

FINANCING AGREEMENT SPECIAL CONDITIONS

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

on the one part, and

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

on the other part,

and together, jointly referred to as "the parties"

HAVE AGREED AS FOLLOWS:

Article 1 - The Action Programme

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

Cross-border Cooperation Action Programme Montenegro-Albania for the years 2015 - 2017.
(CRIS 2017 / 038-175)

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

- (2) The total estimated cost of the 2017 allocation of this Action Programme is EUR 1, 400,000 and the maximum Union contribution to this Action Programme is set at EUR 1,190,000.

No financial contribution is required from the IPA II beneficiaries.

Article 2 – Execution period and operational implementation period

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

¹ Regulation (EU) No 231/2014 of the European Parliament and of the Council of 11 March 2014 establishing an Instrument for Pre-accession Assistance (IPA II), OJ L 77, 15.03.2014, p. 11.

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

Article 3 – Addresses and Communication

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

for the Commission

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

for the IPA II beneficiaries

For Montenegro:

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

For the Republic of Albania:

Mr Ditmir Bushati
National IPA Coordinator
Ministry for Europe and Foreign Affairs
Directorate of EU Funds
Bulevardi “Gjergj Fishta”, Nr. 6
Tirana, Republic of Albania
Functional e-mail address: info@mfa.gov.al

Article 4 – OLAF contact point

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

For Montenegro:

AFCOS contact point/AFCOS office

Ms Nataša Kovačević
Ministry of Finance of Montenegro
Stanka Dragojevića 2, 81000 Podgorica, Montenegro
natasa.kovacevic@mif.gov.me

For the Republic of Albania

Mr Bejko Late
Director of the Financial Inspection Unit
Ministry of Finance and Economy of Albania
Bulevardi “Dëshmorët e Kombit”, No.3, Tirana, Republic of Albania
Bejko.late@financa.gov.al

Article 5 – Framework Agreements

The Action Programme shall be implemented in accordance with the provisions of the Framework Agreement between the European Commission and the Montenegro on the arrangements for implementation of Union financial assistance to Montenegro under the Instrument for Pre-Accession Assistance (IPA II) which entered into force on 4 June 2015 and in accordance with the provisions of the Framework Agreement between the European Commission and the Republic of Albania on the arrangements for implementation of Union financial assistance to the Republic of Albania under the Instrument for Pre-Accession Assistance (IPA II) which entered into force on 16 April 2015 respectively (hereafter referred to as “the Framework Agreement(s)”).

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

Article 6 - Annexes

(1) This Financing Agreement is composed of:

- a) these Special Conditions;
- b) Annex I: CBC Action Programme, Cross-border Cooperation Action Programme Montenegro-Albania for the years 2015, 2016 and 2017 ;
- c) Annex IA: IPA II CBC 2014-2020 programme between Montenegro-Republic of Albania;
- d) Annex II: General Conditions;
- e) Annex III: Model Annual Report CBC on the implementation of IPA II assistance in accordance with Article 80 of the Framework Agreement;
- f) Annex IIIA: Model annual report on the implementation of IPA II assistance in accordance with Article 58; and 59(1) of the Framework Agreement;
- g) Annex IV: Model Financial Report as per Article 59(2) of the Framework Agreement;

- h) Annex V: Accrual Based Accounting System Minimum Specification;
- i) Annex VI: *Ad hoc* measures for entrusting budget implementation tasks under this Programme.

(2) In the event of a conflict between, on the one hand, the provisions of the Annexes and, on the other hand, the provisions of these Special Conditions, the latter shall take precedence. In the event of a conflict between, on the one hand, the provisions of Annex I, and Annex IA and the provisions of Annex II on the other hand, the latter shall take precedence. In the event of a conflict between, the provisions of Annex I on the one hand, and the provisions of Annex IA, on the other hand, the former shall take precedence.

Annex VI provides for *ad hoc* measures for entrusting budget implementation tasks under this Action Programme, in addition to the IPA II beneficiary duties that is the Contracting Authority in regard to the entrustment of budget implementation tasks provided for under this Financing

Article 7 – Entry into force

This Financing Agreement shall enter into force on the date on which it is signed by the last party, at the latest, put 31 December 2018.

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

For the IPA II beneficiaries:

For Montenegro:

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

For the Commission:

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

Podgorica, on

Brussels, on

For the Republic of Albania:

Mr Ditmir Bushati
Minister for Europe and Foreign Affairs
National IPA Coordinator

Tirana, on