ADDENDUM №1

to FINANCING AGREEMENT

concerning the Annual Action Programme for the Republic of North Macedonia for the year 2020 – Objective 1 - 2020/041-831

As originally concluded between the European Commission and the Republic of North Macedonia on 13 May 2020.

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 Deputy Prime Minister for European Affairs.

of the other part.

jointly hereinafter referred to as the "Parties".

Whereas,

- (1) The Commission adopted on 17 February 2020 a Commission Implementing Decision C(2020) 592 on the "Annual Action Programme for the Republic of North Macedonia for the year 2020".
- (2) This programme is implemented by means of two Financing Agreements. one for objective 1 (2020/041-831) concluded between the European Commission and the Government of North Macedonia on 13 May 2020; and another one for objective 2 (2020/042-747). in the process of ratification.
- (3) In accordance with Article 14 of 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)¹, the Commission, in its efforts to recognise the achievements in fundamental sector reforms and policy dialogue achieved by the beneficiary country and further enhance the progress in key sectors, estimate that it is necessary to provide the country with additional funds as a performance award.
- (4) In response of the COVID-19 pandemic, the Commission decided to support the efforts of the country to mitigate the health impact of the pandemic.
- (5) In response to the decision of the European Council of March 2020 to open accession negotiations with North Macedonia, the Commission aims to upscale the financial support for strengthening the capacity of the beneficiary country for accession negotiations, harmonisation with the acquis, implementation of the new legislation, and preparation and implementation of EU projects.

¹ OJ L 77, 15.3.2014, p. 11.

- (6) The present Addendum adds a new action EU Integration Facility and, to this purpose, increases the budget of the Financing Agreement by EUR 10 million.
- (7) It is necessary to bring the Financing Agreement in line with the amendment to the Programme adopted by Commission Implementing Decision C(2020)5223 of 28/07/2020.

HAVE AGREED AS FOLLOWS:

Article 1

Article 1, second paragraph is replaced by the following:

"(2) The total estimated cost of this Programme is EUR 56 750 000 and the maximum Union contribution to this Programme is set at EUR 46 600 000.

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."

Article 2

Annex I to the Financing Agreement is replaced by the Annex I to the present Addendum.

Article 3

All other terms and conditions of the Financing Agreement remain unchanged.

This amendment shall enter into force on the date of the last signature.

Done in two originals in the English language, one original for the Commission and one for the IPA II Beneficiary.

Signed for and on behalf of the IPA II Beneficiary:

Signed for and on behalf of the Commission:

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

Brussels, 31/7/2-20

Deputy Prime Minister for European Affairs and National IPA Coordinator

Skopje,