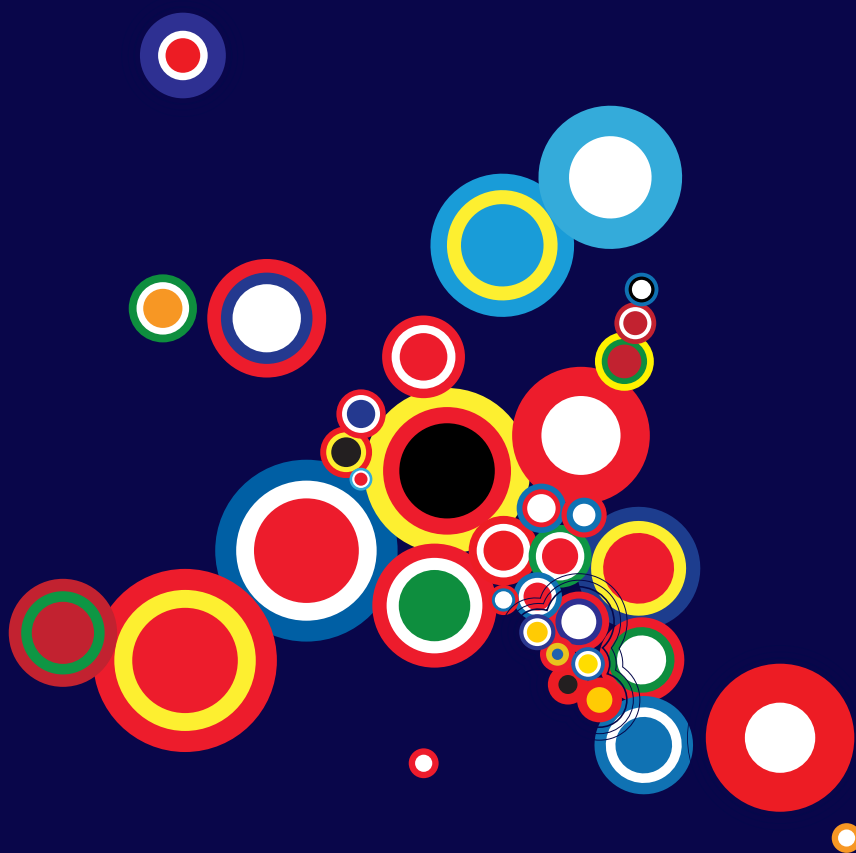




## ANNEX 2 INSTRUMENT FOR PRE-ACCESSION ASSISTANCE 2014-2020



# IPA CBC PROGRAMME

SERBIA – MONTENEGRO

ADOPTED ON DD/MM/2014



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Programme title	CBC Programme Serbia- Montenegro 2014-2020
Programme area	<p>Serbia: municipalities of Nova Varoš, Priboj, Prijepolje, Sjenica in <i>Zlatiborski district</i>; municipalities of Vrnjačka Banja, Kraljevo, Novi Pazar, Raška, Tutin in <i>Raški District</i>; and Municipality of Ivanjica in <i>Moravički district</i>.</p> <p>Montenegro: Municipalities of Andrijevica, Berane, Bijelo Polje, Gusinje, Kolašin, Mojkovac, Nikšić, Petnjica, Plav, Pljevlja, Plužine, Rožaje, Šavnik, Žabljak.</p>
Programme general objective	The programme general objective is to contribute to the economic, social and territorial development of the programme area by fostering integration, joint development and use of potentials and opportunities to make the area attractive to live and work.
Programme thematic priorities	<p>TP 1: Promoting employment, labour mobility and social and cultural inclusion across the border</p> <p>TP 2: Protecting the environment, promoting climate change adaptation and mitigation, risk prevention and management</p> <p>TP 3: Encouraging tourism and cultural and natural heritage</p> <p>P 4: Technical Assistance</p>
Programme specific objectives	<p><b>TP 1: Promoting employment, labor mobility and social and cultural inclusion across the border</b></p> <p>1.1 Increasing employability and employment opportunities</p> <p>1.2 Strengthening social and cultural inclusion</p> <p><b>TP 2: Protecting the environment, promoting climate change adaptation and mitigation, risk prevention and management</b></p> <p>2.1. Improving waste management and waste water treatment</p> <p>2.2. Protection of nature resources</p> <p><b>TP 3: Encouraging tourism and cultural and natural heritage</b></p> <p>3.1. Improving capacities for exploiting tourism potentials</p> <p><b>P 4: Technical Assistance</b></p> <p>4.1 Ensuring effective, efficient , transparent and timely implementation of the Programme and awareness raising</p>
Financial allocation 2014-2020	EUR 8 400 000.00
Implementation method	Indirect management (subject to the entrustment of budget implementation tasks)
Contracting Authority	Government of the Republic of Serbia, the Central Financing and Contracting Unit (CFCU) of the Republic of Serbia Address: Sremska 3-5, 11 000 Belgrade, Tel +381 11 2021 389
Relevant authorities in the IPA II beneficiaries	Government of the Republic of Serbia, European Integration Office, Nemanjina 34, 11000 Belgrade, Serbia Government of Montenegro, Ministry of Foreign Affairs and European Integration, Stanka Dragojevića 2, 81 000 Podgorica, Montenegro
JTS/Antenna	JTS: Prijepolje (Serbia) Antenna: Bijelo Polje (Montenegro)



## **Glossary of acronyms**

CA	Contracting Authority
CBC	Cross-border cooperation
CBIB+	Regional EU project for the technical assistance Cross-border Institution Building project (CBIB+)
CfP	Call for proposal
CSO	Civil Society Organisation
EC	European Commission
EU	European Union
EUD	European Union Delegation
GDP	Gross domestic Product
IPA	Instrument for Pre-accession and Assistance
JMC	Joint Monitoring Committee
JTF	Joint Task Force
JTS	Joint technical Secretariat
MNE	Republic of Montenegro
NGO	Non-Governmental Organisation
OS	Operating Structure
RS	Republic of Serbia
SAA	Stabilisation and Association Agreement
SME	Small and Medium Size Enterprise
SO	Specific Objective
SWOT	Strength, Weaknesses, Opportunities, Threats
TA	Technical Assistance
TP	Thematic Priority

## SECTION 1: SUMMARY OF PROGRAMME

The programme for cross-border cooperation between the Republic of Serbia and Montenegro will be implemented under the framework of the Instrument for Pre-accession Assistance (IPA II). IPA II supports cross-border cooperation with a view to promoting good neighbourly relations, fostering union integration and promoting socio-economic development.

The **EU legal basis** for the development of the cross border cooperation programme primarily includes:

- Regulation (EU) No 231/2014 of the European Parliament and of the Council of 11 March 2014 establishing and Instrument for Pre-accession assistance (IPA II)
- Regulation (EU) no 236/2014 of the European Parliament and of the Council of 11 March 2014 laying down common rules and procedures for the implementation of the Union's instruments for financing external action
- 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 and Instrument for Pre-accession assistance (IPA II)

### 1.1 SUMMARY OF THE PROGRAMME

The IPA II CBC Serbia – Montenegro 2014-2020 is the second generation of the cross border cooperation programmes between the two countries and is supported by the Instrument for Pre-Accession of the European Union.

The programme was designed on a basis of a detailed analysis of the situation in the programme area and identification of its main strengths, weaknesses, opportunities and threats, which are presented in the Annex 1 of this document.

The programme area stretches across South-Western Serbia and the North and Central parts of Montenegro. It covers **17,402 km<sup>2</sup>** and has a population of **693,412** inhabitants living in twenty-four municipalities. The area is **remote** and is among the least developed compared to country averages. Most of the municipalities/towns are considered highly under-developed.

Economic activities are based on natural resources and concentrated on forestry, agriculture, industry, energy production and tourism. Most employment is generated in the processing sector. The programme area is predominantly mountainous with well-preserved nature, including four national parks and other protected areas. Environmental issues relate to waste management, waste water treatment and risk management.

**Needs and challenges of the programme area** are numerous:

- Making the border area attractive to live and work
- Combating poverty and social exclusion
- Increasing employability and generation of sustainable jobs
- Improving competitiveness and internationalisation of businesses
- Protecting the environment
- Combating climate change
- Valorisation of natural and cultural assets
- Improving the governance at local and regional level
- Activating the innovation potential and improving RTD in all sectors.

**Area's key potentials** are its people, institutional base, networks and existing businesses, diversity of cultural and natural assets and natural resources.

The need for focusing the assistance on the most important needs and challenges and considering several approaches and aspects the programme strategy was defined.

The **programme's general objective** is to contribute to economic, social and territorial development of the programme area by fostering integration, joint development and use of potentials and opportunities to make the area attractive to live and work in.

The programme intervention areas shall build on strengths and potentials to seize the most relevant opportunities, improve the weaknesses and minimise threats. Balance between the integration and development objectives and feasibility of implementation were considered.

The programme therefore focuses on promoting employment and social inclusion, development of the tourist potentials and protection of the environment, which shall be addressed within the following three thematic priorities:

#### **TP 1: Promoting employment, labor mobility and social and cultural inclusion across the border**

The priority responds to growing unemployment, especially between the young and aims at reinforcing the opportunities of specific target groups to access knowledge and skills and competences demanded by the labor market. It also seeks to exploit potentials for the improvement and development of quality social services and social innovation.

#### **TP 2: Protecting the environment, promoting climate change adaptation and mitigation, risk prevention and management**

The priority responds to environmental issues caused by low level of quality and range of public utilities (in particular solid waste and waste water treatment). Preservation and sustainable management of natural values (forests, water) is a potential that will be further secured. High vulnerability of the area concerning impacts of climate change, including flood and fires in particular will be addressed jointly.

#### **TP 3: Encouraging tourism and cultural and natural heritage**

The programme area as one of the most culturally diverse and its exceptional nature values provide good potential for the development of sustainable tourism and integration of offers around key product already gaining significance. The actions supported within this priority will complement the objectives and results of the first two priorities.

### **1.2 PREPARATION OF THE PROGRAMME AND INVOLVEMENT OF THE PARTNERS**

A **Joint Task Force** (hereinafter JTF) consisting of the representatives of the Participating Countries was established on 4 October 2013 with the purpose to prepare the programme strategic document. The members of the JTF represent competent authorities of the Programme territory and constitute National Delegations: the Serbian European Integration Office, the Ministry of Energy, Development and Environment, the Standing Conference of Towns and Municipalities from Serbia and the Ministry of Foreign Affairs and European Integration from Montenegro.

**The programming exercise** was supported by the CBIB+ project (Cross Border Institution Building). The following steps were taken: i) preparation of the draft situation analysis and SWOT ( Strength, Weaknesses, Opportunities, Threats) on the basis of inputs from beneficiaries, secondary sources and lessons learned, ii) identification of key needs and challenges of the programme area, iii) selection of thematic priorities and elaboration of a draft strategy, iv) amendments of the programme according to the comments of the Commission and decisions of the JTF.

The draft situation analysis and SWOT were discussed on the 2<sup>nd</sup> JTF meeting. The 1<sup>st</sup> draft strategy was discussed on the 3<sup>rd</sup> JTF meeting which took place on 20 November 2013.

The Operating Structures managed to involve a wide range of stakeholders in the programming process, including public institutions at national, regional and local levels, civil society organisations and social partners. As part of the preparatory activities, questionnaires were circulated to the programme stakeholders to collect data for elaboration of the SWOT analysis.

In total, 79 questionnaires were received and analysed. Furthermore, 11 in depth interviews were conducted with institutions at national and regional level.

Two public consultation events were organised during strategy drafting. High interest of potential beneficiaries for the programme resulted in good attendance and qualitative input.

The 2<sup>nd</sup> draft of the strategy was elaborated on the basis of comments provided by the JTF during its 3<sup>rd</sup> meeting, the comments received by the Commission in January 2014 (dated 20/12/2013) and a meeting with the Operating Structures held on 28/01/2014. The 2<sup>nd</sup> draft was submitted to the Commission in the beginning of February 2014 and was discussed by the JTF during its 4<sup>th</sup> meeting held on 28/02/2014. The focus was placed on further scoping of the programme and improvement of the indicators.

The Commission's comments to the 2<sup>nd</sup> draft were received in May 2014 and were mainly related to narrowing down the programme area and description of implementing provisions regulating the calls for proposals and strategic projects. In the third version of the programming document comments were observed along with the decisions of the 4<sup>th</sup> JTF meeting and results of the consultative meeting held by Operating structures and the CBIB+ experts on 20 May 2014.

The cross border cooperation programme is going to be implemented under indirect management and managed by one Contracting Authority as defined in Article 51 of the IPA II implementing regulation. Before conferral of management of the funds the accreditation process for indirect management needs to be completed. Both Serbia and Montenegro were subject to accreditation process. Management powers relating to Component II - Cross-Border programmes of the Instrument for Pre-Accession Assistance (IPA) on Serbia were conferred by the Commission Decision of 21 March 2014. At the time of submission of the 3<sup>rd</sup> final draft of the programme, Montenegro is expecting Commission decision on conferral of management of funds for IPA II component as well.

A decision of the IPA Steering Committee was to locate the Contracting Authority for the programme in Serbia.

**Table 1: Summary of the programming meetings and events**

Date and place	Event/milestone	No. of participants
Belgrade, 4 October 2013	1 <sup>st</sup> JTF meeting: adoption of Rules of Procedures, overview of the programming activities and timeline	18
Podgorica, 31 October 2013	2 <sup>nd</sup> JTF meeting: discussion of the first draft of situation analysis and SWOT, selection of the Thematic priorities	14
Bijelo Polje, 4 November 2013	1 <sup>st</sup> Public consultation: presentation of the situation analysis and SWOT, consultation on the elaboration of the programme strategy	55
Užice, 5 November 2013	1 <sup>st</sup> Public consultation: presentation of the situation analysis and SWOT, consultation on the elaboration of the programme strategy	83
Belgrade 20 November 2013	3 <sup>rd</sup> JTF meeting: overview of the amended situation and SWOT analysis, discussion on the proposed programme strategy	17
Belgrade 21-22 November 2013	Participation at the Regional Consultative Forum – consultation with the EC on the implementation of the current CBC programmes (2007-2013) and on the programming process 2014-2020 for the IPA/IPA countries of the WB	153



Belgrade 28 January 2014	Consultative meeting of the Operating Structures related to comments received to the 1 <sup>st</sup> draft of Operational Programme. Telephone coordination with the Montenegrin OS.	4
Belgrade 28 February 2014	4 <sup>th</sup> JTF meeting: presentation of the draft no. 2 and discussion on eligible territory and strategy and implementing provisions.	17
Belgrade, Podgorica 20 May 2014	Teleconference - consultative meeting of the Operating Structures: discussion of the EC comments to the draft no. 2 and needed programme amendments.	5
30 May 2014	Submission of the third final draft of the programme document to the EC	
July 2014	Online public consultation	
July 2014	Receipt of comments from the EC on the 3rd programme draft	
July 2014	Revision of the document and approval of changes by the JTF	
August 2014	Submission of the final draft CBC programme to the European Commission	



## SECTION 2: PROGRAMME AREA

### 2.1 SITUATION ANALYSIS

#### Geography

The programme area stretches across South-Western Serbia and the North and Central parts of Montenegro. It encompasses 10 municipalities in the Republic of Serbia situated in three districts - Zlatiborski, Moravički and Raški, and 14 municipalities in Montenegro.

The programme territory covers **17,402 km<sup>2</sup>**, of which 46% belongs to Serbia and 54% to Montenegro. The programme territory on the Serbian side represents 9% of the total country surface, while in Montenegro it covers 68% of the country's territory.

The programme area is predominantly mountainous with well-preserved nature. The most important nature resources include forests, water and mineral resources.



Map of the programme area

Montenegro				Republic of Serbia			
Eligible area (km <sup>2</sup> ):			Total 9,369	Eligible area (km <sup>2</sup> ):			Total 8,033
Andrijeвица	283	Petnjica	173	Zlatiborski District:		Raški District:	
Berane	544	Plav	329	Nova Varoš	581	Kraljevo	1,530
Bijelo Polje	924	Pljevlja	1,346	Priboj	553	Novi Pazar	742
Gusinje	157	Plužine	854	Prijepolje	827	Raška	670
Kolašin	897	Rožaje	432	Sjenica	1,059	Tutin	742
Mojkovac	367	Šavnik	553	Moravički District:		Vrnjačka Banja	239
Nikšić	2,065	Žabljak	445	Ivanjica	1,090		
Total programme area (km <sup>2</sup> ):				17,402			
Total border (km):				249.5			
Border crossings (road traffic):				5			

### *Demography*

The total **population of the programme area is 693,412** (Census 2011) of which 36% live in Serbia and 64% in Montenegro. 6% of the total population of Serbia and 40% of Montenegro is included in the programme.

The population density in the programme area is 40 inhabitants/km<sup>2</sup>. There are however substantial differences between the areas. The population density on both parts of the programme area is far below national average. People mainly live in smaller settlements and a few urban centers. A significant part of the programme territory includes sparsely populated high mountain areas.

**Overall demographic trends are negative** and characterised by both depopulation and ageing of the population. The average age of the population is above national averages. Migration flows of the working population are directed from mountain areas to urban centers within the area as well as outside and abroad. Between the 2002/2003 and 2011 censuses the population decreased by 9,914. The average age of the population in 12 out of 24 municipalities/cities is above the country averages. In 2011 the number of emigrants exceeded the number of immigrants by 1,127.

### *Economy*

The programme area is among the **least developed compared to country averages**. Most of the municipalities/towns are considered highly under-developed.

The area is characterised by a low level of investments (both actual and potential), low export orientation, low labor productivity, lack of innovation, lack of coherent strategies within and between local administrations and production units, lack of communication and cooperation between industries, low level of managerial and business know-how and a concentration of production in urban centers.

Economic activities are based on natural resources and concentrated on **forestry, agriculture, industry, energy production and tourism**.

Industry has an important role in the overall economic structure of the programme territory, especially wood processing, textile production, food processing, and metal industry. Some of the main employers are still undergoing restructuring and a few thousand jobs are endangered.

The energy sector is well represented. Thirty percent of the hydro energy in Serbia is produced in the programme area. The hydro potential is however not sufficiently exploited. Moreover, there is a potential for production of energy from other renewable sources (biomass, wind energy, solar and geo-thermal energy).

Forestry and agriculture are important economic activities of the area although small sized family agricultural holdings with low production capacity prevail. Cattle, sheep and goat breeding are the main activities in the majority of the territory. Fruit and vegetables are mainly produced in Raški District.

17,328 small and medium enterprises (SME) were registered as economic operators in 2012. The density of SMEs in the eligible area is 19 per 1,000 inhabitants, which is much lower than the EU average. SMEs are characterised by a low level of internationalisation and integration in transnational chains or trade channels. Many operate as small family businesses.

There is a good potential for sustainable tourism development. In general, well-preserved environmental areas of high nature values and rich cultural heritage are the main assets. On the Serbian side, 70% of overnight stays in the programme area were generated in the ski and spa resorts of Kopaonik and Vrnjačka Banja. Domestic tourists prevail on the Serbian side and foreign on the Montenegrin. Tourist infrastructure is underdeveloped to seize the area's attractive scenery and natural resources. This is a consequence of the area's relatively remote position, inadequate transport infrastructure and lack of investments.

### ***Labor market***

The most employment is generated in the processing sector. The main employment centers are Kraljevo, Novi Pazar and Nikšić. Unemployment is one of the greatest challenges. It is characterised by structural unemployment, long-term unemployment, growing unemployment of the young and unemployment of people aged 50+. The unemployment rates are particularly high in the Raški district and in the Northern part of Montenegro.

### ***Infrastructure***

The area can be described as remote. The extent of the road network on both sides of the border is insufficient and the quality of the roads is to a large extent poor. There is no highway. The transport infrastructure needs modernisation. There is no international airport in the programme area.

### ***Environment and Climate change***

A significant surface of the programme area is under different forms of nature protection. Out of the four national parks located in the area, three, representing 75% of the park territory, are situated on Montenegrin side. The area has well-preserved environment, despite some hot spots of pollution and the existing over-burdened waste disposal services.

Approximately 80% of the population in Montenegro and 30% in Serbia are covered by an organised system of waste collection and disposal at municipal waste landfills. Despite the system being organised, the collected waste is disposed without prior treatment. Municipal waste landfills are full - the legal landfills are overburdened and should be closed. In the rural areas in particular, there are many illegal, "wild" garbage dumps. It is also one of the causes of water pollution in the programme territory.

Wastewater treatment in the area is poor, with the exception of some industrial plants and part of the communal wastewater in Mojkovac.

Due to the region's high vulnerability to climate change, risk of flooding and forest fires have increased in the last decade. The climate change will also put an additional stress on hydropower production, and adaptation measures will have to take this into consideration. The programme territory's potential for renewable energy sources, especially in sustainable biomass, has not been tapped in.

### ***Social development***

The overall poverty rate of Montenegro for 2009 increased by almost 2% compared to the previous year. In Serbia, 9.2% of the population lived under the absolute poverty line in 2010, which represented an increase of 2.3% compared to 2009.

The access to social and health services in general is good in urban centers or the centers of municipalities. Access in rural parts is more problematic.

For more detailed information please see Annex 1.

## **2.2 MAIN FINDINGS**

The situation and SWOT analyses identified a number of potential intervention areas that were regarded as instrumental for the development of the programme area. The main **needs and challenges** are summarised as:

### **- Making the border area attractive to live and work in**

This is one of the overall challenges of the programme. The programme territory is diverse, ranging from extremely sparsely populated areas to a few urban centers with above average population density and better access to different services. The level of development between the municipalities differs. Depopulation and ageing of the population is characteristic for the most of the territory. Lack of job opportunities is among the main reasons for the emigration of the workforce.

### **- Improving connectivity of the programme area internally and externally**

The programme is poorly connected internally, but also to main transport routes. The closest Corridor 10 is more than four hours drive away from the central part of the programme area. Projects for the construction of a highway and modernisation of the railway Belgrade-Bar are being prepared which may significantly increase the connectivity and opportunities for economic development.

### **- Combating poverty and social exclusion**

Poverty in both countries is rising and has become critical in rural parts. According to available data, the following groups are at a disadvantage: rural population, especially elderly, women, young age group of 0-17, single parents, single persons households age 65+, families that have three and more dependent children, the households with their head being unemployed. The needs of single parents, the elderly in rural areas, persons with disabilities, persons with mental health problems, etc. are not fully covered since adequate local services are often unavailable. When such services do exist, they are usually provided in urban centers.

### **- Increasing employability and generation of sustainable/green jobs**

Generation of sustainable jobs is the main economic and social challenge for the programme area. The highest unemployment rates amount to 36.5% in Northern Montenegro and 44.5% in Raški District (2012). The young are the most vulnerable. In 2012, the unemployment rate of the young (age of 15-24) in Montenegro was 43.7%. In Serbia every second young person aged 15-30 is a job seeker; the unemployment rate of the young aged 15-30 is 51.2%. The share of young unemployed has increased for 16% in the last 4 years. Youth unemployment is caused by the mismatch between the education and the labor market needs, a high share of young people with no qualifications, lack of jobs in general and the high share of the grey economy. An increase in use of renewable energy sources, such as solar, wind, geothermal and bio-mass, could create green jobs, particularly in smaller communities with few employment opportunities.

### **- Improving competitiveness and internationalisation of the businesses**

The programme territory is characterised by a number of small businesses that at present represent a minor employment creation potential. The innovation capacity and cooperation with research and development institutions is not sufficiently developed. Most of the companies operate on local markets; potentials for clustering and internationalisation are not yet exploited.

### **- Protecting the environment and promoting climate change mitigation and adaptation**

Effective waste management and wastewater treatment are one of the key environmental challenges. Waste generated by the population living in villages and small settlements is to a large extent not collected due to lack of services and is disposed on illegal dumpsites. Water pollution is also a threat to the area. Discharge of communal and industrial wastewater into natural water flows is done with almost no treatment. An additional problem is the lack of pre-treatment of industrial wastewater discharged into the public sewage systems and a low level of residential connection to the sewerage.

The programme territory includes areas exposed to the risk of floods, fires, earthquakes and landslides. The risk of fires is particularly acute along the border. Joint risk prevention as well as adaptation and mitigations measures are of strategic importance, especially with a view of the recent disasters (floods, fires). Efforts should be made in ensuring the sustainable supply of hydro resources and biomass, given the programme territory's importance in energy supply and its potential for useenergy production by of renewable energy sources. Sustainable forest management would also contribute to this end.

### **- Valorisation of natural and cultural assets of the programme area**

The programme area has well preserved environment and significant surface under protection. Four national parks cover 675.8 km<sup>2</sup> or around 4% of the programme area, of which 75% on the



Montenegrin side. The parks are important assets for sustainable tourism development and have potential to improve the income of the people living within and nearby.

The programme area is also one of the most culturally diverse areas in the Balkan region. It is known for its cultural heritage of national and international importance. It is known for some important monasteries, churches, and mosques. Access to cultural offer in the eligible area varies especially with a view of the urban and rural area. There is generally good coverage of the area with libraries, while other offer such as theatre or concert halls is rare. Each of the municipalities is known for a specific cultural event or festival. There are over 100 events taking place in the area.

#### **- Improving the governance at local and regional level**

There are 24 local self-governments in the programme area, of which two have only recently been established (Gusinje and Petnjica). On both sides reform of the local governments is taking place, which will give more competences to local level and to increase efficiency and quality of services. Municipalities/cities showed high interest in the cross border cooperation during 2007-2013 period. There are examples of inter-municipal cooperation particularly in the area of public services, tourism and environment by cooperation of municipal public utility companies.

#### **- Activating the innovation potential and improving Research and Development (R&D) in all sectors**

There are more than 40 science and research and development institutions in the programme area, of which 5 universities with different faculties, some being present in the rural parts as well. Cooperation between universities and business sector is low. Awareness on the possible application of R&D results in business sector is low. The innovation potential of SMEs is not encouraged. The programme area lacks business infrastructure (business innovation centers, university incubators, technology and science parks, centers of excellence).

#### **Key potentials of the programme area:**

- People, institutional base and networks;
- Diversity of natural and cultural potentials;
- Nature resources;
- Businesses.

## SECTION 3: PROGRAMME STRATEGY

### 3.1 RATIONALE - JUSTIFICATION FOR THE SELECTED INTERVENTION STRATEGY

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

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

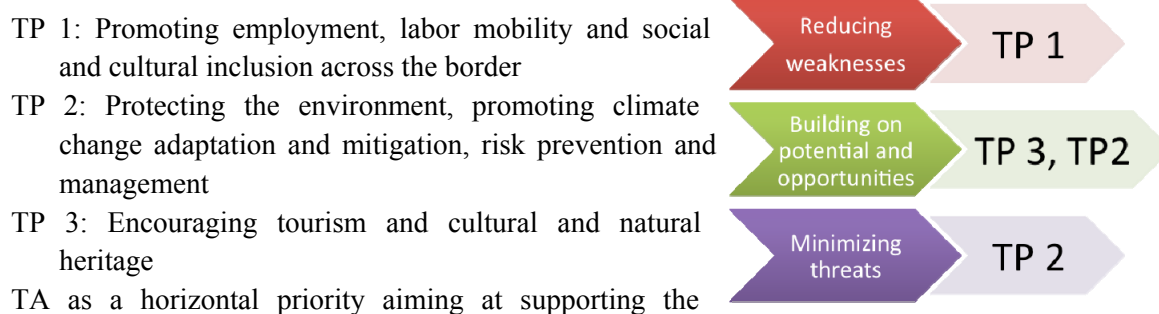
#### Programme general objective

**The programme general objective is to contribute to economic, social and territorial development of the programme area by fostering integration, joint development and use of potentials and opportunities to make the area attractive to live and work in.**

#### Selection of thematic priorities

There has been an intensive process carried out by the programme stakeholders in making strategic choices on the selection of thematic priorities. The basis was provided by the proposal of the IPA Strategic Framework for Programming and the priorities identified in the draft Country Strategy Papers.

Needs and challenges identified on the basis of the situation and SWOT analysis of the programme were used for further assessment of thematic priorities. Different aspects, such as feasibility of the implementation, contribution to the integration of the programme area, value added of the cross border cooperation, and others were examined. Outcomes of the consultation process with potential beneficiaries and lessons learned from the 2007-2013 CBC programme, including the results of evaluations, and the coherence and compatibility with other EU and other donors' programmes were also taken into account. Against this background, a strategic choice was made to address **three thematic priorities** in the programme:







implementation of the entire programme.

**Table 2: Synthetic overview of the justification for selection of thematic priorities**

Selected thematic priorities	Justification for selection
Promoting employment, labor mobility and social and cultural inclusion across the border	<ul style="list-style-type: none"> <li>- Growing unemployment, high share of unemployed young people, emigration of the young</li> <li>- There is an institutional network; however cooperation between labor market, education and RTD institutions and business with regard to improving employability and employment opportunities remains underdeveloped across the border</li> <li>- Disparities between rural areas and urban centers; low level of access to social and cultural services in rural areas</li> <li>- Potential for the development of social economy, social entrepreneurship and green jobs not seized. It exists in sustainable use of local resources, inclusion of vulnerable groups and building of partnerships between public sector and civil society.</li> <li>- Large interest and a number of initiatives of potential beneficiaries</li> </ul>
Protecting the environment, promoting climate change adaptation and mitigation, risk prevention and management	<ul style="list-style-type: none"> <li>- Environmental degradation due to the low level of quality of public utilities (in particular solid waste, waste water treatment)</li> <li>- Low level of awareness on the importance of environmental protection</li> <li>- High vulnerability of the region concerning floods and fires</li> <li>- Relatively well preserved nature environment, need to increase awareness and further protection</li> <li>- Potential for production of energy by renewable sources (biomass, wind energy, solar and geothermal energy)</li> <li>- Complementarity and added value to national interventions</li> </ul>
Encouraging tourism and cultural and natural heritage	<ul style="list-style-type: none"> <li>- Diversity of exceptional natural and cultural assets with low level of valorisation</li> <li>- Considerable overnight stays generated in some parts of the programme area (RS) and potential to attract tourist already visiting other destinations in the country (MNE)</li> <li>- Low level of integration and visibility of tourist products, cooperation opportunities in joint destination development and promotion not exploited</li> <li>- Lack of programmes offering experience, things to do and explore which can generate new employment opportunities and income from tourism</li> </ul>

	<ul style="list-style-type: none"> <li>- Lack of tourist infrastructure and need for improvement of complementary services (e.g. mountain rescuing, guiding, etc.)</li> <li>- Interest of potential beneficiaries, experience from the current period</li> </ul>
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**Financial allocation of funds** to each thematic priority shall be as follows:

- Approximately 25% shall be allocated to the Thematic priority 1 – due to the significant needs and expressed interest of potential beneficiaries it is expected to support a larger number of employment and social inclusion initiatives. Capacity building activities and development of new services supporting will also require equipment or minor adaptations of facilities supporting employment.
- Approximately. 40% shall be allocated to the Thematic priority 2 – beside soft measures and capacity building actions supplies and minor climate resilient infrastructure complementing waste and waste water management on regional level and nature protection shall be supported. Pilot or small-scale cross-border projects on renewables shall be supported.
- Approximately. 25% shall be allocated to the Thematic priority 3 – integrated tourist product development is expected to include arrangement of light tourist infrastructure and purchase of equipment to enhance facilities and services provided by public and civil society organisations.
- A maximum of 10% of the programme allocation shall be used for Technical Assistance.

The implementation of the thematic priorities and specific objectives of the programme shall be, where applicable, in compliance with the objectives set up by the EU Strategy for the Danube Region (COM(2010) 715) and the EU Strategy for the Adriatic and Ionian Region (COM(2014) 357)".

## 3.2 DESCRIPTION OF PROGRAMME PRIORITIES

### 3.2.1 TP1 – PROMOTING EMPLOYMENT, LABOR MOBILITY, SOCIAL AND CULTURAL INCLUSION ACROSS THE BORDER

The situation and SWOT analyses identified significant needs and common challenges regarding promotion of employment and social inclusion. The priority aims at reinforcing the opportunities of specific target groups to gain knowledge, skills and competences demanded by the labor market as well as to improve the quality and range of social services for vulnerable groups in the programme area.

#### Specific objectives and intended results

##### **Specific objective 1.1.: Increasing employability and employment opportunities**

Lack of jobs, threat of further redundancies resulting from restructuring and mismatch between the supply and demand on the labor market are common features of the programme area.

Relatively large number of SMEs and entrepreneurs provide a certain potential to generate future employment. Access to high education in the programme area has increased. However, the potential for effective cooperation between the business sector, labor market institutions and education and research is not adequately exploited.

Access to life-long learning is also weak which additionally hinders opportunities of the unemployed to be re-trained and to adapt to the needs of the labor market. It is often argued that young unemployed lack work experience. These all are common challenges that can be addressed jointly.



There is room for cross border exchange and development of innovative approaches promoting employability and employment opportunities. These should primarily focus on perspective sectors and encourage the use of local resources for creation of jobs. Green economy, development of services, activation of innovation potentials resulting from cooperation between business and education centers, use of modern technologies, promotion of self-employment are some of the examples. The programme support is seen as an upgrading of the existing employment policies and instruments rather than replacing the existing ones.

### Intended results:

**1. NEW KNOWLEDGE, SKILLS AND COMPETENCES** – Improved knowledge, skills and competence, and work experience of unemployed and employed persons to better adjust to the needs of the labor market and to exploit the employment potential in perspective sectors

The intended change is in increased cross border cooperation between relevant actors aiming at improving access of both unemployed and employed to gain new knowledge, skills and competences sought by the labor market. This includes the development of new programmes or qualifications for which there is an evident demand (e.g. professions related to ICT sector, tourism, social services, green economy, etc). Access to lifelong learning programmes should be increased.

Focus should be put on providing facilities and capacities for the inclusion of the young, women and rural population. Opportunities to gather work experiences should be promoted through linking the business, education and research, especially by encouraging cooperation in innovation and research where future employment can be generated.

The potential for self-employment, support to individual producers who recognise opportunities for joint cooperation (e.g. cooperatives, clustering, etc.) and those supporting social innovation and development of social enterprises can be addressed jointly. Employment initiatives should primarily focus on activating local resources and promoting creation of green jobs (e.g. agriculture and processing, wood construction, sustainable forest management, renewable sources of energy, tourism, and other). It is critical that employment initiatives are developed in partnerships that will be able to sustain results after the programme support is finished. In this respect, cooperation between the public and civil sector should be thought of, in particular under employment initiatives in social entrepreneurship.

Competences of the actors creating the support environment should be advanced as well under this result.

### Result indicators<sup>1</sup>:

Indicator	Unit	Baseline	Target 2022
Participants with increased employability and employment competences, of which young, women rural population	number	0	200
Organisations/institutions with increased competences for development of new programmes and services	number	0	15
New services offered	number	0	1

### Specific objective 2.: Strengthening social and cultural inclusion of vulnerable groups

The programme area shows significant disparities in access to social, health and cultural services between rural and urban parts. Besides, the overall level of social and health services is quite low

<sup>1</sup> Note: target values for all indicators were set on the estimation of EUR 1.5 million programme funds per year.

compared to more developed countries. Quality and access to services is a specific challenge for vulnerable groups (e.g. elderly, rural population, single parents, young unemployed, women, and other vulnerable groups). A relatively well-developed network of public and civil organisations exists, however with limited financial and human resource capacities. It is expected that both countries will in the near future adopt the legislation on social entrepreneurship. This will create opportunities for joint development of partnerships and promotion of social innovation.

### Intended result:

- 1. BETTER SERVICES** – Increased access to social and cultural services for vulnerable/excluded groups.

The intended change is of particular importance for ensuring equal opportunities for different groups of citizens in the programme area. There is a great demand identified for a number of services. Taking into account the financial limitations of the programme, the focus should be placed on addressing challenges of cross border relevance that can provide common solutions through pilot projects with the highest potential for sustainability and transfer to other interested regions. Solutions contributing to improving the quality of life of people in remote areas, particularly for the most vulnerable groups at risk of social exclusion, along with improved access to health and social care facilities and services should be at the programme focus. Social innovation should be promoted. Support to social and cultural inclusion of ethnic groups should also be considered as well as options for joint use of public infrastructure and services across the border (e.g. joint agreements).

### Result indicators:

Indicator	Unit	Baseline	Target 2022
Vulnerable persons with access to better services, of which women and elderly	number	0	1,000
New services developed	number	0	at least 1
Organisations with increased competences	number	0	at least 25

### Type of activities and main target groups and final beneficiaries

**Type of activities** supported within the thematic priority include:

- Cross border transfer of knowledge, experience and capacity building activities for specific target groups and final beneficiaries
- Capacity building (training, placements, employment initiatives) for the target groups
- Development of new qualifications, educational and training programmes addressing the needs of the labor market
- Demonstration and pilot projects supporting joint development of employment initiatives and social enterprises
- Cross border exchanges of students, unemployed, graduates
- Enhancement of facilities (works and supplies) to provide social care, health and cultural services
- Other.

For more details please see Table 3 – overview of the programme strategy.

### **Target groups and final beneficiaries (the list is non-exhaustive):**

- Employment services,
- Educational and research institutions and organisations
- Chambers of commerce and crafts, associations of enterprises, clusters,
- Trade unions



- Civil society organisations/NGOs
- National, local and regional authorities
- Local and regional development agencies
- Organisations providing business support environment
- Unemployed persons, particularly those hard to place
- Employed searching for other employment opportunities
- Vulnerable groups (ethnic minorities, young, people with disabilities, women, elderly, and other vulnerable groups at risk of exclusion)
- Local communities
- Other

### **3.2.2 TP2 – PROTECTING THE ENVIRONMENT, PROMOTING CLIMATE CHANGE ADAPTATION AND MITIGATION, RISK PREVENTION AND MANAGEMENT**

#### **Specific objectives and intended results**

The situation and SWOT analyses showed needs and common challenges that have been narrowed down to the most critical ones within this thematic priority.

#### **Specific objective 2.1.: Improving waste management and wastewater treatment (WWT) in the programme area**

An ineffective solid waste and wastewater management is a joint problem affecting the programme area and its solution has become one of highest national priorities in both countries. The problem is particularly evident along the rivers running through the programme area. Planning the regional solutions for waste management has only recently started. There are significant needs for extension of public utility services in rural areas, while at the same time complementary services need to be developed and supported (reducing waste, primary selection, arrangement of recycling yards, etc.). Sparsely populated areas require different solutions, in particular with regard to treatment of wastewaters.

#### **Intended results:**

##### **1. IMPROVED CAPACITIES** of the municipalities and public utility companies for effective and efficient waste management and wastewater treatment

The intended change consists of increasing the capacity of municipalities and their public utility companies to better address the waste management and WWT by increasing knowledge transfer, promoting inter-municipal cooperation and preparing joint solutions or introducing pilot services to complement planned regional infrastructure. The priority should be given to solutions of joint problems affecting the programme area (e.g. along the rivers) and common solutions for rural areas where municipal infrastructure will not be constructed or where services are not yet available. Learning and exchange of good practice, introduction of pilot solutions in cooperation with research and development institutions can add value to promoting environment friendly approaches.

#### **Result indicators:**

<b>Indicator</b>	<b>Unit</b>	<b>Baseline</b>	<b>Target 2022</b>
Municipalities benefitting from waste management and WWT solutions/measures supported by the programme	number	0	at least 4



Households benefiting from common waste management and WWT solutions/measures <sup>2</sup> supported by the programme	number	0	50
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### Specific objective 2.2.: Protecting nature resources and promoting climate change adaptation and mitigation

The programme area has a relatively well preserved environment, which however is under pressure for several reasons. The most common are insufficient network of public utility services and insufficient level of environmental awareness of the inhabitants and industry. These result in inappropriate practices endangering the environment and the quality of life. Increasing awareness of the relevant actors is necessary along with concrete environmental measures to ensure long-term effects. Joint solutions for the identified common problems shall be supported.

Considerable surfaces are already under nature protection. Preserving the biodiversity is a challenge to be addressed jointly especially with a view of the designation of the NATURA 2000 sites and standards. Good practice in nature preservation and potential for joint management of nature resources especially along the border where actions can have a cross border effect should be explored (forests, water resources, etc) and promoted.

The programme area has recently been exposed to a higher incidence in the number of hazards, in particular floods and fires. The climate change will also put an additional stress on hydropower production, and adaptation measures will have to take this into consideration. Further protection of nature resources is critical and cooperation should be promoted especially along the border (joint interventions, equipment, introduction of new technologies, and similar).

#### Intended results:

**1. BETTER AWARENESS** of the inhabitants and industry on the importance of preserving the environment and nature

The change is to be sought in an increased competence and environment friendly behavior of different target groups in their everyday practice. Children and young can have a positive effect on their families. Schools, local communities, and civil society can play an important role in changing the attitudes through the use of new and innovative approaches to promote the concepts of 'reduce, re-use and re-cycle'. Industry is a specific target groups to be addressed. Cooperation in exchange of good practices and development of joint programmes and solutions to increase environmental consciousness in the programme area shall be supported.

#### Result indicators:

Indicator	Unit	Baseline	Target 2022
People directly taking part in awareness raising activities (of which young )	number	0	900
Organisations taking part in awareness raising activities	number	0	12

**2. IMPROVED NATURE PROTECTION** – Increased capacities for joint management of nature resources

Increased level of cooperation between the responsible institutions for nature protection on national, regional and local levels in the programme areas is expected. Sharing of experience and learning about joint and common problems create the basis for finding joint solutions and exchange of information related to nature conservation and protection (e.g. assessment of populations of endemic

<sup>2</sup> (Waste collection services; separate collection of paper, glass, metal, plastic, metal waste, organic waste; recycling, rehabilitated waste dumps and others)



and endangered species). Potential for putting together competences, equipment and human resources and development of joint protection measures should be promoted.

**Result indicators:**

Indicator	Unit	Baseline	Target 2022
Number of institutions participating in joint management initiatives	number	0	4
Area covered by joint management measures	ha	0	13,000

**3. BETTER EMERGENCY PREPAREDNESS AND CLIMATE RESILIENCE–**  
Improved level of emergency preparedness and joint risk management

Cross border cooperation in development of risk management plans and coordination of actions in emergency situation as well as capacity building should increase the preparedness of the actors and their effectiveness and efficiency in real situations. Improved climate-resilience through the implementation of adaptation measures should be pursued in all the planned actions. Priority should be placed on territories along the border (mountain areas, rivers, tangible areas such as nature parks, etc.).

**Result indicators:**

Indicator	Unit	Baseline	Target 2022
Area covered by joint risk measures / management plans	ha	0	33,000
People with increased competence related to emergency preparedness and risk management, of which women	number	0	250
Population benefitting from emergency preparedness and risk prevention measures supported by the programme	number	0	500

**Type of activities and main target groups and final beneficiaries**

The main types of activities supported under this thematic priority include:

- Cross border transfer of knowledge and experience, capacity building and awareness raising activities
- Enhancement of facilities and equipment (waste and wastewater treatment, emergency preparedness, risk prevention and mitigation, nature conservation)
- Development of joint solutions, management plans, monitoring, etc.
- Demonstration and/or pilot projects
- Other.

For more details please see Table 3 – overview of the programme strategy.

**Target groups and final beneficiaries (the list is non-exhaustive):**



- Public utility companies, local self-governments
- National, regional and local institutions and organisation dealing with environment protection, nature conservation and emergency situations
- Educational and research institutions and organisations
- Civil society organisations/NGOs
- National, local and regional authorities
- Local and regional development agencies
- Organisations responsible for management of nature resources and nature protected areas
- Local population
- Others.

### 3.2.3 TP3 – ENCOURAGING TOURISM AND CULTURAL AND NATURAL HERITAGE

#### **Specific objectives and intended results**

##### **Specific objective 3.1.: Improving capacities for exploiting tourism potentials of the programme area**

The programme area is one of the most culturally diverse and has exceptional nature values that provide good potential for the development of sustainable tourism. There are already specific products and sites well recognised, and some of them well visited. A considerable number of tourists are attracted to the Serbian side (ski centres, mountains, spas) while there is still potential to attract tourists travelling to the seaside in Montenegro to make a sideway and visit the mountainous parts. At present cooperation between tourist providers across the border is not yet well developed. Integrating and enhancing the offer around key products or destinations (e.g. hiking, biking, skiing, nature parks, culture and others) could increase the visibility and provide opportunities to better valorise the offer. Capacities for joint development, marketing and monitoring of the effects should be supported.

Tourism can be seen as a trigger for the development of other sectors and services in the programme area (e.g. agriculture and processing of traditional food products, handicrafts, transport services, etc.). Growing interest for things to do, explore and experience offers a number of opportunities to develop complementary programmes that at present are underdeveloped, e.g. outdoor activities, programmes for specific niche target groups.

#### **Intended results:**

##### **1. JOINT TOURIST PRODUCTS ENHANCED**

Valorisation of the natural and cultural potentials in the programme area is rather weak. For an effective integration of the tourist offer, it is necessary to improve the cooperation between tourist providers and support organisations from both sides of the border around main products with cross border development potential (nature protected areas, religious tourism, culture, outdoor and others).

The programme intends to enhance these potentials by creating a joint vision and strategies for the development and management of integrated products and/or destinations. These shall be supported by the arrangement of light tourist infrastructure, development of new attractions, related services and promotion tools. An increase in the capacities of the human resources (new competences, use of standards, and similar) is also necessary.

#### **Result indicators:**

Indicator	Unit	Baseline	Target 2022
Existing offers integrated	number	0	10
Visitors to enhanced facilities supported by the programme	number	0	at least 5,000



Existing tourist providers with improved competences	number	0	10
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## 2. COMPLEMENTARY PRODUCTS AND SERVICES DEVELOPED

The expected change is sought by revealing the potential of other sectors to complement, upgrade and diversify the tourist offer in the programme area. The priority should be given to the activation of local resources (e.g. traditional products, handicrafts, outdoor activities, nature and cultural interpretation programmes, tourist farms, tourist clusters, etc.). High mountain areas represent a specific challenge. Opportunities for development of complementary services in transport, marketing, booking, safety, etc. could be tackled. Talents and potential of the young should be promoted, especially those attending tourism related schools and faculties.

### Result indicators:

Indicator	Unit	Baseline	Target 2022
New tourist offers developed	number	0	5
New offers commercialised	number	0	2

**The main types of activities** supported under this thematic priority include:

- Establishment of cross border networks/clusters/platforms for joint development and promotion
- Cross border transfer of knowledge and experience and capacity building activities related to development of integrated tourist products and destinations
- Capacity building activities for potential new businesses
- Enhancement of tourist facilities and development of tourist infrastructure
- Development of new products, services, promotion tools
- Other.

For more details please see Table 3 – overview of the programme strategy.

### Target groups and final beneficiaries (the list is non-exhaustive):

- Tourism providers
- Tourism and related clusters
- Tourism organisations at national/regional/local levels,
- National/nature park organisations,
- Educational and research institutions and organisations,
- Civil society/NGOs,
- National, local and regional authorities,
- Local and regional development agencies,
- Associations of producers (agri-food),
- Cultural institutions,
- Chambers,
- Others.

### 3.2.4. P4 – TECHNICAL ASSISTANCE

#### *Specific objective:*



The specific objective of the technical assistance is to ensure the efficient, effective, transparent and timely implementation of the cross-border cooperation programme as well as to raise awareness of the programme amongst national, regional and local communities and, in general, the population in the eligible programme area. It also supports awareness-raising activities at country level in order to inform citizens in both IPA II beneficiaries. Moreover, as experience has shown under the programming cycle 2007-2013, this priority will also reinforce the administrative capacity of the authorities and beneficiaries implementing the programme with a view to improve ownership and suitability of the programme and projects' results.

The technical assistance allocation will be used to support the work of the national Operating Structures (OS) and of the Joint Monitoring Committee (JMC) in ensuring the efficient set-up, implementation, monitoring and evaluation of the programmes as well as an optimal use of resources. This will be achieved through the establishment and operation of a Joint Technical Secretariat (JTS) based on the territory of Serbia and an Antenna Office on the territory of Montenegro. The JTS will be in charge of the day-to-day management of the programme and will be reporting to the OS and JMC.

#### ***Intended results:***

### **1. The administrative support to the Operating Structures (OS) and Joint Monitoring Committee (JMC) of the programme is enhanced**

This priority will secure a smooth programme implementation during all its phases. It includes the availability of the financial means and the deployment of qualified staff in charge of assisting the Operating Structures and the Joint Monitoring Committee, as well as establishing and enforcing management, monitoring and control mechanisms and procedures. If required, it will also contribute to the preparation of the successive financial cycle (2021-2026).

#### **Result indicators:**

<b>Indicator</b>	<b>Unit</b>	<b>Baseline</b>	<b>Target 2022</b>
Average share of beneficiaries satisfied with the programme implementation support	percentage	<i>No data available</i>	85%

### **2. The technical and administrative capacity for programme management and implementation is increased**

This priority will also provide opportunities for improving the competences and skills of the management structures of the programmes, as well as of the potential applicants and grant beneficiaries. Specific capacity building activities will be planned and executed on the basis of identified needs in the course of the implementation of the programme. As part of the lessons learned from the programme cycle 2007-2013, (i) an increased participation of the JMC members in the tasks stipulated under the IPA II legal framework will be expected; (ii) the capacity of potential applicants to develop sustainable cross-border partnerships will be enhanced; and (iii) the capacity of grant beneficiaries to satisfactorily meet the obligations of their contracts will be reinforced.

#### **Result indicators:**





Indicator	Unit	Baseline	Target 2022
Average increase in the number of proposals <sup>3</sup> received within each consecutive call		<i>No data available</i>	<i>No data</i>
Average increase in the number of concept notes that would qualify for further assessment	percentage	<i>No data available</i>	50%

### 3. The visibility of the programme and its outcomes is guaranteed.

The CBC programmes have been very popular in the eligible areas thanks, amongst other things, to the visibility actions undertaken during the 2007-2013 programme cycle. Looking at the number of applicants in subsequent calls, it has been noted that there is an increasing interest for cooperation initiatives. These achievements should be maintained and even improved during the implementation of the financial perspective 2014-2020. A variety of communication channels and publicity tools should be developed to ensure regular information between programme stakeholders and a wider audience. CBC programmes are invited to present their best practice achievements in the annual fora and other events related to the macro-regional strategies where the countries are members, including participation in events related to the macro-regional strategies where the countries are both participating.

#### Result indicators:

Indicator	Unit	Baseline	Target 2022
People participating in promotional events	percentage	2,103	110%
Visits to the programme websites	percentage	39,474	110%

#### Type of activities:

A non-exhaustive list of potential activities covered by the technical assistance allocation would include:

- Establishment and functioning of the Joint Technical Secretariat and its Antenna.
- Organisation of events, meetings, training sessions, study tours or exchange visits to learn from best practice of other territorial development initiatives
- Participation of staff of the management structures in Western Balkans or EU forums
- Preparation of internal and/or external manuals/handbooks
- Assistance to potential applicants in partnership and project development (partners search forums, etc.)
- Advice to grant beneficiaries on project implementation issues
- Monitoring of project and programme implementation, including the establishment of a monitoring system and related reporting
- Organisation of evaluation activities, analyses, surveys and/or background studies
- Information and publicity, including the preparation, adoption and regular revision of a visibility and communication plan, dissemination (info-days, lessons learnt, best case studies, press articles and releases), promotional events and printed items, development of communication tools, maintenance, updating and upgrading of the programme website, etc.

<sup>3</sup> Please note that in financial perspective 2014-2020 possible tailored/Strategic Call for Proposals are envisaged with clear focus and/or certain requirements regarding potential beneficiaries. Also, Calls for Proposals might use the rotating principle for selection of TPs and their specific objectives and in that respect the number of proposals will not necessarily be increased.



- Support to the work of the Joint Task Force in charge of preparing the programme cycle 2021-2026
- Participation in the annual fora and other events related to the macro-regional strategies: EU Strategy for the Adriatic and Ionian Region and the [EU Strategy for the Danube Region](#)
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**Target groups and final beneficiaries (non-exhaustive list):**

- Programme management structures, including the contracting authorities
- Potential applicants
- Grant beneficiaries
- Final project beneficiaries
- General audience

**Table 3: Overview of the programme strategy**

<b>Thematic priority: PROMOTING EMPLOYMENT, LABOUR MOBILITY AND SOCIAL AND CULTURAL INCLUSION ACROSS THE BORDER</b>			
<b>Specific objective(s)</b>	<b>Results</b>	<b>Indicators</b>	<b>Types of activities</b> (The list is non-exhaustive)
1.1 Increasing employability and employment opportunities	<b>1.1.1 New knowledge, skills and competences</b>	<p>No. of participants with increased employability and employment competences, of which young, women rural population</p> <p>No. of organisations/institutions with increased competences for development of new programmes and services</p> <p>No. of new services offered</p>	<p>Training and capacity building actions to increase knowledge and skills required on the labor market (ICT, life skills, social skills, new or shortage occupations, etc.)</p> <p>Activities aiming to increase contacts and cooperation of students, graduates and educational institutions with potential employers (e.g. internships, on the job training/placement, engagement in research and innovation within the business sector, mentoring, and similar)</p> <p>Development of lifelong learning programmes, VET systems, new qualification programmes</p> <p>Enhancement of facilities (works and supplies) of the relevant actors providing training, work experience, research and innovation support concerning employment and employment initiatives</p> <p>Establishment of training centers addressing common/shared needs</p> <p>Activities fostering CB use of infrastructure/services</p> <p>Promotion of entrepreneurship, especially among young and rural population (e.g. green jobs using local resources and materials, organic production and processing, medicinal herbs sustainable tourism, social</p>



			<p>innovation, ICT services, RES, etc.)</p> <p>Pilot employment initiative projects, including those supporting the development of social economy and social enterprises</p> <p>CB employment initiatives addressing common employment potentials of rural areas (cooperatives, joint processing and marketing facilities, crafts, branding, etc.)</p>
<p>1.2</p> <p>Strengthening social and cultural inclusion</p>	<p><b>1.2.1 Better services</b> -</p> <p>Increased access to social and cultural services for vulnerable/excluded groups</p>	<p>No. of vulnerable persons with access to better services, of which women and elderly</p> <p>No. of new services developed</p> <p>No. of organisations with increased competences</p>	<p>Enhancement of health care facilities, promoting access to health services in rural areas (mobile units, etc.)</p> <p>Promotion of healthy life style and prevention activities</p> <p>Exchange of experience and good practice, capacity building related to social innovation</p> <p>Demonstration/pilot projects developing new programmes and services for vulnerable groups (deinstitutionalisation, women empowerment, services for elderly, children and young, and other vulnerable groups at risk of social exclusion etc.)</p> <p>Activities fostering CB use of infrastructure/services</p> <p>Establishment of centers/facilities providing opportunities for excluded groups to work, develop talents, socialise, etc.</p> <p>Activities, events promoting cultural and social inclusion</p>



<b>Thematic priority: PROTECTING THE ENVIRONMENT, PROMOTING CLIMATE CHANGE ADAPTATION AND MITIGATION, RISK PREVENTION AND MANAGEMENT</b>			
<b>Specific objective(s)</b>	<b>Results</b>	<b>Indicators</b>	<b>Types of activities</b> The list is non-exhaustive
2.1. Improving waste management and waste water treatment	<b>2.1.1. Improved capacities -</b> of the municipalities and public utility companies for effective and efficient waste and wastewater management	No of households benefiting from common waste management and WWT solutions/measures  No of municipalities benefiting from waste management and WWT solutions/measures supported by the programme	Exchange of experience and capacity building for the (regional) public utility companies to introduce inter-municipal/regional solutions to waste management and WWT Developing joint solutions for effective waste management and WWT in particular in rural areas and along the main rivers – feasibility studies, joint management, Activities leading to establishment of recycling yards in the municipalities, provision of placement for recyclable waste, establishing of system for specific waste streams, removal of illegal dumps and the establishment of regular collection and transport of waste Development of systems for exchange and collection of data on the quantities and composition of waste generated in the municipalities across the programme area, Development of cadastre of water polluters, air polluters, soil polluters, planning and protection of agricultural land area Demonstration projects of CB relevance (promotion of primary waste selection, establishment of recycling yards, establishment of cattle cemeteries, WWT in rural areas, etc.) e.g. along the rivers of Ibar and Lim, rural areas
2.2. Protection of nature resources	<b>2.2.1. Better awareness -</b> Improved awareness of the inhabitants and industry on the importance of environmental and nature protection	No of people directly taking part in awareness raising activities - of which young  No of organisations taking part in awareness raising activities	Environmental education and awareness raising for specific target groups (inhabitants, children and young, public and private sector, rural population, city etc.) Strengthening capacities of NGOs and their networks Joint environmental actions (e.g. rehabilitation of illegal wastes, creative/innovative recycling, nature protection actions, composting, environmental and nature protection research camps, etc.) Joint media activities, policy monitoring, Informative and educational programmes in schools, Innovation in the presentation of the monitoring results on environmental quality, etc.
	<b>2.2.2. Improved nature protection -</b> Increased capacities for	Number of institution included in joint management initiatives	Developing joint management plans for nature protected areas, protection of nature resources, monitoring and exchange of monitoring data, bio-diversity and geo-diversity maps etc. Introduction to NATURA 2000 standards Assessment of populations for endemic and



	joint management of nature protected areas	Area covered by joint management measures (ha)	endangered species Demonstration projects addressing protection of nature resources, such as biodiversity, conservation of natural habitats by invasive species, etc.
	<b>2.2.3. Better emergency preparedness and climate resilience -</b> Improved level of emergency preparedness and joint risk management	Area covered by joint risk measures / management plans (ha)  No of people with increased competence related to emergency preparedness and risk management and adaptation action, of which women  % of population benefitting from emergency preparedness and risk prevention measures	Joint risk management activities (risk assessment, development of measures for fire prevention, flooding, pollution, management and coordination, etc.) Common capacity building (training on preparedness, rescuing, awareness raising among specific target groups, prevention, etc.) Demonstration projects of CB relevance (implementation of measures, purchase of equipment, establishment of joint emergency centers, etc.)

<b>Thematic priority: ENCOURAGING TOURISM AND CULTURAL AND NATURAL HERITAGE</b>			
<b>Specific objective(s)</b>	<b>Results</b>	<b>Indicators</b>	<b>Types of activities</b> (Examples to be further elaborated)
3.1. Improving capacities for exploiting tourism potentials of the programme area	<b>3.1.1. Joint tourist products enhanced</b>	<p>No of existing offers integrated</p> <p>No of visitors to enhanced tourist facilities</p> <p>No of existing tourist providers with improved competences</p>	<p>Activities related to encourage cooperation and coordination among tourist organisations and providers from both sides of border,</p> <p>Development of joint concept, visions, and future programme development</p> <p>Promotion of the institutional cooperation with public and nongovernmental organisations connected to tourism</p> <p>Activities aiming at encouraging investment opportunities in tourism of the programme area</p> <p>Integration of existing individual offers into joint ones centered around main products, e.g. hiking, biking, spa, skiing, religious tourism, art and culture routes, nature protected areas, traditional food, ...</p> <p>Arrangement of light infrastructure to support development of key products (e.g. visitor centers, sign posting, minor renovation of historical/cultural sites for the tourism purpose, recreational facilities, etc.)</p> <p>Capacity building activities for tourist providers focusing on the development, quality and integration of offers, destination development and management</p>
	<b>3.1.2. Complementary products and services developed</b>	<p>No of new tourist offers developed</p> <p>No of new tourist offers commercialised</p>	<p>Capacity building for the development of complementary services valorising natural and cultural, potentials (e.g. nature interpretation, guiding programmes for specific target groups, outdoor and indoor programmes) involving local population, the potential and existing businesses and organisations</p> <p>Activities related to diversifying the offer by inclusion of other sectors (e.g. agriculture processing, organic food supply, handicrafts and other local products, culture, sustainable transport, etc.),</p> <p>Activities encouraging supply chains and clusters</p> <p>Development of specific offers in rural and mountainous areas, especially for involvement of women</p> <p>Development of innovative offers and services using ICT and other available technologies (e.g. GPS routes, booking</p>

			systems, etc.) Development of attractions Increasing capacities of specific services (e.g. mountain rescuing, guiding services,) Development of innovative niche offers focusing on specific target groups (disabled, young, elderly,...) Development of tourist statistics, and a system of monitoring of the influence of tourism on the regional Assurance of the standards of international quality in hotel industry Preparation and implementation of a professional and comprehensive hospitality programme Improvement of system of secondary professional schools for hotels and catering with provision of new profiles of professions in tourism Promotion of activities that will lead to raising of quality of destination management
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The promotion of local cross-border **people to people actions** is considered as a horizontal modality that may be applied, where relevant, in pursuing all the selected thematic objectives.

### 3.3 HORIZONTAL AND CROSS-CUTTING ISSUES

**Environmental and climate change issues** are ranked very high in the programme. Needs and challenges regarding environmental protection, resource efficiency, risk prevention and climate action shall be addressed under the Thematic priority no 2. Environmental issues shall also be observed under the other two thematic priorities. Particular focus of the thematic priority 1 is placed on promotion of employment in the emerging green economy sector. The programme area's nature resources and protected areas shall be addressed through development of sustainable tourism offers under the Thematic priority no 3. Environmental issues shall be observed in the quality assessment of the proposed operations.

**Equal opportunities and prevention of discrimination** based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation shall be observed during the preparation, design and implementation of the cooperation programme. During the programme design the needs of various target groups at risk of such discrimination were considered. The programme put attention on promoting equal opportunities for vulnerable groups (ethnic minorities, unemployed, young, elderly, women, disabled and others) under the Thematic priority no 1. Equal opportunities are also promoted in the sense of addressing the specific needs of the population in the mountainous rural parts of the programme area where access to different public services is limited. During the programme implementation the inclusion of vulnerable groups as target groups or final beneficiaries shall be monitored all across its priorities.

**Equality between men and women** shall also be respected in all phases of the cooperation programme. In the course of preparation of the situation analysis and during public consultation the particular needs of women were highlighted in terms of access to employment and social care. The potential beneficiaries shall be encouraged to observe the situation of women and men where



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appropriate during planning and implementation of the projects. Gender disaggregated data shall be monitored through indicators of performance where appropriate.

Projects prepared under the Area Based Development (ABD) approach to facilitate sustainable growth in defined geographical areas in cross-border regions in the Western Balkans, in particular rural areas characterised by specific complex development problems, may be considered for funding under this cross-border cooperation programme. Account will be taken of the preparatory work for the ABD approach already carried out in the cross-border region covering Serbia and Montenegro.



## SECTION 4: FINANCIAL PLAN

Table 1 shows the indicative annual amount of Union contribution to the cross-border cooperation programme for the period 2014-2020. Table 2 provides an indicative distribution of the allocations per thematic priority as well as an indication on the maximum amount of Union co-financing

**Table 1: Indicative financial allocations per year for the 2014-2020 cross-border cooperation programme**

Year	IPA II CBC PROGRAMME SERBIA – MONTENEGRO							Total (EUR)
	2014	2015	2016	2017	2018	2019	2020	2014-2020
<b>CBC Operations (all thematic priorities)</b>	840.000	1.200.000	1.200.000	840.000	1.200.000	1.200.000	1,080,000.	<b>7,560,000</b>
<b>Technical Assistance</b>	360.000	0	0	360.000	0	0	120,000	<b>840,000.00</b>
<b>Total (EUR)</b>	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	<b>8,400,000</b>

**Table 2: Indicative financial allocation per priority and rate of Union contribution**

PRIORITIES	IPA II CBC PROGRAMME SERBIA- MONTENEGRO 2014-2020			
	Union contribution	Beneficiary/ies co-financing	Total funding	Rate of Union contribution
	(a)	(b)	(c) = (a)+(b)	(d) = (a)/(c)
TP1: Promoting employment, labor mobility and social and cultural inclusion across the border	2 100 000.00	370 588.24	2 470 588.24	85%
TP 2: Protecting the environment, promoting climate change adaptation and mitigation, risk prevention and management	3 360 000.00	592 941.18	3 952 941.18	85%
TP 3: Encouraging tourism and cultural and natural heritage	2 100 000.00	370 588.24	2 470 588.24	85%
P4 : Technical Assistance	840 000.00	0.00	840 000.00	100%
<b>GRAND TOTAL</b>	<b>8 400 000.00</b>	<b>1 334 117.66</b>	<b>9 734 117.66</b>	

The Union contribution has been calculated in relation to the eligible expenditure, which is based on the total eligible expenditure including public and private expenditure. The Union co-financing rate at

the level of each thematic priority shall not be less than 20% and not higher than 85% of the eligible expenditure.

The co-financing of the thematic priorities will be provided by the grant beneficiaries. Grant beneficiaries should contribute with a minimum of 15% of the total eligible expenditure

The amount dedicated to technical assistance shall be limited to 10% of the total amount allocated to the programme. The Union co-financing rate shall be 100%.

Funds for the thematic priorities will be committed through Commission Implementing Decisions covering one to three years allocations, as appropriate. Funds for technical assistance will be committed through a separate Commission Implementing Decision.

## **SECTION 5: IMPLEMENTING PROVISIONS**

### **Calls for proposals:**

The responsible authorities in the participating countries are planning to implement the majority of interventions through grant schemes based on public calls for proposals. They will ensure full transparency in the process and access to a wide range of public and non-public entities . The Joint Monitoring Committee will be responsible for identifying the thematic priorities, specific objectives, target beneficiaries and specific focus of each call for proposals which shall be endorsed by the European Commission.

The dynamics of publication of calls for proposals depends on a number of factors, including logistics, timing of the evaluation and level of interest from the potential applicants. It cannot be therefore defined at this stage how many calls for proposals will be published during the programme period. The responsible authorities are anyway committed to publish calls for proposals avoiding overlapping of TPs between different CBC programmes. The calls for proposals will in principle use the rotating principle for selection of TPs and their specific objectives.

Before the publication of the calls for proposals (and the definition of the tendering documents) the responsible authorities will review the current needs/perspectives and achievement of indicators in previous CfPs. On this basis a list of TPs and specific objectives to be published in the CfPs will be proposed. The plan will be coordinated with other programmes/CfPs that could be eventually open/published at the same time, to avoid overlapping. For subsequent calls for proposals under this financial cycle, those TPs and/or specific objectives which had not been previously published would be selected.

### **Strategic projects:**

During the preparation of the programme no strategic projects have been identified. However during the programme implementation period it might be considered to allocate part of the financial allocation of the programme to one or more strategic projects. The identification of strategic projects will depend on whether specific interest is demonstrated by both countries to address specific strategic priorities. Strategic projects may relate to all three thematic priorities, whereas the biggest potential lies within the Priority 2. Projects of a preparatory character, such as the compilation of project documentation, cannot be considered strategic projects.

The strategic framework of the projects can be defined in the relevant macro-regional strategies where both countries are members.

Strategic projects can be selected through calls for strategic projects or outside call for proposals. In the latter case the programme partners will jointly identify and agree on any strategic project(s) that



will be approved by the JMC at the appropriate moment along the programme implementation. After the identification and confirmation of the strategic approach by the responsible authorities and the JMC, relevant institutions (lead institutions for strategic projects) will be invited to submit their proposals in the form of terms of reference, technical specifications or bills of quantities. In that event, after being proposed and approved by the JMC and endorsed by the Commission, the CBC programme must be amended to incorporate such a strategic project.

In both cases the received proposals will be evaluated on the basis of pre-defined and non-discriminatory selection criteria. Strategic projects shall deliver clear cross border impacts and benefits to the border area and its people. The following shall also be observed: relevance and contribution of the project for the programme specific objectives and expected results, maturity and feasibility of the project sustainability of results.

### **Macro-regional strategies:**

As the two countries are participating in the EU Strategy for the Danube Region (COM(2010) 715) and the EU Strategy for the Adriatic and Ionian Region (COM(2014) 357)", the definition and development of the strategic projects can be made in the framework of the priority areas or the topics identified in both, communication and action plan of those strategies. The same also applies for the call for proposals which can be launched in relation to the priority areas or topics of the macro-regional strategies where the programme is a part.



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## **LIST OF ANNEXES**

### **ANNEX 1: Description and Analyses of the Programme Area**

#### **Situation and SWOT analysis**