

FINANCING AGREEMENT

SPECIAL CONDITIONS

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

of the one part, and

the Republic of North Macedonia, hereinafter referred to as "**IPA II beneficiary**", represented by the Secretariat for European Affairs,

of the other part,

whereas,

any reference included in this agreement and its annexes to "the former Yugoslav Republic of Macedonia" should read "the Republic of North Macedonia"

have agreed as follows:

Article 1 - The Programme

- (1) The Union agrees to finance and the IPA II beneficiary agrees to accept the financing of the following Programme:

“Annual Action Programme for the Republic of North Macedonia for the year 2019”¹ Global Commitment number (CRIS) IPA/2019/041-263, Objective 2.

This Programme is financed from the Union Budget under the following basic act: Instrument for Pre-Accession Assistance, IPA II.²

- (2) The total estimated cost of this Programme is EUR 58,600,000 and the maximum Union contribution to this Programme is set at EUR 51,000,000.

This Programme requires financial contributions from both the IPA II beneficiary and the Union. The breakdown of the respective financial contributions is set out in Annex I.

- (3) The Programme shall be implemented in accordance with the description provided in Annex I, which is further detailed in Action documents to be agreed on by exchange of letters between the Commission and the IPA II beneficiary.

¹ C(2019) 8729 of 28.11.2019.

² Regulation (EU) No 231/2014 of the European Parliament and of the Council of 11 March 2014 establishing an Instrument for Pre-accession Assistance (IPA II), OJ L 77, 15.03.2014, p. 11.

Article 2 – Execution period and operational implementation period

- (1) The execution period of this Financing Agreement as defined in Article 12 of Annex II (General Conditions) is fixed at 12 years, from the entry into force of this Financing Agreement.
- (2) The duration of the operational implementation period as defined in Article 12 of Annex II (General Conditions) is fixed at 6 years, from the entry into force of this Financing Agreement.

Article 3 – Addresses and Communication

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

(1) for the Commission

DG Neighbourhood and Enlargement Negotiations,
15, Rue de la Loi
B -1049 Brussels
Belgium
Directorate D, e-mail: NEAR-D@ec.europa.eu

(2) for the IPA II beneficiary

The Secretariat for European Affairs,
Quai Dimitar Vlahov No.4,
1000 Skopje, the Republic of North Macedonia,
phone: +389 (0)2 3200 105, fax: +389(0)2 3114 569,
e-mail: cabinet@sep.gov.mk

Article 4 – OLAF contact point

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

Fatmir Ademi
Head of Department for Public Sector Financial Inspection and Coordination for Combating
Fraud against EU Funds
Quai Dimitar Vlahov No.4, floor 4
1000 Skopje, the Republic of North Macedonia,
e-mail: fatmir.ademi@finance.gov.mk

Article 5 – Framework Agreement

The Programme shall be implemented in accordance with the provisions of the “Framework Agreement between the European Commission and the former Yugoslav Republic of Macedonia on the arrangements for implementation of Union financial assistance to the former Yugoslav Republic of Macedonia under the Instrument for Pre-Accession Assistance (IPA II)” which entered into force on 24 June 2015 (hereafter referred to as “the Framework Agreement”). This Financing Agreement supplements the provisions of the Framework Agreement. In case of conflict between, on the one hand, the provisions of this Financing Agreement and, on the other hand, the provisions of the Framework Agreement, the latter shall take precedence.

Article 6 - Annexes

(1) This Financing Agreement is composed of:

- (a) these Special Conditions;
- (b) Annex I: Annual Action Programme, detailing the objectives, expected results, activities, description of the budget-implementation tasks entrusted and budget of this Programme;
- (c) Annex IA: Budget Support;
- (d) Annex II: General Conditions;
- (e) Annex III: Model Annual Report on the implementation of IPA II assistance as per Article(s) 58 and 59(1) of the Framework Agreement;

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

Article 7– Entry into force

This Financing Agreement shall enter into force on the date on which it is signed by the last party at the latest, 31 December year 2020.

This Financing Agreement is drawn-up in duplicate in the English language, one being handed to the Commission and one to the IPA II beneficiary.

For the IPA II beneficiary:



Deputy Prime Minister for European Affairs and National IPA Coordinator

Skopje, 05.03.2020

For the Commission:



Director DG NEAR, Directorate D, Brussels, 20/12/2019