effects. Moreover, environmental aspects shall be specifically assessed in the assessment of the projects. Positive contribution to the environment shall be promoted in the design and implementation of cross-border projects.

3.3.1. Equal opportunities

Throughout the programme design and its implementation equal opportunities shall be promoted and any discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation shall be prevented.

Generally, all projects will be obliged to avoid discrimination of any kind and to ensure that their activities comply with the principles of equal opportunities.

Thematic priority 1: *Employment, labour mobility and social and cultural inclusion across borders* will to a great extent contribute to promotion of equal opportunities, in particular through implementation under specific objective 1.1 *Improving social and cultural inclusion and health*. Cross-border partnerships will be established to upgrade or develop new opportunities for inclusion of different disadvantaged groups. Priority shall be given to concepts where the persons threatened by exclusion are actively engaged in project implementation and their potentials and resources are further developed. Special attention shall be given to initiatives contributing to strengthening of socio-cultural relations and cooperation between national and ethnic minorities in the programme area.

Thematic priority 5: *Encouraging tourism and cultural and natural heritage* shall be tackling sustainable tourism development of the border area, providing opportunities especially for the rural population to improve generation of additional income through tourism and tourism related activities.

3.3.2. Contribution to the promotion of equality between men and women

The principle of gender equality will be applied throughout the implementation of the programme, and generally, all projects will be obliged to avoid discrimination of any kind, and to ensure that their activities comply with the principles of equality between men and women. Additionally, in line with the new **EU Gender Action Plan III**, the design of this CBC programme will apply three minimum standards: 1. conducting and using updated gender analyses to inform decision-making on future actions and integrating these into all relevant dialogues, policies, strategies, programmes and operations (for example Serbia is currently updating its gender analysis and developing new national strategy on gender equality); 2. applying gender-sensitive and sex-disaggregated indicators and statistics to monitoring and evaluation; 3. giving robust reasons, based on the findings of the gender analysis, to substantiate any action deemed not to contribute to gender equality. The programme will measure the involvement of men and women in its monitoring and evaluation processes, when relevant. For this reason, the Call for Proposals and Guidelines for Applicants may define that certain indicators are disaggregated

for measuring and monitoring the contribution of the implemented projects to equality between men and women. Additionally, in the development of calls for proposals and guidelines for applicants, available resources under the on-going partnership with UN Women (Gender Equality Facility project) will be used to ensure gender mainstreaming of the documents and secure flow of information and involvement of women's civil society.

All CBC operations need to be made in an inclusive manner addressing those that are experiencing high poverty rates and low employment opportunities such as persons with disabilities. These investments shall respect the obligations under the UN Convention on the Rights of Persons with Disabilities.

Reforms of **social protection and inclusion** systems, including social care services, will be tackled considering the human development gap with the EU. Development of active inclusion strategies will be supported.

The application of the **horizontal principles and cross-cutting issues** (sustainable development, equal opportunities and promotion of equality between men and women) at project and programme level will be mandatory and monitored, assessed, and reported in the Annual Implementation Reports as well as in the evaluations done during and after the programming period.

Having considered the potential effects of the projects under the SO 2.1: *Enhancement of cultural and natural heritage for sustainable tourism development* on natural and cultural heritage, environment and public health (e.g. the increased tourism will increase the need for proper wastewater treatment and waste management), the project applicants will be required to **meet the local requirements related to protection of the environment, public health and cultural heritage** and avoid impacts on the existing and planned ecological network (Emerald Network) sites.

3.3.3. The mainstreaming of the thematic cluster 5

Mainstreaming to improve capacity of local authorities with a view of increasing and strengthening their participation in CBC will be dealt with at the level of CBC operations as well as through activities to be implemented by OSs and JTS under the Technical Assistance priority.

At the level of CBC operations, the following would apply: If so agreed, in some calls for proposals or within a specific lot of a call for proposals, regional and local authorities will be present in every CBC partnership of applicants. For regions eligible to different CBC programmes, attention should be paid to avoid saturation. Such calls for proposals or lots within a call could receive, for example applications that have several local authorities as implementing partners (inter municipal cooperation), and most importantly, it should encourage partnerships with smaller, weaker, rural local authorities, by which, for instance, the main applicant (a larger municipality) will assist a smaller one, seconding staff to it, or receiving staffers for training purposes from those less developed municipalities (share of resources).

NB: If so decided, operations fully relying on staff of the regional and local authorities should be privileged. This could reduce to a minimum the presence of external managers among the human resources of the project.

In addition, it is necessary to ensure that the projects under SO/outcome 2.1. *Enhancement of cultural and natural heritage for sustainable tourism development*, contain environmental governance capacity building actions, which are directed to local and regional authorities.

In order to ensure proper ownership and synergetic impact of the Action, the local authorities should link their intervention to the relevant measure/priority in their own local development plan or other planning document (strategy, programme, action plan or similar).

Existence of the local development plan, as required by the planning regulatory framework – Law on planning system, in case of Serbia, could be a precondition for considering intervention.

Activities foreseen under the Technical Assistance priority include the following:

To review the specific needs and interests of the regional and local authorities to increase their participation in CBC operations and based on findings, amend the JTS work plans as appropriate, including but not limited to the following: to launch targeted awareness raising campaigns, especially prior to the publication of calls of proposals; these campaigns will go in parallel with, and be reinforced by usual OSs/JTS activities such as partner search forums, help desk as well as trainings on preparation of CBC application organized for potential applicants, in which all types of potential applicants will also be included.

As enshrined in the Guidelines for the Implementation of the Green Agenda in the WB and the Economic and Investment Plan for the WB, this programme will ensure full consistency with the green transition as an EU internal and external aid priority. The programme will thus mainstream in its operations an efficient use of resources by moving to a clean, circular economy, the restoration of biodiversity and the reduction of pollution.

- ✓ Measures envisaged in the programme to increase the capacity of regional and local authorities to tackle local challenges will encompass the field of environmental governance.

3.4. Coherence with other programmes and macro regional strategies

Coherence with other IPA programmes and transnational cooperation programmes accessible in the programme area

As the IPA III proposal has a dedicated window of the programming framework for the implementation of the Green Agenda and sustainable connectivity, this CBC programme will strive to ensure synergy and complementarity with all initiatives envisaged under this window.

As stated in the **IPA III Programming Framework**, IPA III CBC support will be granted in full complementarity with the previous financial assistance under IPA and IPA II CBC as well as with the EU policies in the respective sectors. The framework has identified five thematic windows, namely: (i) rule of law, fundamental rights and democracy; (ii) good governance, EU acquis alignment, good neighbourly relations and strategic communication; (iii) green agenda and sustainable connectivity; (iv) competitiveness and inclusive growth; and (v) territorial and cross-border cooperation. These five windows are all facets of the EU policy for enlargement and are linked with one another in a complementary manner. Furthermore, IPA III CBC will ensure synergy and complementarity with **bilateral and regional programmes**. The latter will primarily be mobilised to address issues of regional nature, or when a regional approach will allow for greater efficiency.

At the global level, IPA III CBC is also part of the **2030 Agenda for Sustainable Development** which plays the role of umbrella strategy to achieve a more sustainable future for the planet and to eradicate poverty. As such, the Sustainable Development Goals (SDGs) represent for the IPA III beneficiaries both a direct commitment taken at multilateral level and an additional requirement to converge on the EU policy framework in the accession process. In this context, IPA III CBC activities will be consistent with and supportive of the beneficiaries' undertakings for their achievements.

The programme area of the 2021-2027 IPA III cross-border cooperation programme Serbia – North Macedonia partially overlaps with some of other territorial cooperation programmes (e.g. CBC programme Kosovo* - North Macedonia).

While the IPA III CBC programmes Serbia-North Macedonia and Kosovo* - North Macedonia are targeting different TPs, there seems to be potential for overlapping activities under the SO/outcome 1.1. 'Increased levels of cross border trade and tourism' of the programme KS-MK. Because the programme territories of both programmes in North Macedonia are largely overlapping, relevant programme authorities will pay special attention to avoid overlapping activities in the area covered by both programmes.

Comparing this programme and those under INTERREG (e.g., Bulgaria-North Macedonia, Bulgaria-Serbia), similar priorities are identified and coordination and exchange of information between the programmes will be necessary to create synergies and avoid duplication. In addition, the participation in the EU macro-regional strategies (EUSAIR and EUSDR) is more relevant for cooperation between governmental institutions. CBC programmes have to be aware of the policies and EU dialog and to add-up to the aims of the macro regional level.

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

Coherence with macro-regional strategies

Macro-regional strategies as the EU Strategy for the Danube Region (EUSDR) and EU Strategy for the Adriatic and Ionian Region (EUSAIR) present a great opportunity for harmonizing the development of geographical areas, where countries work together on the areas of common interest for the benefit of each country and the whole region.

Challenges that will be tackled jointly by the EUSAIR and by IPA CBC programme Serbia – North Macedonia relate to strategy pillar dealing with challenge of increasing regional attractiveness by supporting sustainable development of inland, coastal and maritime tourism and preservation and promotion of culture heritage (pillar 4 Sustainable tourism) that is in line with thematic priority *Encouraging tourism and cultural and natural heritage* of the Programme. As for the EUSAIR cross-cutting aspect "Capacity Building", it has to be noted that capacity building is envisaged to be tackled horizontally through implementation of all Programme thematic priorities.

Based on the similarities of the existing challenges, the EUSDR and EUSAIR priorities have been considered during the preparation of the Programme. It should be noted that while implementing the activities under the thematic priorities of the Programme, the Danube and Adriatic – Ionian Strategies will be taken into account, as appropriate. Cooperation and synergy between the Programme and EU Strategies will raise political awareness, strengthen commitment and lead to better visibility of the EUSDR, EUSAIR and the Programme. The cooperation also facilitates the capitalization of the results and benefits of the actions.

The programme will ensure coherence with the Green Agenda for the Western Balkans according to its Guidelines for Implementation as well as with the Economic and Investment Plan for the Western Balkans that intends to promote long-term recovery based on a green and digital transition, resulting in sustained economic growth.

Reference to the Economic and Investment Plan for the Western Balkans, 6 October 2020 COM(2020) 641

The Economic and Investment Plan aims to spur the long-term recovery - backed by a green and digital transition - leading to sustained competitiveness and economic growth, implementation of reforms required to move forward on the EU path, and bringing the Western Balkans closer to the EU single market. It aims to unleash the untapped economic potential of the region and the significant scope for increased intra-regional economic cooperation and trade.

The CBC programme will support the wider involvement of the civil society and the private sector by encouraging innovative solutions, promoting social entrepreneurship to tackle social challenges. Special focus will be given to reforms promoting appropriate supply of relevant knowledge, skills and competences to tackle the existing mismatch between skills supply and labour demand, including development of work-based learning in vocational education and training.

The Plan also emphasises that there is scope for exploiting economic opportunities in the **creative and cultural sector and its contribution to the region's sustainable tourism potential**. The EU will intensify cooperation with the Western Balkans in the implementation of its 2018 **Framework for Action on Cultural Heritage**. This IPA III CBC programme itself should step up cooperation on the preservation and promotion of cultural heritage within sustainable tourism strategies. To support this sector, the EU will also encourage the integration of cultural and creative industries from the region into European professional networks and value chains.

Coherence with the WB Green Agenda

The programme will ensure coherence with the Green Agenda for the Western Balkans according to its Guidelines for Implementation³¹. Out of the five pillars of the Agenda, three of them have a special relevance for possible CBC operations, namely:

(1) climate action, including decarbonisation, energy and mobility,

³¹ Brussels, 6.10.2020 SWD(2020) 223 final Commission Staff Working Document: Guidelines for the Implementation of the Green Agenda for the Western Balkans

- (3) biodiversity, aiming to protect and restore the natural wealth of the region, and
- (5) sustainable food systems and rural areas.

CBC provides the opportunity for tackling common problems and for sharing knowledge and good practice, for instance, on biodiversity benefits of nature-based solutions, mechanisms for regional cooperation on biodiversity conservation and on support to knowledge exchange with research centres. Moreover, education is key to positively affect behaviours regarding the environment, starting from an early age as well as to reskill workers from transition industries. Curricula need to include key competences and skills necessary to perform in the green economy. To be successfully implemented, the Green Agenda for the Western Balkans needs to be reflected in the **reforms of the education systems and the provision of capacity building** to guarantee that people are equipped and prepared for the labour market and society of tomorrow. With proper information and education, the youth of the region can contribute decisively to the implementation of the Green Agenda.

As the **IPA III** proposal has a dedicated **window** of the programming framework for the implementation of the Green Agenda and sustainable connectivity, this CBC programme will strive to ensure synergy and complementarity with all initiatives envisaged under this window.

Draft **Western Balkans Agenda on Innovation, Research, Education, Culture, Youth and Sport**³²

In order to support reaching the goals of the Economic and Investment Plan and to ensure the sustainability of investment in the region, the Commission will propose a dedicated **Agenda for the Western Balkans on Innovation, Research, Education, Culture, Youth and Sport** (“Innovation Agenda for the Western Balkans”). This comprehensive, long-term strategy for cooperation in these fields with the Western Balkans will be essential for enhancing human capital development, stopping brain drain and encouraging brain circulation, as well as fostering the development of a long-term sustainable innovation ecosystem and the transition to a knowledge-based economy. It will lay the foundations for evidence-based policy making and promote inclusive and high-quality education and training systems thus providing better perspectives for the youth in the region.

Like the Agenda, the IPA III CBC programme understands that fostering cultural cooperation contributes to the development of the cultural and creative industries, which represents an untapped potential for socio-economic development, and can help restore trust and bring tangible benefits to their citizens. The Western Balkans is a region with abundant cultural and creative talent and potential. Culture and inter-cultural dialogue can build common narratives between inclusive communities and link people to people.

Like the Agenda, the programme also seeks a Europe fit for the digital age - adapting the region to the rapid transformative technological development to remain prosperous and competitive.

In the same vein, the IPA III beneficiaries should use the EU's digital strategy as the guiding principle for a human-centric digital transformation of their economies and societies. This will make them better positioned to integrate into the EU's higher added-value supply chains and, in the future, join a rapidly evolving EU digital single market. Digital business opportunities can be fully exploited, through **support to digital start-ups and scale-ups** and to **digital skills**. Through actions such as the **Digital Education Action Plan**, the EU is supporting the **development and uptake of digital skills** in the Western Balkans to make the digital transformation as comprehensive and inclusive as possible.

The IPA III CBC programme Serbia-North Macedonia will ensure its complementarity with all donor programmes being implemented in the programme area.

³² https://wbc-rti.info/in_focus

3.5. Conditions and assumptions

An effective coordination and a strong ownership should be combined with the good will of the national authorities of the IPA III beneficiaries to friendly dispel and solve any dispute and/or misunderstanding affecting the smooth implementation of the programme. Governmental changes should have no impact in this respect.

As a necessary condition for the effective management of the programme, the participating countries shall establish a JMC and provide proper and functioning premises and staff for the head and antenna³³offices of the JTS. Particular attention should be paid to create the necessary working conditions to ensure the continuity and professional development of staff in key functions within all management structures of the programme. The latter should strive to present the programme as a beneficial instrument for strengthening collaboration and exchanges among citizens of the eligible area.

Under indirect management by the IPA III beneficiary, the participating IPA III beneficiaries shall conclude for the whole duration of the programme a bilateral arrangement setting out their respective responsibilities for 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.

³³ In case this office is deemed necessary to be set up.

4. INDICATIVE BUDGET

A single 7-year Commission financing decision will be adopted, subject to the availability of budget appropriations for the respective financial years after the adoption of the budget or as provided for in the system of provisional twelfths..

Table 4.1: Indicative financial allocations per year for the period 2021-2027

	IPA III CBC PROGRAMME SERBIA – NORTH MACEDONIA															
	Amounts in EUR															
	2021		2022		2023		2024		2025		2026		2027		Total (EUR)	
	EU contribution	Co-financing	EU contribution	Co-financing	EU contribution	Co-financing	EU contribution	Co-financing	EU contribution	Co-financing	EU contribution	Co-financing	EU contribution	Co-financing	EU contribution	Co-financing
Per type of activity																
Operations	0	0	3,240,000	571,764.71	0	0	2,160,000	381,176.47	0	0	2,160,000	381,176.47	0	0	7,560,000	1,334,117.65
Technical Assistance (Direct Grant)	360,000	0	0	0	0	0	360,000	0	0	0	0	0	120,000	0	840,000	0
Per method of implementation																
Direct Management: Total Envelope for Grants	N/A														840,000	0
Direct Management: Total Envelope for Procurements	N/A														0	0
Indirect Management with the IPA III beneficiary: Total Envelope	0	0	3,240,000	571,764.71	0	0	2,160,000	381,176.47	0	0	2,160,000	381,176.47	0	0	7,560,000	1,334,117.65
GRAND TOTAL³⁴	360,000	0	3,240,000	571,764.71	0	0	2,520,000	381,176.47	0	0	2,160,000	381,176.47	120,000	0	8,400,000	1,334,117.65

* Total Envelope for Grants; Total Envelope for Procurements - only the total budget for 2021-2027 needs to be filled in.

³⁴ GRAND TOTAL from Table 4.1 and 4.2 should be equal

Table 4.2: Indicative financial allocation per priority and rate of Union contribution (for the period 2021-2027)

CLUSTERS	PRIORITIES	IPA III CBC PROGRAMME SERBIA – NORTH MACEDONIA			
		European Union funding (EUR)	Co-financing (EUR)	Total (EUR)	rate per Thematic Priority and technical assistance (%)
		(a)	(b)	(c) = (a)+(b)	(d) = (c)/(e)
TC 1 Improved employment opportunities and social rights	1) TP 1 Employment, labour mobility and social and cultural inclusion across borders	4,200,000	741,176.47	4,941,176.47	50.76%
TC 4 Improved business environment and competitiveness	2) TP 5 Encouraging tourism and cultural and natural heritage	3,360,000	592,941.18	3,952,941.18	40.61%
3) TP0 Technical Assistance		840,000	0	840,000	8.63%
GRAND TOTAL		8,400,000	1,334,117.65	9,734,117.65	100%

The European Union contribution at the level of thematic priority shall not exceed the ceiling of 85% of the eligible expenditure. The co-financing will be provided by the final grant beneficiaries. The amount dedicated to technical assistance shall be limited to 10% of the total amount allocated to the programme. For technical assistance, the Union co-financing rate shall be 100%.

5. IMPLEMENTATION ARRANGEMENTS

5.1. Financing agreement

In order to implement this programme, it is envisaged to conclude a financing agreement between the European Commission, Serbia and North Macedonia.

5.2. Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 6 years from the date of entry into force of the financing agreement, or from the date in which the exchange of letters is agreed upon for all subsequent yearly allocations.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Decision and the relevant contracts and agreements.

5.3. Methods of implementation

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures³⁵.

5.3.1 Operations³⁶

Indirect management with Serbia

The operations part of this action will be implemented under indirect management by Serbia. Serbia will host the managing authority and the intermediate body for financial management. The managing authority shall be responsible for the overall management of the programme, and shall designate intermediate bodies.

Subject to the finalisation of the IPA III legal framework, the managing authority responsible for the execution of the action in all participating countries is the Ministry of European Integration of Serbia (MEI). The CBC Structures established under the IPA III legal framework in Serbia and in North Macedonia shall co-operate closely in all tasks of mutual interest relating to the programming and implementation of the programme.

Budget implementation tasks such as calls for tenders, calls for proposals, contracting, contract management, payments and revenue operations, shall be entrusted to the following intermediate body for financial management: Ministry of Finance of Serbia, Department for Contracting and Financing of EU funded Programmes (CFCU) as the contracting authority³⁷. It shall ensure legality and regularity of expenditure.

Calls for Proposal - Grants

a) Purpose of the grants:

³⁵ 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.

³⁶ Listed institutions represent current structure designated for indirect management in IPA II in both countries. Responsible structures will be defined and designated upon adoption of the IPA III legislative and corresponding Framework and Financial Agreement.

³⁷ Listed institutions represent current structure designated for indirect management in IPA II in both countries. Responsible structures will be defined and designated upon adoption of the IPA III legislative and corresponding Framework and Financial Agreement.

The grants selected through calls for proposals during the seven-year period will contribute to the specific objectives/outcomes and results/outputs under each thematic priority in section 3.2.

b) Type of applicants targeted:

The beneficiaries shall be legal entities, local authorities, public bodies and public sector operators, NGOs, non-profit organisations etc.

The applicants shall be established in an IPA III beneficiary participating in the CBC programme.

Potential beneficiaries as specified in section 3.2 could be: CSOs active in the field of social, health and cultural policies and CSOs representing interests of vulnerable groups; Institutions and organisations providing formal, non-formal and/or informal education; Social, health and cultural institutions; Local self-governments; Organisations representing national or ethnic minorities; Local and regional development organisations/agencies; Science and research institutions and organisations; Governmental ministries and institutes overseeing social and health policy; Local and regional tourist organisations; National tourism boards; Local and regional development organisations/agencies; Chamber of commerce, crafts, business associations, clusters, cooperatives, associations of farmers; Nature/environment protection institutions; Institutions in the field of cultural or historical heritage; CSOs active in tourism, nature, environment and/or cultural/historical heritage and Government ministries and institutes overseeing tourism policy.

5.3.2 Technical Assistance (Direct Grants)

The technical Assistance priority will be implemented in Direct Management through Direct grants during the duration of the programme.

The grants will be awarded for the implementation of the thematic priority technical assistance under this programme. Under the responsibility of the Commission's authorising officer responsible, the grants may be awarded without a call for proposals to the Ministry of European Integration of Serbia, as lead partner partner and the public institution hosting the CBC structure in North Macedonia as co-beneficiary

The recourse to the award of this grant without a call for proposals is justified to bodies with de jure or de facto monopoly in managing this cross-border cooperation programme, pursuant to Article 195(c) of Regulation (EU, Euratom) 2018/1046. As stipulated under the Section VIII 'Provisions on cross-border cooperation programmes', Title V 'Programme structures and authorities and their responsibilities' of the Financial Framework Partnership Agreement for the IPA III programme, operating structures are the bodies that enjoy this monopoly.

Under the responsibility of the Commission's authorising officer responsible, the grant may be awarded without a call for proposals to the Ministry of European Integration of Serbia, as lead partner.

5.4. Programme Management Structure

The description of the programme management structures with the list of their main responsibilities and tasks in programme preparation, implementation and management (i.e. NIPAC, NAO, Management Structure, CBC structures, IPA Managing Authority, the Intermediate Body for Financial Management, Audit Authority, JMC, JTS) is presented under the Financial Framework Partnership Agreement and/or Financing Agreements.

In addition to these Agreements, the Beneficiaries shall conclude for the whole duration of the cross-border cooperation programme a bilateral arrangement setting out their respective responsibilities for implementing the relevant cross-border cooperation programme in accordance with the provisions laid down in the Financial Framework Partnership Agreement.

5.5. Project development and selection and implementation

As a general rule, this Programme will be implemented through public calls for proposals (CfP) to be launched covering one or more thematic priorities or specific objectives/outcomes. The JMC will be responsible for identifying the thematic priorities, specific objectives/outcomes, results/outputs, target beneficiaries and specific focus of each call for proposals which shall be endorsed by the European Commission. The responsible authorities in the participating countries will ensure full transparency in the process and access to a wide range of public and non-public legal entities.

The dynamics of publication of calls for proposals depends on a number of factors, including logistics, timing of the evaluation and level of interest from the potential applicants. The JMC, as the body monitoring the performance of the programme, will review, before the publication of the calls for proposals (and the definition of the tendering documents, e.g. the guidelines for applicants), the progress of programme indicators to the date. The selection of TPs, specific objectives/outcomes and results/outputs of all calls for proposals other than the first one under the programme will be based on that progress of performance. The publication and strategic orientation of every call for proposals will be coordinated with the plans of other programmes in order to increase synergies and avoid double funding.

JMC decisions may also consider the recommendations stemming from consultations held with stakeholders at local and national level, including representatives of the donor community.

5.6. Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply, subject to the following provisions.

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realisation of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

6. REPORTING, MONITORING AND EVALUATION

The description of the programme reporting, monitoring and evaluation requirements and modalities is presented under the Financial Framework Partnership Agreement/or Financing Agreements

7. INFORMATION AND VISIBILITY

Visibility of EU funding and communication about objectives and impact of Actions are a legal obligation for all Actions funded by the EU, as set out in the EU communication and visibility requirements in force.

In particular, the recipients of EU funding shall acknowledge the origin of the EU funding and ensure its proper visibility by:

- providing a statement highlighting the support received from the EU in a visible manner on all documents and communication material relating to the implementation of the funds, including on an official website and social media accounts, where these exist; and
- promoting the actions and their results by providing coherent, effective and proportionate targeted information to multiple audiences, including the media.

Visibility and communication measures shall be implemented, as relevant, by the public administrations (for instance, concerning the reforms linked to EU budget support), entrusted entities, contractors and grant beneficiaries. Appropriate contractual obligations shall be included, respectively, in financing agreements, delegation agreements, and procurement and grant contracts.

The measures shall be based on a specific Communication and Visibility Plan, established and implemented in line with the EU communication and visibility requirements in force. The plan shall include, inter alia, a communication narrative and master messages for the Action, customised for the various target audiences (stakeholders, civil society, general public, etc.)

Visibility and communication measures specific to this Action shall be complementary to the broader communication activities implemented directly by the European Commission services and/or the EU Delegations. The European Commission and the EU Delegations should be fully informed of the planning and implementation of the specific visibility and communication activities, notably with respect to the communication narrative and master messages.

The design and implementation of the visibility and communication measures shall be the responsibility of the CBC Structures (OSs). The latter, assisted by the JTS, will present the communication strategy with a detailed information and visibility plan to the JMC.

8. SUSTAINABILITY

The sustainability of outcomes and outputs delivered under the action requires a commitment from the national authorities involved in the management of the programme. Respecting the provisions of the legal framework applicable to CBC between IPA III Beneficiaries, the authorities commit to ensure, as far as possible, the necessary financial and institutional resources, including the relevant seasoned staff, for making the implementation of the programme a success story. As a fundamental sign of responsibility, they will pay especial attention to create the necessary conditions for securing the continuity of staff in essential functions and institutions as a way to guarantee the smooth performance of the programme.

Sustainability at operation level equally plays a crucial role. Every operation should have a tangible impact on its target groups at cross-border level. Sustainability should be embedded in every application, showing how the expected outcomes will benefit the region even after the operation might have ended. In every call for proposals, one of the award criteria is sustainability as shown in Section 5 of the evaluation grid for full applications. Operations that cannot demonstrate that they will intensify neighbourly relations, create cross-border partnerships for social, territorial or economic development and/or remove cross-border obstacles to sustainable development, are very unlikely to have tangible outcomes, multiplier effects or long-term impact in a cross-border perspective, and hence should be excluded from funding, irrespective of any other merits.