

**BILATERAL ARRANGEMENT BETWEEN THE REPUBLIC OF SERBIA AND MONTENEGRO CONCERNING THE
IPA II 2014-2020 CROSS-BORDER COOPERATION PROGRAMME "SERBIA – MONTENEGRO"**

**MINISTARSTVO VANJSKIH POSLOVA
I EVROPSKIH INTEGRACIJA CRNE GORE
Podgorica**

Primljeno:	28.04.2016		
Org. jed.	Bröj	Priieg	Vrijednost
03/2	363		

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The REPUBLIC OF SERBIA (hereinafter "Serbia") and MONTENEGRO, hereinafter referred to jointly as "the Parties",

Having regard to:

the Commission Implementing Regulation (EU) No 447/2014 of 2 May 2014 on the specific rules for implementing Regulation (EU) No 231/2014 of the European Parliament and of the Council establishing an Instrument for Pre-accession assistance (IPA II), and in particular Article 52(5) thereof,

–the two separate Framework Agreements, concluded between the Republic of Serbia and the European Commission (hereinafter "the Commission") ratified on 23 December 2014 on the one hand and Montenegro and Commission on the other entered into effect on June, 4th, 2015 2015, laying down arrangements for the implementation of IPA II, and in particular Articles 69 thereof,

WHEREAS:

- (1) Common rules and procedures for the implementation of the European Union's instruments for financing external action are laid down in Regulation (EU) No 236/2014 of 11 March 2014.
- (2) The Instrument for Pre-accession Assistance II (IPA II) is established by Regulation (EU) No 231/2014 on 11 March 2014.
- (3) Subsidiary rules governing the implementation of IPA II are provided in Commission Implementing Regulation (EU) No 447/2014 of 2 May 2014.
- (4) The Framework Agreement between the Republic of Serbia and the European Commission on the Agreement for Implementation of Union Financial Assistance to the Republic of Serbia under the Instrument for Pre-accession Assistance (IPA II) (hereinafter "Serbian Framework Agreement") was concluded on 23 December 2014, and entered into effect on 30 December 2014.
- (5) The Framework Agreement between Montenegro and the European Commission on the Arrangements for Implementation of Union Financial Assistance to Montenegro under the Instrument for Pre-accession Assistance (IPA II) (hereinafter "Montenegrin Framework Agreement") was signed in Brussels on January, 30th 2015 and in Podgorica on February, 26th 2015, and following its ratification by The Parliament of Montenegro, it entered into effect on June, 4th, 2015.
- (6) The document (hereinafter "the Programme Document") setting out the IPA II 2014-2020 Cross-Border Cooperation programme "Serbia – Montenegro" (hereinafter "the Programme") was approved by Serbia and Montenegro via, a decision of the programming Task Force taken on August 2014, and was further adopted by the Commission on 10 December 2014 via Commission Implementing Decision C(2014) 9423 Commission Implementing Decision.
- (7) The Commission shall commit funds to the Programme, technical assistance priority excluded, on an annual basis via Commission Implementing Decisions, the contribution from the budgetary year 2014 having already been committed via Commission Implementing Decision C(2014) 9423 and the following years and the same will be done for the following years.

- (8) A single tri-lateral Financing Agreement shall be concluded between the Republic of Serbia and Montenegro on the one hand and the Commission on the other in relation to each annual commitment made by the Commission to the Programme, technical assistance priority excluded, resulting in a total of seven Financing Agreements over the Programme's lifetime. It shall specify a single Contracting Authority for the Programme, to be located in the Republic of Serbia.
- (9) The standard method of implementation for the Programme, technical assistance priority excluded, shall be indirect management, as per Article 7 of the Framework Agreements (hereinafter "Framework Agreements"), to be indicated for each annual allocation in the respective Commission Implementing Decision, and confirmed for each annual allocation with the conclusion of the respective Financing Agreement, whereby the Commission shall entrust budget implementation tasks to Serbia.
- (10) Article 69 of the Framework Agreements establishes a legal requirement for Serbia on the one hand and Montenegro on the other to conclude a Arrangement governing their relations and respective responsibilities with regard to the Programme when under indirect management. The same Article lays down the minimum information such an Arrangement is to contain.
- (11) The competencies of the Serbian Ministry of Finance and the Serbian European Integration Office with regard to the management of Cross-Border Cooperation, including the Programme, are set out in the Law on Ministries ("Official Gazette of the RS", no.44/2014, 14/2015 and 54/2015), the Decree on establishment of the Serbian European Integration Office ("Official Gazette of the RS", no. 126/2007, 117/2008, 42/2010, 48/2010 and 106/2012), the Government Decree on the Management of Programs of EU Pre-Accession Assistance (IPA II) for the period 2014-2020 < "Official Gazette of the RS", no. 86/2015 >, Decision on the appointment of the responsible persons and bodies in the management of EU pre accession assistance programmes for the period 2014-2020 < "Official Gazette RS", no. 93/2015 >, and the Rulebooks on internal organisation and job classification of the Serbian Ministry of Finance and Serbian European Integration Office. Analogous competencies for the Montenegrin Ministry of Foreign Affairs and European Integration and the Montenegrin CFCU being Directorate within the Ministry of Finance are laid down in the Decree on Organization of Indirect Management for Implementation of Union Financial Assistance under Instrument for Pre-Accession Assistance (IPA II) in force.

HAVE CONCLUDED THIS ARRANGEMENT:

SECTION I GENERAL PROVISIONS

Article 1 Interpretation

- (1) Subject to express provision to the contrary, the terms used in this Arrangement shall bear the same meaning as attributed to them in the Framework Agreements, particularly with regard to the definitions outlined in Articles 1, 3 and 64 of the Framework Agreements.
- (2) Subject to express provision to the contrary, references to this Arrangement, legislation or other documentation are references to this Arrangement, legislation or other documentation as amended, supplemented or replaced as need occurs.
- (3) Headings in this Arrangement have no legal significance and do not affect its interpretation.

Article 2 Partial invalidity and unintentional gaps

If a provision of this Arrangement becomes invalid or if this Arrangement contains unintentional gaps, this will not affect the validity of the other provisions of this Arrangement. The Parties will replace any invalid provision by a valid provision or understanding which comes as close as possible to the purpose of and intent of the invalid provision. The Parties will fill any unintentional gap by a provision or understanding which best suits the purpose and intent of this Arrangement in compliance with the Framework Agreements, the Programme Document, and the related Financing Agreements. In the event of any inconsistency or conflict between, on the one hand, the provisions of this Agreement and, on the other hand, the provisions of the Framework Agreement, the Framework Agreement shall take precedence.

Article 3 Purpose and scope

- (1) This Arrangement regulates relations between the Republic of Serbia and Montenegro and sets out their respective roles and responsibilities with regard to the management and implementation of the Programme when under indirect management, as per Articles 73(1) and 7(b) of the Framework Agreements. It is not applicable to Programme's technical assistance priority, as this shall be implemented under direct management. The Arrangement is drawn up in compliance with the provisions of Article 69 of the aforementioned Framework Agreements, including the specified minimum information such an Arrangement is to contain.
- (2) Provisions are restricted to those which clarify or are additional to the arrangements established in the Framework Agreements, the Programme Document and the related Financing Agreements, neither cancelling nor replacing the latter. Procedures laid down in this Arrangement, the aforementioned Framework Agreements, the Programme Document and the related Financing Agreements shall therefore apply in their entirety and simultaneously.
- (3) This Arrangement may be supplemented by 1) detailed procedures applicable at programme level, to be considered and commented by the Joint Monitoring Committee and binding on the public authorities concerned in both Serbia and Montenegro; 2) as appropriate and necessary, secondary legislation, inter-institutional agreements and detailed procedures applicable at state level. The type, adequacy and proper implementation of detailed programme and state level procedures having effect on the programme implementation, shall be subject to review and approval by the National Authorising Officer in the Republic of Serbia after consultations with all relevant bodies of the Programme

SECTION II IMPLEMENTATION STRUCTURES, ROLES AND RESPONSIBILITIES

Article 4 Implementation structures and authorities for the Programme

- (1) The implementation structures and authorities for the Programme are specified in Article 74 of the Framework Agreements, and shall thus include the National IPA Coordinators of both countries; a National Authorising Officer and a Management Structure for the Programme both located in the Republic of Serbia; an Operating Structure in each country, where in the case of the Serbian Operating Structure the latter includes the Contracting Authority for the Programme; an Audit Authority, to be supported by a Group of Auditors; a Joint Monitoring Committee; and a Joint Technical Secretariat. Given that the Contracting Authority for the Programme shall be located in the Republic of Serbia, the National Authorising Officer,

Management Structure, Operating structure including Contracting Authority and Audit Authority for IPA II Programme shall be appointed by the Government of the Republic of Serbia.

- (2) The Government of the Republic of Serbia shall ensure that specific positions are nominated for the posts of the Serbian National IPA Coordinator, National Authorising Officer, and Head of the Serbian Operating Structure indicated in Articles 5, 6 and 7, of this Arrangement and that specific institutions are designated for the constituent bodies of the Management Structure and Serbian Operating Structure indicated in Articles 6 and 7, as well as for the Audit Authority. In line with reference listed in Point 11 of Preamble of this Arrangement, the Government of Montenegro shall in turn ensure that specific persons are nominated for the posts of the Montenegrin National IPA Coordinator, and that specific institutions are designated for the constituent bodies of the Montenegrin Operating Structure indicated in Article 7. Such nominations and designations shall take the form required by state legislation, and may therefore themselves constitute secondary legislation, such as Decrees or Decisions adopted by the Government of the Republic of Serbia or the Government of Montenegro. The Government of the Republic of Serbia or the Government of Montenegro further undertakes to keep such nominations and designations up to date, and to promptly inform each other of any changes.
- (3) Inter-institutional agreements may be concluded between posts and/or bodies indicated in the first paragraph of this Article and in Article 7 in cases where the provisions of Article 11(3) of the Serbian and Montenegrin Framework Agreements apply, i.e in the cases where the lines of responsibility and reporting are not established by the relevant legal acts. In particular, an inter-institutional agreement shall be concluded between the National Authorising Officer and the Head of the Serbian Operating Structure, while two further agreements, as required by Clause 4(3)(c) of Annex A to the Framework Agreements, may be concluded between 1) the bodies constituting the Serbian Operating Structure and 2) those constituting the Montenegrin Operating Structure, if relevant. Such agreements shall neither cancel nor replace any provisions contained in this Arrangement; in case of inconsistencies, the Arrangement shall prevail.
- (4) Brief descriptions of the roles and responsibilities for each post and body indicated in the first paragraph of this Article and in Article 7 are presented in this Section; details on individual tasks per post and body are included under the relevant Articles in later Sections of this Arrangement. Provisions outlined shall be supplemented as appropriate by programme and/or state level procedures.
- (5) The set up and operation of all bodies indicated in this Section, as well as relations between them, shall be subject to system level management verifications as per Article 12. Detailed arrangements will be described in programme level procedures.

Article 5 National IPA Coordinators

With regard to the Programme, the Serbian National IPA Coordinator shall be appointed and perform duties in line with Articles 10, 11 and 75 of the Serbian Framework Agreement, as well as Clause 1 of its Annex A. The same shall apply to the Montenegrin National IPA Coordinator, though with reference to the Montenegrin Framework Agreement.

Article 6 National Authorising Officer and Management Structure

- (1) The National Authorising Officer shall be appointed and perform duties in relation to the Programme in line with Articles 10 and 11 of the Serbian Framework Agreement, together with Clause 2 of its Annex A. The National Authorising Officer shall, in particular, bear responsibility for 1) the financial management of the Programme, and 2) establishing and maintaining a sound management and control system for the Programme, as per Articles 13 and 14 of the Serbian Framework Agreement, and in compliance with its Annex B.
- (2) In line with Article 10(2) of the Serbian Framework Agreement, the Management Structure for the Programme shall comprise a National Fund and a Support Office for the National Authorising Officer; both shall be located in the Serbian Ministry of Finance and accountable to the National Authorising Officer. They shall be designated and perform their respective duties with regard to the Programme, in line with Articles 10 and 11 of the Serbian Framework Agreement, as well as Clause 3 of its Annex A. Tasks related to the financial management of the Programme shall be secured by the National Fund, while performance of those related to the Programme management and control system shall rest with the Support Office for the National Authorising Officer.

Article 7 Operating Structures and Control Body

- (1) The Serbian Operating Structure for the Programme shall comprise the Head of the Operating Structure, together with a Support Unit, a Cross-Border Cooperation Body (hereinafter "Serbian CBC Body") and a Contracting Authority; the first two shall be located in the Serbian European Integration Office, and the last in the Serbian Ministry of Finance.
- (2) The Montenegrin Operating Structure for the Programme shall comprise the Head of the Operating Structure, the Cross-Border Cooperation Body (hereinafter "Montenegrin CBC Body") and Control Body. The role of the Head of the Operating Structure shall be performed by the Director General for Coordination of the EU Assistance Programmes in the Ministry of Foreign Affairs and European Integration while the role of the Montenegrin CBC Body shall be performed by the Directorate for Regional and Territorial Cooperation within the Ministry of Foreign Affairs and European Integration. Furthermore, the Montenegrin Control Body will be an integral part of the management and control system. The duties of the Montenegrin Control Body will be discharged by the Directorate for Finance and Contracting of EU Assistance Funds (CFCU) within the Montenegrin Ministry of Finance.
- (3) Personnel and institutions comprising both Operating Structures shall be designated and jointly secure duties with regard to the Programme in line with Articles 10, 11, 76 and Clause 4 of Annex A of the Framework Agreements.
- (4) The Serbian and Montenegrin CBC Bodies shall jointly ensure all tasks related to programming, including any amendments to the Programme Document; management of technical assistance under the Programme¹; implementation at programme level (as opposed to contract level), including establishment and management of the Joint Technical Secretariat; monitoring, evaluation and reporting at programme level, including establishment and organisation of the Joint Monitoring Committee; availability of information on the Programme, as well as its publicity

¹ Modalities applicable to such technical assistance are not specified in this Agreement, since the Programme's technical assistance priority shall be implemented under direct management.

and visibility. They shall also secure regular and smooth communication between the Serbian and Montenegrin Operating Structures.

- (5) The Contracting Authority shall be responsible for the selection of operations, signature of contracts with lead beneficiaries,² management verifications and making payments to the same; tasks shall be performed irrespective of whether potential or actual lead beneficiaries are located in the Republic of Serbia or in Montenegro. For the purposes of this Arrangement "operation" means a project, contract, action or group of projects selected by the Contracting Authority of the programme concerned, as defined in the Article 64 of the Framework Agreement. The Contracting Authority shall also secure, inter alia, the audit trail and the accounting function at contract and payment level.
- (6) In the context of management verifications of operations, the Montenegrin Control Body shall check control expenditures incurred by beneficiaries³ registered in Montenegro and declare to the Contracting Authority, particularly with regard to legislation and any subsidiary provisions applicable within Montenegro, and shall issue confirmation to the Contracting Authority on eligibility of the expenditures reported. For these tasks, the Control Body will be responsible to the Contracting Authority that can join the Control Body for the on-the-spot verifications at the level of programme partners and lead beneficiaries coming from MNE territory. The frequency and the scope of the Contracting Authority participation in the on-the-spot-checks will be outlined in the Programme procedures.

Article 8 Audit Authority and Group of Auditors

- (1) The duties of the Audit Authority in relation to the Programme shall be performed in line with Articles 10, 11 and 77 of the Serbian Framework Agreement, together with Clause 5 of its Annex A. It shall be functionally and financially independent of all other bodies indicated in this Section II except for the Group of Auditors.
- (2) Since the Audit Authority's remit shall not apply within Montenegro, it shall be assisted by a Group of Auditors as per Article 77(3) of the Framework Agreements. It shall comprise one suitably qualified representative each from the Republic of Serbia and Montenegro, to be nominated by the Audit Authority and Audit Authority of Montenegro respectively. Each country will cover the costs of the audit process on its territory.
- (3) Rules of Procedure for the Group of Auditors shall be drafted by the Audit Authority and agreed between it and Audit Authority of Montenegro. Inter alia, they shall set out the Group of Auditors' duties, the division of responsibilities between the Serbian and Montenegrin representatives and the procedures to be followed by each, including access to information held by the other representative, the frequency of meetings, the procedure for arriving at decisions, and the minimum qualifications to be met by its members. It shall be chaired by the Audit Authority, while all documentation issued to the Serbian National IPA Coordinator and/or the National Authorising Officer as per Clause 5(3) of Annex A of the Serbian Framework Agreement shall be automatically copied to the Montenegrin National IPA Coordinator. Suitably

² In the meaning of Article 71(2) of the Framework Agreements

³ In the meaning of Article 64(b) of the Framework Agreements

qualified representatives, together with one substitute each, shall be nominated to the Group of Auditors.

Article 9 Joint Monitoring Committee

- (1) In line with Article 78 of the Framework Agreements, a Joint Monitoring Committee shall be established for the Programme (The JMC can be set up at any time after the FWA's of Republic of Serbia and Montenegro have entered into force and no later than six months of the entering into force of the first financing agreement). It shall be chaired by the Head of the Montenegrin Operating Structure and shall meet at least twice a year. Each country shall have one vote, with decisions being taken on the basis of unanimity. In the case of need, each country may develop procedures, internal to itself, governing how its representatives decide among themselves on issues considered by the Joint Monitoring Committee. Institutions appointing representatives and substitutes shall be defined by Serbian CBC Body and Montenegrin CBC Body for each country respectively, in line with the provisions of Article 78(3) of the Framework Agreements. The representatives and substitutes shall be required to sign Declarations of Impartiality and Confidentiality.
- (2) The duties of the Joint Monitoring Committee shall include, but not be limited to, those indicated in Article 78(8) of the Framework Agreements. In this context, it shall be responsible for considering and commenting any documentation relevant at the programme level. In the case of the manual of procedures to be used by the Joint Technical Secretariat, it will be agreed by both OS;
- (3) In its role as a Sectoral Monitoring Committee, as per 74(2) of the Framework Agreements, the Joint Monitoring Committee shall report to the Serbian IPA Monitoring Committee with copy of the reports being sent to Montenegrin National IPA Coordinator being the basis for discussions in the context of the Montenegrin IPA Monitoring Committee.
- (4) Rules of Procedure for the Joint Monitoring Committee shall be drafted by the Serbian CBC Body and subsequently agreed with the Montenegrin CBC Body, as well as with the National Authorising Officer, the bodies comprising the Management Structure, the bodies of both Operating Structures, and the Commission. Respecting the provisions of the Framework Agreements, the Programme Document and this Arrangement, they shall lay down, inter alia, the assignation of duties to programme or state level bodies, including those associated with the operation and organisation of the Joint Monitoring Committee, timelines for each task, the location and timing of Joint Monitoring Committee meetings, and procedures to be followed when the Joint Monitoring Committee takes decisions via written procedure; in the case that precise arrangements cannot be defined at the time of drafting, the Rules of Procedure shall indicate the mechanisms to be used for assigning duties, deciding timelines, etc. A template Declaration of Impartiality and Confidentiality, to be completed by all Joint Monitoring Committee members, shall be attached in annex; it shall specifically include a provision on Committee members recusing themselves from deliberations on operations where they have a conflict of interest, as per Article 17. The Rules of Procedures shall contain the Joint Monitoring Committee's responsibilities as foreseen by Article 78 of the Framework Agreement and therefore be responsible for:
 1. for identifying the thematic priorities, specific objectives, target beneficiaries and specific focus of each call for proposals which shall be endorsed by the Commission;

2. examine and provide an advisory opinion on the list of operations selected through calls for proposals before the grant award decision. The contracting authority shall adopt the final decision on the award of grants;
3. review the progress made in relation to achieving the specific objectives, expected results and targets per thematic priority as set out in the cross-border cooperation programme, on the basis of the information provided by the operating structures of the participating countries. Progress shall be monitored against the indicators set up in the cross-border cooperation programme;
4. examine relevant findings and conclusions as well as proposals for remedial follow-up actions stemming from the on-the-spot checks, monitoring and evaluations if available;
5. approve any proposal to revise the cross-border cooperation programme. Whenever needed, it can make proposals to amend the cross-border cooperation programme as referred to in Article 68 of the Framework Agreement, to ensure the achievement of the objectives of the cross-border cooperation programme and enhance the efficiency effectiveness, impact and sustainability of the IPA II assistance. The JMC can also make recommendations as to how to improve the implementation of the cross-border cooperation programme;
6. examine and approve the communication and visibility plan for the cross-border cooperation programme;
7. examine and approve the evaluation plan referred to in Article 57(2) of the Framework Agreement;
8. examine and approve the annual and final reports on implementation referred to in Article 80 of the Framework Agreement;

The Rules of Procedure shall be adopted by the Joint Monitoring Committee at its first meeting.

Article 10 Joint Technical Secretariat

(1) In line with Article 79 of the Framework Agreements, a Joint Technical Secretariat shall be established for the Programme, with the main office located in Prijepolje, the Republic of Serbia, with an Antenna Office in Bijelo Polje, Montenegro. Its role shall be to support the Joint Monitoring Committee and both Operating Structures, particularly with regard to ensuring a truly cross-border approach vis-a-vis potential applicants, beneficiaries and operations selected for funding under the Programme. The Joint Technical Secretariat may follow on from the one in place for the IPA I 2007-2013 Cross-Border Cooperation programme "Serbia – Montenegro", subject to the selection procedure of the staff. The arrangements will be detailed in the provisions of the technical assistance service contract for the Programme

(2) Potential duties of the Joint Technical Secretariat are outlined in Article 79(6) of the Framework Agreements, and shall include, inter alia, supporting potential applicants and beneficiaries, monitoring operations selected, gathering reliable data at operation level and aggregating it at programme level, providing input to the Operating Structures as appropriate and necessary (for example, in relation to the Annual and Final Implementation Reports due for the Programme), and designing and implementing information, publicity and visibility activities related to the Programme. In addition, through support and monitoring of operations Joint Technical Secretariat shall provide relevant information to Contracting Authority indicating necessity for potential corrective measures with regards to the operation itself in line with its duties. A detailed list of duties, together with the procedures to be followed when performing those duties, shall be laid down in a manual of procedures to be used by the Joint Technical Secretariat (hereinafter, the Joint Technical Secretariat Manual); this shall be developed by the

Serbian CBC Body and agreed with the Montenegrin CBC Body as well as with the other institutions comprising the Management and Operating Structures.

- (3) Costs for the Joint Technical Secretariat shall be covered under the Programme's technical assistance priority, to be implemented under direct management; as appropriate, service contracts shall be concluded between the Serbian European Integration Office and the European Union Delegation in the Republic of Serbia. As such, the Joint Technical Secretariat as a whole shall be managed and monitored by the CBC Body within the Serbian European Integration Office. However, given that it has no authority to hire and manage staff in Montenegro, an agreement shall be concluded between the Serbian European Integration Office and the Montenegrin Ministry of Foreign Affairs and European Integration specifying which management and monitoring tasks, including ensuring adequate staffing of the Joint Technical Secretariat, are to be secured by the Serbian CBC Body and which by the Montenegrin CBC Body. This agreement shall also lay down the budgets associated with management tasks, tasks including control activities in Montenegro to be in line with the Technical Assistance Service Contract, the procedures for transfer of funds from the Serbian European Integration Office to the Montenegrin Ministry of Foreign Affairs and EU Integration and vice versa, and provisions for covering costs related to the operation of the Joint Technical Secretariat which are not catered for in the TA service contracts.
- (4) On the basis of input received from the Joint Technical Secretariat and the Montenegrin CBC Body, and in line with Article 76(3) (l) of the Serbian Framework Agreement, the Serbian CBC Body shall draft a work plan for the year N+1 for the Joint Technical Secretariat. The work plan shall be consulted with the Montenegrin CBC Body in consultation with the other bodies comprising the Operating Structures, and then submitted to the Joint Monitoring Committee for examination and approval.

SECTION III SECURING THE MANAGEMENT AND CONTROL SYSTEM

Article 11 Requesting entrustment of budget implementation tasks

- (1) The Commission shall entrust budget implementation tasks to the Republic of Serbia for each annual Commission Implementing Decision committing funds to the Programme (hereinafter "entrustment"), such entrustment being confirmed with the signature of the related Financing Agreement, and allowing for it to be implemented under indirect management.
- (2) The National Authorising Officer shall be responsible for requesting entrustment from the Commission, and shall ensure, before such requests are submitted, that all requirements as set out in Article 13(2) of the Serbian Framework Agreement are met by the Programme's Management and Operating Structure.
- (3) The National Authorising Officer shall gain assurance that the requirements indicated in the previous paragraph are met via system level management verifications comprising, inter alia, the examination of questionnaires and/or self-assessments completed by the Management Structure and Operating Structure of the Country where the CA is located, an analysis of relevant documentation, including any relevant secondary legislation, inter-institutional agreements and programme and state level procedures; and consultations with the persons and bodies comprising the Management Structure and Operating Structure and interviews conducted with relevant staff to establish that duties as laid down in documentation are performed effectively and efficiently. Confirmation of fulfilment of the necessary requirements may have to be accompanied by an audit opinion supplied by an external auditor independent

of the Management Structure and Operating Structure, while the National Authorising Officer shall also rely on the findings of relevant internal audit reports (see Article 29).

- (4) Performance of duties entailed by the previous paragraph and related to the Operating Structure shall be delegated by the National Authorising Officer to the Head of the Serbian Operating Structure but a supervisory role shall, however, be retained. At the level of the Management Structure, tasks shall be the responsibility of the National Authorising Officer directly.
- (5) Precise and detailed arrangements related to requesting entrustment shall be developed by the National Authorising Officer; s/he shall be supported in this by the Head of the Serbian Operating Structure. Such arrangements shall form an integral part of the programme level control procedures; they shall be consulted with all bodies comprising the Management Structure and Operating Structure and shall become binding on them once approved by the National Authorising Officer supported by the advisory role of the relevant bodies and consultation with the JMC where foreseen. For reasons of efficiency, they shall be aligned as closely as possible with the analogous procedures for the monitoring of entrustment already granted, as per Article 12; in the best case scenario, some or all may be identical.

Article 12 Monitoring of system of management and control

- (1) The National Authorising Officer shall monitor fulfilment of management and control system requirements in relation to the Programme. To this end, the National Authorising Officer shall gain assurance, that all requirements as set out in Article 14 of the Serbian Framework Agreement continue to be met as defined in Article 7. Detailed information and guidance will be outlined in the programme procedures dealing with NAO monitoring of system of management and control. They will imply delegation of tasks by the National Authorising Officer to the Head of the Serbian Operating Structure, though supervisory functions being retained. NAO will be involved in drafting JMC Rules of Procedures and NAO representatives will participate in the JMC work. Monitoring and assurance on the Joint Technical Secretariat to the NAO is provided by the CA, CBC Body and HOS in the Republic of Serbia in line with their responsibilities.
- (2) The modalities, responsibilities and procedures including the system level management verifications and internal audit for gaining assurance on the system will be based on issuance of annual management guarantee by bodies within Montenegrin Operating Structure. Annual management guarantee template to apply accompanied with detailed instructions and arrangements will be contained in programme level procedures and will be binding on the bodies comprising the Montenegrin Operating Structures. The Head of Montenegrin Operating Structure shall submit to the Head of Serbian Operating Structure annual management guarantee. In this context the Head of the Montenegrin Operating Structure shall cooperate with the Head of the Serbian Operating Structure for the bodies comprising the Montenegrin Operating Structure. The Control Body will be responsible to the Contracting Authority and Head of the Serbian Operating Structure in line with their responsibilities and in line with NAO division of tasks. Relevant arrangements defined in programme procedures shall foresee that system level management verifications cover all extant Financing Agreements at the same time, rather than being performed separately for each one.
- (3) The fact that all requirements with regards to the system of management and control are met shall be confirmed in the Management Declaration issued by the National Authorising Officer to

the Commission as per Article 59(2)(b) of the Serbian Framework Agreement. In the case that system level management verifications reveal that requirements are not being met, or if there has been a substantial change to the management and control system, the National Authorising Officer shall inform the Commission as soon as reasonably possible, copying the Serbian and Montenegrin National IPA Coordinators as well as the Audit Authority in the process. S/he shall also ensure that appropriate follow-up actions are taken to safeguard Programme funds and renew fulfilment of the requirements necessary for entrustment.

Article 13 Resources - staff, premises, equipment and other facilities

- (1) Each body comprising the Management Structure and both Operating Structures shall conduct an review of the resources anticipated as necessary for the duties to be ensured in the upcoming year/s with regard to the Programme. Such needs shall include staff, premises, equipment, and any other facilities deemed necessary.
- (2) The review indicated in the previous paragraph shall incorporate a work load analysis, and shall take account of possible conflicts of interest and sensitive posts, as well as any restrictions placed on or anticipated for the state budget. Where there are relevant established procedures in place covering the whole portfolio of a body or the organisation of which it is a part, they should, in principle, be followed. Where such procedures do not exist, or where they are deemed inadequate, the parties will agree to lay them down.
- (3) Upon conclusion of reviews, management of each body comprising the Management Structure and both Operating Structures shall proceed to take and implement related decisions, including amending systematisations, recruiting new staff, organising larger premises, purchasing equipment, etc. In the case that key posts become vacant, management shall ensure that the duties associated with such posts continue to be performed, for example, by arranging for temporary cover.
- (4) The reviews indicated above, including work load analyses, shall be subject to system level management verifications as per Article 12.

Article 14 Risk management

- (1) Each body comprising the Management Structure and both Operating Structures shall manage risk attendant on implementation of the Programme in line with the point 2 of Annex B to the Framework Agreements, and shall ensure, in particular, that objectives set are sufficiently clear to allow for assignation of resources.
- (2) Where risk management procedures, having been established in line with public internal financial control principles, cover the whole portfolio of a body or the organisation of which it is a part, they should, in principle, be followed with regard to the Programme, objectives being set and risks identified, assessed and responded to as an integral part of the risk management exercise conducted for the body, or the organisation of which it is a part, as a whole. Where such procedures do not exist, or where they are deemed inadequate, specific modalities shall be laid down for managing risks attendant on implementation of the Programme. In either case, procedures shall be laid down in writing and shall be binding upon the body in question.

Article 15 Irregularities, including suspected fraud

- (1) The National Authorizing Officer shall take the final decision on the cases of suspected irregularities based on the assessment performed by the relevant authority of the country of which the person/organisation suspected of committing the irregularity is a citizen/is registered.
 - (2) All cases of suspected irregularities related to the Programme, including suspected fraud,⁴ shall be reported to the relevant authority of the country of which the person/organisation suspected of committing the irregularity is a citizen/is registered. The relevant authority in Serbia is NAO Support Office. The relevant authority in Montenegro will be the Head of Operating Structure. All relevant authorities shall appoint an Irregularity Officers.
 - (3) These authorities shall ensure assessment and examination of suspected irregularities, as well as follow-up in the case of confirmation; such follow-up may constitute disciplinary action, recovery of funds, as per Article 27(7), or bringing legal proceedings; in the case that such investigation or follow-up involves activities exceeding the competence of the relevant authority, it shall refer the case to the appropriate state authority. All authorities shall transfer the decision on the assessment including all relevant documentation to National Authorising Officer and RS Head of Operating Structure for further proceedings as soon as the assessment is concluded.
 - (4) The Montenegrin Head of Operating Structure shall maintain both a register of suspected and a register of confirmed irregularities regarding suspected or confirmed irregularities attributed to natural or legal persons registered in Montenegro, in line with Article 51(2) of the Montenegro Framework Agreement. The Montenegrin Head of Operating Structure shall report on the assessment on suspected irregularity as well as follow-up steps regarding confirmed irregularity to the NAO with copy to the RS Head of Operating Structure. The National Authorising Officer shall, in turn, draw up and transmit reports to the Commission in line with Article 51(2) of the Serbian Framework Agreement.
 - (5) State level procedures governing modalities related to investigating and following-up suspected or confirmed irregularities and suspected fraud in-country are to be legally binding for all bodies comprising the Operating Structure in that country and the Management Structure in the case of the Republic of Serbia. Detailed arrangements regarding reporting by the Montenegrin Head of Operating Structure to the NAO with copy to the RS Head of Operating Structure shall be included in the programme level control procedures for which the Joint Monitoring Committee may be consulted.
 - (6) Controls to be performed in relation to the prevention, detection and correction of irregularities and fraud, as per Article 51(1) of the Serbian Framework Agreement, shall comprise a part of the management verifications of operations outlined in Article 22.
- 5) In the Republic of Serbia, the role of the Anti-Fraud Coordination Service, as per Article 50(2) of the Serbian Framework Agreement, and the role of the service to assist the European Anti-Fraud Office (OLAF) in conducting investigations, as per 50(5) of the same Agreement, is regulated and assigned through Decree on the Management of Programs of EU Pre-Accession Assistance (IPA II) for the period 2014-2020 ("Official Gazette RS", no. 86/2015) and Decision on the appointment of the responsible persons and bodies in the management of EU pre accession assistance programmes for

⁴ The terms "irregularity" and "fraud" are to be understood in the meaning of Article 51(5) of the Framework Agreements.

the period 2014-2020 ("Official Gazette RS", no. 93/2015) to Body for the combatting irregularities and fraud in the handling of the European Union funds within Ministry of Finance.

SECTION IV PROGRAMME AMENDMENT AND IMPLEMENTATION

Article 16 Programme amendment

- (1) In certain cases, the Programme as set out in the Programme Document may be subject to amendment, though the general rules on programming contained in Articles 66, 67 and 68 of the Framework Agreements shall be respected.⁵ Reasons for such amendment shall include those indicated in Articles 17(2), 68(8) and 70(3) of the same Agreements.
- (2) Amendments may be initiated by either of the Serbian or the Montenegrin CBC Body, as well as by the Commission. In the former case, responsibility for substantiating a proposed amendment, setting out its expected impact, and revising the Programme Document (as per Article 68(8) of the Framework Agreements) shall rest with the CBC Body at whose initiative the amendment is being put forward; once agreement has been secured from the other Operating Structure, relevant documentation shall be submitted to the Joint Monitoring Committee for consideration, comments and approval, after which it shall be dispatched to the Commission by the Serbian National IPA Coordinator. When amendments are initiated by the Commission, they shall equally be subject to consideration, comments and approval by the Joint Monitoring Committee.

Article 17 Selection of operations

- (1) All operations⁶ financed under the Programme shall respect the requirements outlined in Article 70(1) and 70(4) of the Framework Agreements; as a rule, they shall be selected by the Contracting Authority via calls for proposals covering the whole Programme area, as per Article 70(2) of the same Agreements.
- (2) The thematic priorities, specific objectives, target beneficiaries and specific focus of each call shall be developed by the Serbian CBC Body, in conjunction with for the CBC Body in Montenegro; on reaching agreement, the Head of the Contracting Authority shall submit a proposal of Guidelines for Applicants to the Joint Monitoring Committee for consideration, comments and approval of above listed elements of Call for Proposal. (as per Article 78(8) (a) of the Framework Agreements), prior to subsequent submission of entire package of documents for endorsement by the Commission.
- (3) Respecting the thematic priorities, specific objectives, target beneficiaries and specific focus agreed, calls for proposals shall be further developed, launched and managed (including evaluation, grant award and contracting) by the Contracting Authority in line with the procedures and standard documents laid down and published by the Commission for the implementation of external actions. The Contracting Authority may consult Serbian and Montenegrin CBC Bodies or JMC with regards to the specific issues under its responsibility due to the nature of the programme i.e. bodies involved in the preparation process of the CfP may

⁵ Duties of the posts and bodies indicated in Section II with regard to programming are not laid down in this Agreement, since the programming process was finalised with the Commission's adoption of the Programme on 10 December 2014.

⁶ In the meaning of Article 64(a) of the Framework Agreements

propose to the Contracting Authority application of the specific provisions due to the nature of the programme.

- (4) The drafting of relevant documentation (which shall include Calls for Proposal as a document itself, guidelines for applicants with relevant annexes and application forms) shall be ensured by the Contracting Authority; both Serbian and Montenegrin CBC Bodies shall be closely involved, and shall provide all relevant information regarding technical aspects of the above mentioned documentation. The Contracting Authority and both CBC Bodies shall also be responsible for providing any specific provisions for the procedure in question which might need to be incorporated in the guidelines for applicants, and related annexes, application forms or draft contracts due to the nature of the Programme. Such specific provisions can include, but shall not necessarily be limited to:
 - Requiring applicants to include and set targets for programme level indicators in their proposals, information on such indicators to be aggregated at programme level by the Joint Technical Secretariat for monitoring purposes;
 - Requiring lead beneficiaries to submit progress reports on a regular basis to the Joint Technical Secretariat (in addition to the reports they have to submit to the Contracting Authority together with requests for payment).
 - Requiring expenditure verification reports for all grant contracts, irrespective of grant size, and for all interim financial reports.
 - Information on arrangements for subtracting from the future payments against due amounts in case unduly paid amounts are not reimbursed by the lead beneficiary via recovery procedure
- (5) After the publication of calls for proposals, dissemination of information shall primarily be ensured by the Contracting Authority with the support of the Joint Technical Secretariat where applicable; it shall also be responsible for providing support to potential applicants. Duties and relevant procedures shall be included in the Joint Technical Secretariat Manual.
- (6) In line with Article 76(4)(a) of the Framework Agreements, voting members for evaluation committees, of whom there shall be an odd number, shall be nominated by the Head of the Serbian CBC Body to the Contracting Authority after consultation with both the Serbian and Montenegrin HOS and Montenegrin CBC Body ; there shall be one more voting member from Montenegro than from the Republic of Serbia. The chair and secretary for evaluation committees shall be nominated by the Contracting Authority. Prior to nomination, it shall be confirmed that all voting and non-voting members are 1) suitably qualified (including a reasonable command of English and sufficient technical know-how to give an informed opinion on applications), and 2) available for the period scheduled for an evaluation. Final approval of the composition of the evaluation committee rests with the CA. In addition, if deemed necessary, CA may engage external assessors for the purposes of evaluation of project proposals.
- (7) In line with Article 78(8)(b) of the Framework Agreements, the Contracting Authority shall submit the preliminary list of operations to be selected (i.e. before the final decision on grant award) to the Joint Monitoring Committee for an advisory opinion. Any member of the Joint Monitoring Committee who has a conflict of interest with an operation included in the list shall recuse him or herself from deliberations on that operation; this provision shall be specifically included in the Declarations of Impartiality and Confidentiality to be signed by each Joint Monitoring Committee member.

- (8) The Contracting Authority shall finalise the list of operations to be selected taking into consideration advisory opinion of the Joint Monitoring Committee and take the final decisions on grant award. It shall subsequently conclude grant contracts with the lead beneficiaries of the operations selected.
- (9) As allowed for by Article 70(3) of the Framework Agreements, operations may exceptionally be selected outside calls for proposals, in which case they shall be clearly identified in the Programme itself; relevant procedures are outlined in section 5 of the Programme Document. Once such an operation has been identified by the Operating Structures and the Joint Monitoring Committee has been consulted, the Programme would have to be amended appropriately, as per Article 16. A contract would then be concluded between the Contracting Authority and the lead beneficiary.
- (10) Where ex ante controls of steps in calls for proposals and grant award are to be performed by the European Union Delegation in the Republic of Serbia, in line with Article 50(1)(a) of the Serbian Framework Agreement and as per provisions contained in the Financing Agreement or Agreements funding a given call for proposals, the Contracting Authority shall be the sole point for dispatch of official documentation to and receipt of official comments from the Delegation. It shall keep the relevant bodies of the Management Structure and both Operating Structures informed as appropriate; in turn, they shall provide prompt support in the case that their input is required to address Delegation comments.

Article 18 Technical assistance

The technical assistance provided for in the Programme is not subject to this Arrangement since it shall be implemented under direct management. General information is included in Article 10, as the technical assistance budget shall finance the set up and operations of the Joint Technical Secretariat and provide other forms of the technical assistance to the operating structures, as defined in the contract for financing of the TA.

Article 19 Procurement

Procurement of services, supplies or works under the Programme when under indirect management by any other constituent body of the Management Structure or Operating Structures, including the Contracting Authority may be possible under strategic projects. Services, supplies and works under grant contracts concluded between the Contracting Authority and the lead beneficiaries shall be procured in line with the provisions contained within those contracts.

Article 20 Implementation of operations, exemption of taxes, applicable law

- (1) Operations selected shall be implemented by beneficiaries in line with the related grant contracts; the lead beneficiary for each operation shall bear full responsibility vis-a-vis the Contracting Authority for its proper management, including financial management. In order to clarify the tasks flowing from contractual obligations, the Contracting Authority shall develop and issue step by step instructions for beneficiaries under each call for proposals, such instructions to be prepared, in principle, at the same time as documentation related to calls for proposals, and to undergo the same approval circuit as indicated in Article 17; input for these

instructions shall be supplied by the Joint Technical Secretariat and both Serbian and Montenegrin CBC Bodies.

- (2) Expenditures incurred under grant contracts awarded for selected operations shall be exempt from all taxes, customs duties and other fiscal charges indicated in Article 28 of the Framework Agreements. Legal provisions for exempting expenditure incurred under IPA II will be applied by both Republic of Serbia and Montenegro, respectively for the beneficiaries on their territory. Detailed step by step procedures setting out how beneficiaries are to secure exemptions shall be drafted by the Contracting Authority for the Republic of Serbia and by Ministry of Finance for Montenegro; they shall be incorporated in or attached to the instructions for beneficiaries indicated in the previous paragraph.
- (3) In line with the procedures and standard documents laid down and published by the Commission for the implementation of external actions,⁷ grant contracts financing operations shall be governed by the law of the Republic of Serbia. The competent court in the Republic of Serbia in the first instance shall be in charge of any legal disputes between the Contracting Authority and lead beneficiaries from any from two participating countries.

Article 21 Monitoring of operations

- (1) Monitoring of operations shall be performed by the Joint Technical Secretariat, and shall include 1) analysis of progress reports to be submitted by each lead beneficiary (in addition to the reports they have to submit to the Contracting Authority together with requests for payment),⁸ and 2) on-site visits to lead beneficiaries, to other beneficiaries, and to locations where an operation's activities are being performed - at a minimum, operations shall be visited once per year of implementation. Precise modalities shall be laid down in the Joint Technical Secretariat Manual, which shall detail the regularity with which monitoring activities are performed; the procedures for deciding which operations should be visited in which order and how often (including risk analysis if deemed necessary); whether a single operation shall be monitored by one member of staff, to cover all beneficiaries and activities irrespective of where they are located or implemented, or by two, each one to cover all beneficiaries and activities in a single country⁹; how and when to report to bodies in one or both of the Operating Structures; possible follow-up activities to be proposed or undertaken in the light of monitoring findings; and any templates to be used.
- (2) In certain instances (for example, when an operation is considered important or risky), one or both CBC Bodies may decide to visit operations for monitoring purposes. As a general rule, visits to Serbian and Montenegrin beneficiaries shall be conducted by, respectively, the Serbian CBC Body and the Montenegrin CBC Body; in either case, staff of the CBC Body conducting the visit may be accompanied by personnel from the other. If existing procedures do not cater for such monitoring activities on the part of one or both of the CBC Bodies, staff shall follow the Joint Technical Secretariat Manual *mutatis mutandis*.

⁷ See Article 13.1 of Annex e3h2 (grant contract General Conditions) of the Practical Guide valid at 15 July 2015.

⁸ The grant contracts concluded with lead beneficiaries shall include a specific provision concerning the obligation to submit such monitoring reports.

⁹ If single operations are to be monitored by two members of staff, the Joint Technical Secretariat shall describe how they shall coordinate to ensure monitoring of operations as a whole, rather than as two separate sets of beneficiaries and activities

Article 22 Management verifications of operations and verification of expenditure

- (1) As per Clause 4(3)(b)(x) of Annex A to the Framework Agreements, management verifications ensuring that expenditure incurred by beneficiaries under their grant contracts is legal and regular shall be ensured for the Programme by the Contracting Authority in Republic of Serbia and Control Body in Montenegro.
- (2) In line with the procedures and standard documents laid down and published by the Commission for the implementation of external actions, expenditure verifications may be performed in relation to grant contracts by an external body authorised by the Contracting Authority or directly by the Contracting Authority (supported by the Montenegrin Control body). In the case of the Programme, expenditure verifications of operations shall be performed by such external auditors, with related costs being covered under operations' budgets. Expenditure verifications shall be conducted by external auditors in relation to each interim, if any and final financial report prepared by lead beneficiaries, such reports to be submitted by them to the Contracting Authority (with a copy to Montenegrin Control Body) together with requests for payment. These verifications shall cover expenditure incurred under the administrative, financial, technical and physical aspects of each operation over the whole Programme area, and shall be arranged and performed in line with the conditions stipulated in each grant contract, as per the procedures and standard documents laid down and published by the Commission for the implementation of external actions; inter alia, they shall ensure that legislation applicable to the beneficiary in question (including state legislation) has been respected, together with the provisions of the grant contract, and shall also involve on-the-spot-checks. The Contracting Authority shall, for each grant contract, either approve or select external auditors to perform such expenditure verifications.
- (3) Management verifications performed by the Operating Structure and Control Body shall cover the administrative, financial, technical and physical aspects of operations, and shall relate to compliance with applicable legislation (including state legislation), the Programme, grant contracts and any other relevant conditions; the delivery of goods and services, and the eligibility of expenditure incurred and declared to the Contracting Authority and Control Body. They shall involve full examination of supporting documentation related to the commitments entered into or payments made or due on the part of the Contracting Authority vis-a-vis lead beneficiaries. Such documentation shall be submitted to the Contracting Authority (with a copy to Montenegrin Control Body) by lead beneficiaries. Verifications shall also involve scheduled on-site visits (for selected grant contracts once during the implementation period at a minimum) or ad-hoc on-the-spot checks conducted by Contracting Authority and Control Body staff. Through those checks, among other, technical and financial documentation shall be checked and related findings may result with different corrective measures, including suspension of operation. For each management verification it performs, the Montenegrin Control Body shall issue confirmation to the Contracting Authority detailing expenditure found to be eligible and outlining reasons for any expenditure found to be ineligible.
- (4) Modalities governing the organisation and performance of management verifications and applicable to Contracting Authority and Control Body shall be laid down in the programme level control procedures. Inter alia, they shall cover arrangements for approving or choosing external

auditors, the flow of documents between the institutions concerned, approval circuits, timelines for the performance of control activities, reporting duties, and templates; if deemed necessary at programme level, the procedures shall also detail a mechanism for deciding on which operations are to be subject of on-the-spot checks and when, together with the frequency and scope of such on-the-spot checks¹⁰. Arrangements applicable to one Operating Structure or Control Body only shall be included in state level control procedures. Verification process on both sides of the border should be done according to the procedures established by the Serbian Contracting Authority in cooperation with Control Body. Detailed control activities in relation to Program will be defined in Control Guidelines.

Article 23 Information, publicity and visibility

- (1) In line with Articles 24 and 76(3)(k) of the Framework Agreements, the Serbian CBC Body shall develop a Communication and Visibility Plan (or equivalent document) for the whole lifetime of the Programme and covering the whole Programme area. The Montenegrin CBC Body and the Joint Technical Secretariat shall provide close support. Once agreed by both CBC Bodies and the Contracting Authority, it shall be submitted by the Head of the Serbian Operating Structure to the Joint Monitoring Committee for consultation, comments and approval; this shall be followed by endorsement from the side of the Commission, as required by Article 24(1) of the Framework Agreements.
- (2) The Communication and Visibility Plan shall respect the principle of transparency indicated in Article 23(1) of the Framework Agreements, and shall follow any provisions laid down in Financing Agreements. It shall outline activities ensuring 1) the proper dissemination of information (e.g. to potential applicants through a Programme website and events), 2) Programme publicity (e.g. concerning Programme achievements), and 3) visibility (e.g. of European Union funding); target groups, budgets and responsibilities shall be defined for each activity. Indicators and arrangements for monitoring shall be included at the appropriate levels (for example, per activity or target group). Implementation of the Plan shall mostly be ensured by the Joint Technical Secretariat, with activities being covered, in principle, under the Programme's technical assistance budget. Monitoring of and reporting on the Plan shall be performed annually in the context of monitoring and reporting at programme level, as per Articles 25 and 26. In the case that such monitoring reveals weaknesses in design or implementation, proposals for revision of the Communication and Visibility Plan shall be put forward; responsibilities for developing and approving such revisions shall follow the same circuits as for the original version of the Plan.
- (3) In the case that provisions relevant to the Communication and Visibility Plan in the Framework Agreements, the Financing Agreements and this Agreement are deemed insufficiently detailed, programme level procedures may be developed by the Operating Structures and formalised by the Joint Monitoring Committee.
- (4) Information, publicity and visibility at the level of operations shall be ensured by lead beneficiaries in line with the provisions contained within their grant contracts.

¹⁰ For the frequency and scope of on the spot checks it shall be taken into account, inter alia, the type of action, the amount of public expenditure involved and the level of risk identified.

- (5) Responsibility for publishing information on recipients of IPA II assistance, as per Article 23(2) of the Serbian Framework Agreement, shall rest with the Contracting Authority.

Article 24 Remedial measures in case of implementation difficulties

- (1) Implementation difficulties at programme level may be identified via system level management verifications, for requesting and monitoring entrustments, risk management, monitoring and evaluation at programme level, internal audit, reporting, external audit, and external verifications;¹¹ in addition, findings from monitoring and control activities performed at the level of operations may indicate implementation difficulties at programme level.¹² In each case, relevant procedures shall foresee that suitable remedial measures are defined and agreed at an appropriate level of authority, assigned to the bodies and/or staff responsible, implemented by the deadlines set, and monitored. In certain instances, pre-defined remedial actions shall be triggered automatically when particular circumstances arise (for example, arranging for bridging financing when Programme funds are not received from the Commission in time to honour outstanding liabilities).¹³
- (2) At the level of operations, implementation difficulties may be identified by the beneficiaries concerned, by the Joint Technical Secretariat in the context of monitoring, as per Article 21, and by the Contracting Authority or Control Body when performing management verifications, as per Article 22; in the latter two cases, lead beneficiaries shall be notified of implementation difficulties by Contracting Authority. In all instances, the responsibility for ensuring that remedial measures are defined, assigned and implemented shall rest with lead beneficiaries.

SECTION V PROGRAMME MONITORING AND EVALUATION

Article 25 Monitoring at programme level

- (1) Progress at programme level shall be formally monitored twice a year by the Joint Monitoring Committee. The Committee shall consider documentation prepared and/or submitted by the Operating Structures, and shall adopt decisions on any remedial actions to be taken (including by whom such actions are to be taken, and by when) in light of weaknesses in Programme design and/or implementation identified during the monitoring process. The programme level documentation to be considered and approved by the Joint Monitoring Committee shall include Annual Implementation Reports and the Final Implementation Report and evaluation reports.¹⁴ Implementation of decisions taken by the Joint Monitoring Committee shall be monitored by the Serbian and Montenegrin HOSs and CBC Bodies in their respective countries.
- (2) Annual Implementation Reports and the Final Implementation Report for the Programme shall be drafted in line with the provisions contained in the Framework Agreements (see its Article 80) and Financing Agreements, and shall include, inter alia, information on progress towards meeting Programme objectives and indicators, implementation of previous Joint Monitoring Committee decisions, performance in relation to the Communication and Visibility Plan, contracting and disbursement rates, significant challenges experienced (including a synthesis of any implementation difficulties identified via the processes listed in Article 24(1)), and

¹¹ See Articles 11, 12, 14, 25, 26, 29, 31, 33, and 34.

¹² See Articles 15 on irregularities, 21 on monitoring of operations, and 22 on management verifications of operations.

¹³ See Article 27(3).

¹⁴ For Implementation Reports, evaluation reports and audit opinions and reports see Articles 80, 57, and Clause 5(3)(b) of Annex A of the Framework Agreements respectively.

remedial actions proposed to address such challenges or otherwise improve programme design and implementation (possibly to include amending the Programme).

- (3) Responsibility for the preparation of Annual Implementation Reports and the Final Implementation Report shall rest with the Serbian CBC Body, though with strong support from the Montenegrin CBC Body, the Joint Technical Secretariat (to supply technical information, for instance, on progress towards Programme objectives and targets), and the Contracting Authority (to provide financial information). After reports have been agreed by both CBC Bodies and the Contracting Authority, they shall be submitted by the Head of the Serbian Operating Structure to the Joint Monitoring Committee for examination and approval; they shall subsequently be dispatched by the Head of the Serbian Operating Structure to Serbian National IPA Coordinator and National Authorising Officer; the former shall in turn send the reports on to the Montenegrin National IPA Coordinator, the Audit Authority, and the Commission.
- (4) For meetings of the Joint Monitoring Committee which are not scheduled to consider Annual Implementation Reports or the Final Implementation Report (since they are to be drafted on a yearly basis, while the Joint Monitoring Committee is to meet twice annually), appropriately abbreviated reports shall be drawn up, to contain similar but less detailed information than the Annual Implementation Reports and the Final Implementation Report. Responsibilities for their preparation shall be the same as those outlined in the previous paragraph.
- (5) Any contributions (over and above the reports indicated in this Article) requested for the Serbian IPA Monitoring Committee or any IPA level reports shall be provided by the Serbian CBC Body.
- (6) The Programme shall be monitored on a day to day basis by the Joint Technical Secretariat through their everyday work. To this end, data supplied on the progress of individual operations by lead beneficiaries in their monitoring, interim and final reports shall be aggregated; a current data base used by Serbian Operating Structure shall be used and maintained for purposes of aggregation, with data entry being performed by Joint Technical Secretariat staff. Information to be supplied by lead beneficiaries shall be determined with reference to Programme objectives and targets and the key issues to be followed in such monitoring; relevant obligations shall be included in grant contracts. Specific tasks to be performed by the Joint Technical Secretariat shall be detailed in the Joint Technical Secretariat Manual.

Article 26 Evaluation at programme level

- (1) A single interim evaluation of the Programme shall be commissioned,¹⁵ to be performed once there are sufficient results from the first call for proposals to allow for meaningful lessons to be drawn, but in time for such lessons to feed into the design and implementation of later calls for proposals. In line with Article 57(2) of the Framework Agreements, an evaluation plan shall be drafted by the Serbian CBC Body and consulted with the Montenegrin CBC Body and the

¹⁵ Ex ante evaluations are not covered in this Agreement, since they are to be conducted in parallel with the programming process. An ex post evaluation of the programme shall not be performed, since it is not obligatory according to Article 18(3) of the Rules of Application (Commission Delegation Regulation (EU) No 1268/2012 of 29 October 2012) of the Financial Regulation (Regulation (EU, Euratom) No 966/2012 of 25 October 2012), while its results would arrive too late to inform preparations for the next programming period.

Contracting Authority; once agreed, it shall be submitted by the Head of the Serbian Operating Structure to the Joint Monitoring Committee for examination and approval.

- (2) The interim evaluation shall be conducted by a natural or legal person who is independent of all bodies indicated in Section II and is free from any other conflict of interest (such as prior involvement in programming or implementation of the Programme); the general principles governing the evaluation of IPA II assistance, as per Article 55 of the Framework Agreements, shall be respected, with special attention being paid to Article 55(9) of the same Agreements. Terms of reference, together with an estimated budget, shall be drafted; responsibilities and approval circuits shall be the same as for the evaluation plan indicated in the previous paragraph.
- (3) The work of the evaluator hired shall be managed by the Serbian CBC Body, though a working group (or equivalent) may be established to involve the Montenegrin CBC Body, the Contracting Authority and the Joint Technical Secretariat in the process. The draft report shall be circulated by the Serbian CBC Body to the institutions concerned for comments; once these have been incorporated, the final version of this report will be issued and debriefed to all bodies comprising both Operating Structures and the Joint Technical Secretariat. It shall then be examined by the Joint Monitoring Committee, which shall decide on any follow-up actions which would require its authorisation (for instance, possible amendment to the Programme) and shared with EC for comments. Relevant evaluation reports produced by the Commission, in line with Article 56 of the Framework Agreements, shall also be presented to the Joint Monitoring Committee.

SECTION VI FINANCIAL MANAGEMENT AND CONTROL

Article 27 General provisions for financial management

- (1) All duties related to financial management shall be performed in line with Articles 31 to 46 of the Serbian Framework Agreement, as well as the provisions of the Financing Agreements concluded for the Programme. Related tasks, apart from those laid down in Article 28 of this Arrangement, shall be ensured in their entirety by the National Fund and the Contracting Authority; as a result, no Programme funds shall be transferred from any of the Serbian bodies indicated in Section II to the Montenegrin institutions mentioned in the same Section, or, with the exception of Article 28, vice versa. Responsibilities of the National Fund and/or the Contracting Authority shall include, inter alia, ensuring an audit trail and providing for accounting systems that meet the requirements of the Serbian Framework Agreement. In line with Articles 18(4) and 33, 35(1)(a) and Clause 2(3)(a) of Annex A of the Serbian Framework Agreement, as well as the relevant provisions of the Financing Agreements, the National Fund shall draw up and dispatch forecasts of likely payment requests and payment requests themselves, including a statement of expenditure for interim payments.
- (2) Any co-financing of the Programme additional to funds from European Union sources shall be provided at the level of individual operations selected, being ensured or supplied by beneficiaries. No such co-financing, therefore, shall be reserved in or delivered from the Serbian or Montenegrin state budgets by any of the bodies indicated in Section II.
- (3) In line with Article 33(8) of the Serbian Framework Agreement, in the case of delays in requesting funds or receiving payment from the Commission, the National Authorising Officer

shall ensure, from the Serbian state budget, that there are sufficient funds on Programme accounts in order to honour any outstanding or upcoming liabilities.

- (4) Respecting the provisions of Programme Financing Agreements, bank accounts shall be established in euro at the level of the National Fund and the Contracting Authority. Funds from the Commission shall be received on the former, and shall be transferred to the latter in line with procedures agreed between the two bodies.
- (5) Payments shall be made by the Contracting Authority to lead beneficiaries of selected operations on the basis of fulfilment of the relevant conditions in their grant contracts. The accounts opened by lead beneficiaries for the purposes of implementation of a given contract shall also be in euro.
- (6) In the case that funds related to the Programme are to be recovered to the Commission on the basis of Articles 41 or 43 of the Serbian Framework, the necessary and appropriate steps shall be ensured by the National Authorising Officer in accordance with Article 41(2) and within the tasks defined in Article 42 of Serbian Framework Agreement. If the amounts in question can be, but have not yet been, recovered from lead beneficiaries, they shall be borne temporarily by the Serbian state budget until such time as they are received from lead beneficiaries in accordance with the deadline prescribed by the NAO. Where funds recovered by the Commission cannot be recovered from lead beneficiaries, the shortfall shall be borne either by the Serbian state budget or the Montenegro state budget, or both; taking into consideration the division of liabilities between the state budgets of both countries and shall be determined in line with Article 28 of this arrangement.
- (7) At the level of individual operations, funds shall be recovered by the Contracting Authority from lead beneficiaries, and as per the relevant procedures set out in individual grant contracts. Reasons for such recoveries shall include overpayment (for example, when final expenditure incurred under a grant is less than the advance received from the Contracting Authority); ineligible expenditure (identified, for instance, in the context of management verifications of operations); and confirmed irregularities, including fraud. In the case that the Contracting Authority experiences difficulties recovering funds from Montenegro lead beneficiaries, the bodies comprising the Montenegrin Operating Structure shall provide it with all reasonable support and shall do its utmost to support the CA in the recovery process on its territory including through operational, legal, administrative and judicial proceedings.
- (8) A lead beneficiary shall recover funds from the other beneficiaries of an operation in line with the formal agreement or agreements concluded between or amongst themselves. Any such amounts due from other beneficiaries but already subject to recovery from the lead beneficiary by the Contracting Authority shall be borne temporarily by the lead beneficiary until such time as they are received from other beneficiaries. In the case that a lead beneficiary experiences difficulties recovering funds from other beneficiary, the bodies comprising the Operating Structures of the country of the other beneficiary shall provide the lead beneficiary with all reasonable support.
- (9) Detailed procedures supplementing the financial management provisions of the Serbian Framework Agreement, the Financing Agreements and this Arrangement shall be developed at state level, but only for the Republic of Serbia; related duties incumbent on Montenegro are established by the Arrangement alone.

Article 28 Division of liabilities between state budgets

- (1) In cases where funds recovered by the Commission cannot in turn be recovered from lead beneficiaries, an appropriate division of the associated liabilities between the Serbian and Montenegrin state budgets shall be determined and agreed. Such situations shall arise when lead beneficiaries cannot repay necessary amounts and when sums recovered to the Commission cannot be related to a particular operation, as in the case of certain financial corrections, as per Article 43 of the Serbian Framework Agreement.
- (2) Discussions on division of liabilities in the situations outlined in the previous paragraph shall be initiated and managed by the National Authorising Officer and shall be attended by all bodies comprising both Operating Structures. Where sums can be clearly associated with a particular operation, and thus with one or more of its beneficiaries, liabilities shall be divided in line with the responsibilities assigned in Article 22 (for management verifications of operations) to Operating Structure bodies and other relevant institutions. Thus, amounts linked to expenditure incurred by Serbian beneficiaries and verified by the Contracting Authority shall be covered from the Serbian state budget; similarly, sums connected to Montenegrin beneficiaries' expenditure checked by the Control Body shall be recovered from the Montenegrin state budget. In cases where amounts cannot be related to a particular operation, discussions shall be concerned with determining a fair and equitable division of liabilities fully reflecting the assignation of responsibilities per country in this Arrangement. Final decisions on the division of liabilities shall in each case be agreed in writing by all posts and bodies party to discussions.
- (3) Where it is agreed that Montenegro shall cover all or a portion of the liabilities, a debit note (or equivalent document) shall be issued by the Serbian National Authorising Officer to the Montenegrin Head of Operating Structure; the debit note shall indicate, inter alia, the amount to be paid, the account to which it is to be sent in EUR, the currency in which it is to be received. If the amount to be paid is in the currency other than EUR, the exchange rate to be applied to the euro amount originally recovered by the Commission for the purposes of calculating the amount in the non-euro currency shall be the monthly exchange rate of the Commission in the month during which the Commission issued its debit note to the National Authorising Officer.

Article 29 Provisions for control, including internal audit

- (1) The internal control framework¹⁶ for the Programme shall be laid down in the following legally binding documents: the Framework Agreements, the Financing Agreements, this Arrangement, state legislation or equivalent, inter-institutional agreements, and programme level or state level procedures. Cumulatively they shall ensure that the requirements of Annex B to the Framework Agreements are incorporated in the Programme's management and control system, and that tasks are clearly defined and assigned to posts and/or bodies. In cases where procedures applicable to bodies indicated in Section II have been introduced as part of the general public internal financial control agenda, such procedures, provided deemed sufficient and appropriate, should be followed instead of developing new ones specifically for IPA II or the Programme; examples might include procedures relating to planning and managing resources or managing risk.

¹⁶ The term "control" in this Agreement is to be understood as corresponding to internal control – i.e. checks performed by posts or bodies comprising the Management Structure or Operating Structures; this excludes, for example, audits performed by the Audit Authority

- (2) An integral part of the internal control framework shall be the existence and operation of the internal audit functions; this shall be ensured for each body comprising the Management Structure and Operating Structures, in line with Clause 4(3)(b)(xi) of Annex A to the Framework Agreements, and shall be performed according to state legislation. In the case that such bodies do not possess an internal audit unit or staff, the function shall be secured externally, for instance, by concluding an agreement with the relevant Ministry of Finance that its internal audit shall secure the relevant roles and responsibilities. Detailed provisions for circulation of internal audit reports relevant to the Programme shall be arranged in programme procedures.
- (3) The proper set up and functioning of the Programme's internal control framework shall be established via system level management verifications performed in the context of requesting and monitoring entrustments, as per Articles 11 and 12. Eligibility of expenditure incurred at the level of grant contracts shall be subject to management verifications of operations, as per Article 22, while any irregularities suspected or confirmed shall be managed in line with Article 15. Detailed provisions for such management verifications and irregularity management shall be laid down in programme level and state level control procedures as appropriate; cumulatively, these shall set out the arrangements for guaranteeing the sound financial management of the funds allocated to the Programme, in line with Article 69(f) of the Framework Agreements.

SECTION VII COMMUNICATION, REPORTING AND INFORMATION MANAGEMENT

Article 30 Communication, including meetings

- (1) Communication within and between the bodies comprising the Management Structure and Operating Structures, as well as Joint Technical Secretariat,¹⁷ shall be conducted primarily by e-mail in order to ensure swift response, whilst preserving a record of such communication. Where documents need official signature, they shall be scanned and sent by e-mail; receipt of such e-mails shall be accepted as official receipt of the documents they contain. The same principles shall govern communication between Operating Structure bodies and the Joint Technical Secretariat, and beneficiaries.
- (2) In addition to any meetings held between the bodies indicated in the previous paragraph on specific issues, general management meetings for the Programme shall be convened and coordinated by the Head of the Serbian CBC Body in close cooperation with Montenegrin CBC Body. In principle, they shall be held whenever the parties involved agree it is necessary and attended by each of the bodies comprising the Management Structure and both Operating Structures, as well as by the Joint Technical Secretariat and Steering Committee of the TA contract, if needed. Such meetings shall be held in Serbia and in Montenegro on rotation basis and have agendas and be minuted, with follow-up actions being clearly defined, together with responsibilities and deadlines; implementation of actions agreed shall be monitored in the context of the following management meeting.

Article 31 Reporting

¹⁷ The term "communication" in this Article refers to information exchange between or among bodies comprising the Management Structure and the Operating Structures, the Joint Technical Secretariat and beneficiaries. It therefore excludes communication with target groups for the purposes of information, publicity and visibility as per Article 23.

- (1) In line with Article 59(1) and (2) of the Serbian Framework Agreement, the Serbian National IPA Coordinator and the National Authorising Officer shall report officially to the Commission on the implementation of the Programme during the previous financial year. For the Serbian National IPA Coordinator, such reporting shall comprise forwarding the Annual Implementation Reports, as per Article 25,¹⁸ while the National Authorising Officer shall submit financial reports or statements, Management Declarations, and summaries of internal audit reports and controls performed which underpin such Management Declarations.¹⁹
- (2) Procedures similar to those described in the previous paragraph shall apply to the reporting duties of the Audit Authority; as per Article 59(3) of the Serbian Framework Agreement, it shall provide the Commission with an annual audit opinion and an annual audit activity report covering the previous financial year by 15 March of the following year. It shall in addition, supply an opinion on the final statement of expenditure issued for the Programme by the National Authorising Officer, as per Clause 5(3) (b)(iii) of Annex A to the Serbian Framework Agreement.
- (3) All reporting documentation shall be drafted in line with the provisions contained in Financing Agreements, including any templates. By default, they shall be copied to both National IPA Coordinators, to the National Authorising Officer, the Audit Authority, and the heads of all the bodies comprising the Management Structure and both Operating Structures.
- (4) Formal reporting of the Joint Monitoring Committee to the Serbian IPA Committee shall solely comprise the Annual Implementation Reports and the Final Implementation Report, while reporting at lower levels shall be performed, as appropriate, in line with procedures and inter-institutional agreements, the Joint Technical Secretariat Manual, or grant contracts. No specific procedures additional to the provisions outlined in this Arrangement are foreseen for reporting by the Montenegrin Operating Structure to the Serbian Operating Structure or the Management Structure.

Article 32 Management of information – filing, archiving, retention of documentation

In line with Article 25, 26 and 49 of the Framework Agreements on data protection, confidentiality and the retention of documents respectively, each body comprising the Management Structure and the Operating Structures shall ensure:

- That an adequate physical filing and archiving system exists to hold and retain information related to the Programme, to guarantee security of information and appropriate access rights to confidential information;
- That an efficient and reasonably secure IT system exists, with higher security levels for more sensitive information, regular back-up and appropriate access rights to confidential information;
- That documentation, whether electronic or in hard copy, is retained in accordance with Article 49 of the Framework Agreements, relevant provisions of Financing Agreements, and any requirements stemming from the procedures and standard documents laid down and published by the Commission for the implementation of external actions;²⁰ Compliance with any freedom of information legislation at state level.

All bodies involved in implementation process including beneficiaries must ensure proper audit trail.

¹⁸ The National IPA Coordinator shall also be responsible for submitting the Final Implementation Report for the Programme to the Commission after approval by the JMC, as per Article 25.

¹⁹ Such controls shall comprise the system level management verifications outlined in Article 12.

²⁰ See 2.3.5 of the Practical Guide valid at 30 April 2015.

SECTION VIII AUDIT AND EXTERNAL VERIFICATIONS

Article 33 Audit

- (1) In line with Article 77 of the Serbian Framework Agreement, external audit of the Programme²¹ shall be ensured by the Audit Authority, to be supported by a Group of Auditors as per Article 8. Audits shall be conducted in line with a rolling three year strategy, and shall examine the Programme from both the financial and system perspective. Audit opinions and audit activity reports shall be submitted to the Commission annually and copied to relevant bodies, as per Article 31. Tasks shall be performed in line with the provisions contained in the Serbian Framework Agreement, particularly its Annex A Financing Agreements, any further guidance issued by the Commission, the Rules of Procedure agreed for the Group of Auditors and procedures governing the work of the Audit Authority.
- (2) Financial or system level audits may also be performed on the Programme by the Commission or the European Court of Auditors; they may also be commissioned by the National Authorising Officer.

Article 34 External verifications

Verifications additional to those outlined in Articles 11, 12 and 22 may be performed by bodies external to the Management Structure and Operating Structures including the Commission and the European Anti-Fraud Office (OLAF), in line with Article 50(1) of the Framework Agreements. Again, these may be financial and related to particular operations, as with ex ante controls performed by the European Union Delegation in the Republic of Serbia on steps in calls for proposals and grant award or investigation of irregularities by OLAF (see Articles 17 and 15); or they may relate to the programme level and look at the robustness of the management and control system.

Article 35 Cooperation and access to information, sites, premises and staff

During the performance of the audits and external verifications, posts and bodies indicated in Section II, including Joint Technical Secretariat and other forms of TA shall, in line with Article 50 of the Framework Agreement, any relevant provisions of Financing Agreements and bilateral tasks regulated by this agreement and/or programme procedures (i.e. relevant procedural steps with regards to irregularities, joint on-the-spot checks by Contracting Authority and Control Body over partners and Lead Beneficiaries etc.), ensure full cooperation with all duly authorized agents or representatives, of the Audit Authority, the Group of Auditors, the Commission, the European Court of Auditors, the National Authorising Officer, Contracting Authority, Body for combatting irregularities and fraud in dealing with European Union funds within Ministry of Finance of the Republic of Serbia and the European Anti-Fraud Office (OLAF). Such agents or representatives shall have full access to information, documentation, sites, premises and staff.

Article 36 Commenting on and following up audits and external verifications

All posts and bodies indicated in Section II shall ensure:

²¹ The term "audit" in this Section corresponds to external audit of the Programme; neither the internal audit function, as per Article 29, nor expenditure verifications of operations performed by auditors, as per Article 22, are therefore covered here.

- That draft audit and verification reports received are circulated to all persons and institutions that they concern (unless such reports are deemed confidential as in the case of investigations of fraud) in order to allow for comments;
- That they provide comments on all draft audit and verification reports received or circulated to them;
- That follow-up actions in response to findings and recommendations in final audit and verification reports which fall under their responsibility are clearly defined, together with responsibilities and deadlines, and that the implementation of such follow-up actions is monitored. This shall apply in particular to audits produced by the Audit Authority and any audits or verifications concerning the Programme management and control system produced by the Commission.

SECTION IX FINAL PROVISIONS

Article 37 Consultation, settlement of differences, applicable law, arbitration

- (1) Any question relating to the execution or interpretation of this Arrangement shall be subject to consultation between the Parties leading, where necessary, to an amendment of this Arrangement.
- (2) Differences arising out of the interpretation or execution of this Arrangement shall be settled amicably through consultation as provided for in the previous paragraph. The Parties shall communicate their positions and any solution that they consider possible in writing. A Party shall reply to a request sent by the other Party for an amicable settlement within 30 days. Upon expiry of this period, or if an attempt to reach an amicable settlement has not led to an agreement within 60 days since the first request, either of the Parties may notify the other one that it considers the procedure of amicable settlement have failed.
- (3) This Arrangement shall be governed by the laws of the Republic of Serbia. Where no amicable settlement can be reached, the Parties shall submit themselves to the exclusive competence and Jurisdiction of the courts in the Republic of Serbia in the first instance.

Article 38 Notices

- (1) Any communication in connection with this Arrangement shall be made in writing and in the English language. Every communication shall be signed and be supplied as an original document or scanned original document.
- (2) Any communication in connection with this Arrangement shall be sent to the following addresses:

For Serbia:

Ms Jadranka Joksimović
Minister without portfolio in charge of European
integration
Nemanjina 11, Belgrade, Serbia
Fax: +381 3617-597

For Montenegro:

Ambassador Aleksandar Andrija Pejović
Ministry of Foreign Affairs and European
Integration
Stanka Dragojevića 2, Podgorica, Montenegro
Fax: +382 (0)20 225 591

Article 39 Entry into force and duration

- (1) This Arrangement shall enter into force on the day on which the last of the Parties signs the document.
- (2) Unless terminated, this Arrangement shall remain in force until all contractual obligations come to an end and in any case not shorter than seven years after the closure date of the Programme.

Article 40 Amendment and termination

- (1) Any amendments agreed to by the Parties shall be in writing and will form part of this Arrangement. Minor changes shall be formalised via notification letter (or equivalent document) from one Party to the other, and shall take effect on receipt of the notification letter by the second Party. Major changes shall be subject to revision of this Arrangement as per the procedures followed for its initial adoption, and shall come into effect in accordance with the procedure set out in Article 39(1). Decision on what constitutes a minor and major change shall rest with the National Authorising Officer.
- (2) This Arrangement may be terminated by either Party by written notification, termination taking effect three months after the date of written notification. In such a case, the Parties agree to continue to perform their duties, as described in this Arrangement, related to all extant legally binding commitments between the Contracting Authority and lead beneficiaries until such time that all such commitments have been honoured in full. Ongoing calls for proposals and grant award procedures under the Programme shall either be suspended by the Contracting Authority pending a new Arrangement, or terminated by the same.

SECTION X SIGNATURES

This Arrangement is drawn up in duplicate in the English language.

For the Republic of Serbia

For Montenegro

Ms Jadranka Joksimović

Ambassador Aleksandar Andrija Pejović

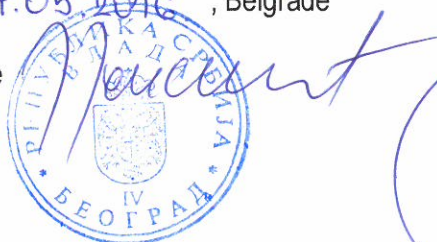
Minister without portfolio in charge of European integration

State Secretary for European Integration and National IPA Coordinator

Date 24.05.2016, Belgrade

Date 28. IV 2016, Podgorica

Signature



Signature

