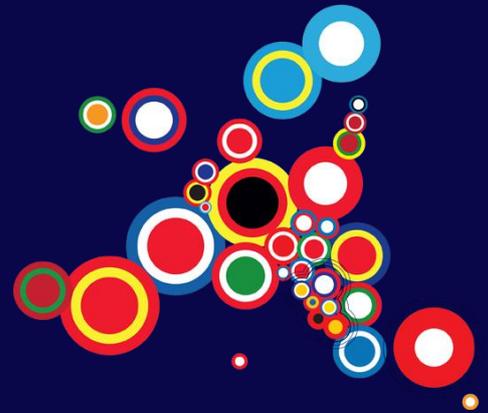




INSTRUMENT FOR PRE-ACCESSION ASSISTANCE (IPA II) 2014-2020

Kosovo*

EU Support for Political
Priorities, and the Dialogue
for the Normalisation of
Relations between Belgrade
and Pristina



Action Summary

The main objective of the action is to support Kosovo institutions in implementing measures related to urgent political priorities in the framework of Kosovo's European perspective, including those that may arise from the EU Facilitated Dialogue for the Normalisation of Relations between Belgrade and Pristina.

*This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence

Action Identification	
Action Programme Title	Action Programme for Kosovo for the year 2017 – Part I
Action Title	EU Support for Political Priorities, and the Dialogue for the Normalisation of Relations Between Belgrade and Pristina
Action ID	IPA 2017/040505 / 03/Kosovo/Dialogue Facility
Sector Information	
IPA II Sector	1. Democracy and governance
DAC Sector	43010
Budget	
Total cost	EUR 3.0 million
EU contribution	EUR 3.0 million
Budget line(s)	22 02 01 01
Management and Implementation	
Management mode	Direct management
<i>Direct management:</i> EU Delegation	EU Office in Kosovo
Implementation responsibilities	EU Office in Kosovo
Location	
Zone benefiting from the action	Kosovo
Specific implementation area(s)	Kosovo
Timeline	
Final date for concluding Financing Agreement(s) with IPA II beneficiary	31 December 2018
Final date for concluding delegation agreements under indirect management	31 December 2018
Final date for concluding procurement and grant contracts	3 years following the date of conclusion of the Financing Agreement, with the exception of cases listed under Article 189(2) of the Financial Regulation
Final date for	6 years following the conclusion of the Financing Agreement

operational implementation			
Final date for implementing the Financing Agreement (date by which this programme should be de-committed and closed)	12 years following the conclusion of the Financing Agreement		
Policy objectives / Markers (DAC form)			
General policy objective	Not targeted	Significant objective	Main objective
Participation development/good governance	<input type="checkbox"/>	X	<input type="checkbox"/>
Aid to environment	X	<input type="checkbox"/>	<input type="checkbox"/>
Gender equality (including Women In Development)	X	<input type="checkbox"/>	<input type="checkbox"/>
Trade Development	X	<input type="checkbox"/>	<input type="checkbox"/>
Reproductive, Maternal, New born and child health	X	<input type="checkbox"/>	<input type="checkbox"/>
RIO Convention markers	Not targeted	Significant objective	Main objective
Biological diversity	X	<input type="checkbox"/>	<input type="checkbox"/>
Combat desertification	X	<input type="checkbox"/>	<input type="checkbox"/>
Climate change mitigation	X	<input type="checkbox"/>	<input type="checkbox"/>
Climate change adaptation	X	<input type="checkbox"/>	<input type="checkbox"/>

1. RATIONALE

PROBLEM AND STAKEHOLDER ANALYSIS

Through the SAA, which entered into force on the 1st of April 2016, the EU and Kosovo have formed their first contractual relationship, which provides a comprehensive framework for closer political dialogue and economic relations.

To maximise the economic and political benefits of the SAA, the EU and Kosovo have developed a European Reform Agenda (ERA). ERA outlines short term priority actions in the fields of good governance including the rule of law, competitiveness and investment climate, employment and education. These actions aim to direct Kosovo towards realising its socioeconomic structural reforms that are necessary to support Kosovo in fulfilling its European perspective.

The EU is also directly concerned by developments that fall outside the immediate scope of the SAA and should be able to support these where needed. The following provides a non-exhaustive summary of such developments:

Pristina-Belgrade Dialogue

On the basis of the UN General Assembly (UNGA) resolution adopted on 9 September 2010, a process of dialogue between Pristina and Belgrade started on 8 March 2011. The UNGA Resolution welcomed the readiness of the European Union to facilitate a process of dialogue between the parties; the process of dialogue in itself would be a factor for peace, security and stability in the region, and would promote cooperation, achieve progress on the path to the European Union and improve the lives of people. The dialogue is being facilitated by the European External Action Service (EEAS), in close cooperation with the European Commission. Agreements have been reached on civil registries, free movement, cadastre, customs stamps, acceptance of university diplomas, Integrated Border Management and regional cooperation and representation. In May 2013, an action plan to help implement the agreement was agreed. The dialogue has not ended. A commitment remains for the implementation of the April 2013 'First agreement of principles governing the normalisation of relations', August 2015 and other agreements reached at the EU-facilitated dialogue. Consequently, EU assistance will continue to be required for the implementation of existing and future agreements. To date, the Dialogue has not involved sufficient consultation with diverse women and men regarding their priorities.

Northern Kosovo

Northern Kosovo consists of four Serb-majority municipalities (Mitrovica North, Leposaviq/Leposavić, Zubin Potok, Zvečan/Zvečan). The EU has confirmed repeatedly that the people living in the north of Kosovo also need to benefit from the European perspective. In this regard, the EU has provided assistance to the local populations in the North of Kosovo in the areas of municipal infrastructure facilities, economic development and environment, tourism development, support to agriculture, support to the civil society, education, and culture.

In its Conclusions of 5 December 2011, the Council invited Kosovo to launch an inclusive and long-term agenda for the North and welcomed the Commission's intention to offer its full support to this agenda. As a result, the Commission is implementing a special programme financed under IPA 2013 Part II, which has a particular focus on the North.

Donor Co-ordination related to the North takes place in the framework of the 'Donor Consultation Meetings' organised by the Ministry of European Integration. A regular agenda item allows the Donor

Community to discuss issues related to the North. A detailed donor coordination structure with sector working groups and sub-sector working groups is foreseen in the Regulation on Donor Coordination. Much has been done in the framework of the donor consultation meetings and on a bilateral basis (esp. with USAID) but these efforts shall be maintained and further improved to increase the efficiency, ensure complementarity and avoid overlapping of the assistance.

Kosovo has set up an Aid Management Platform with the support of the donor community, notably the EU and the United States. This initiative should further improve aid management and coordination, and facilitate the linkage between donor assistance and the government's work programme.

Over the last years, the EU assistance in Northern Kosovo has been programmed and implemented in cooperation with the local authorities in Northern Kosovo. Central authorities should be also increasingly involved in programming and implementation of EU assistance in Northern Kosovo to ensure sustainable impact of the actions.

In terms of non-EU funds, northern Kosovo has benefited from projects funded under the Development Fund established in 2014 with the aim to promote the socio-economic development of Northern Kosovo. The Development Fund receives its operating revenue from collections at the northern borders crossings of Jarinje and Tabavije/Bërnjak, on goods designated to the local population of the northern municipalities. The majority of disbursements from the Development Fund were directed towards infrastructure projects (77% including expropriation costs) and Agriculture grants (10%). Small-Medium Enterprises (SMEs), Education, Civil Society and Environment sectors have also received funds from the Development Fund.

The implementation of projects in Northern Kosovo, although it has been challenging, due to the specific characteristics of the environment, it has produced positive results to the local populations.

EU assistance in Northern Kosovo in the future should aim to address the priorities identified in the IPA Indicative Strategy Paper for Kosovo 2014-2020 and ensure synergies and complementarities with activities funded under the development fund as well as activities funded by other donors.

RELEVANCE WITH THE IPA II STRATEGY PAPER AND OTHER KEY REFERENCES

The Commission's annual Kosovo Reports identify the challenges Kosovo needs to address and the measures the EU can take to help Kosovo advance on its European perspective. The Indicative Strategy Paper for Kosovo sets out the priorities for EU financial assistance for the period 2014-2020 that will support Kosovo in advancing on its European perspective. It translates the political priorities set out in the Stabilisation and Association policy framework into key areas where financial assistance is most needed to meet the relevant criteria. All activities financed under this action will be directly or indirectly related to Kosovo European perspective. Specific reference is included in the section IV of the Indicative Strategy Paper for Kosovo, where it is explicitly mentioned that IPA II will support the implementation of the EU facilitated Dialogue between Pristina and Belgrade.

SECTOR APPROACH ASSESSMENT

The activities under this project are horizontal and cut across several sub-sectors. Given their ad-hoc nature they will not be part of the sector approach. At the same time due care will be taken to ensure that all actions financed under this envelope will be coordinated with other IPA interventions that are programmed on the basis of the IPA Indicative Strategy Paper for Kosovo 2014-2020, which are democracy and governance, Rule of law & fundamental rights, energy, competitiveness and

innovation, education, employment & social policies, agriculture & rural development and regional and territorial cooperation.

LESSONS LEARNED AND LINK TO PREVIOUS FINANCIAL ASSISTANCE

Experience has shown that Kosovo requires financial assistance that responds quickly and flexibly to political developments and processes such as the dialogue developments stemming from the Pristina – Belgrade dialogue.

Similar actions have proved to be a very efficient tool to complement the political developments with concrete activities for the local population. A combination of the investments (e.g. border /boundary crossing points, bridges and other infrastructure interventions) and community based work done with civil society has provided positive results and impact on long term development.

2. INTERVENTION LOGIC

LOGICAL FRAMEWORK MATRIX

OVERALL OBJECTIVE	OBJECTIVELY VERIFIABLE INDICATORS (OVI)	SOURCES OF VERIFICATION	
To support the local communities in Northern Kosovo and to facilitate the normalisation of relations with Serbia.	Progress made towards meeting Copenhagen criteria	Kosovo Report;	
SPECIFIC OBJECTIVE	OBJECTIVELY VERIFIABLE INDICATORS (OVI)	SOURCES OF VERIFICATION	ASSUMPTIONS
1. To support the implementation of existing or future agreements reached within the Pristina-Belgrade Dialogue; 2. To support the socio-economic development of Northern Kosovo and facilitate the normalisation of relations between communities;	Degree of implementation of Agreements reached within the Pristina-Belgrade dialogue; Living conditions improved	Kosovo Report; Project reports.	Political stability in Kosovo Kosovo government allocates sufficient resources to implement the agreements reached in the Pristina-Belgrade Dialogue; The security situation in Northern Kosovo allows for unimpeded implementation of projects;
RESULTS	OBJECTIVELY VERIFIABLE INDICATORS (OVI)	SOURCES OF VERIFICATION	ASSUMPTIONS
1. Relations between Kosovo and Serbia have improved; 2. Progress has been made in the integration of Northern Kosovo and mutual trust between communities has increased;	Number of agreements reached within the Pristina-Belgrade dialogue are being implemented; Number of projects implemented in Northern Kosovo;	Kosovo Report; Project reports;	

DESCRIPTION OF ACTIVITIES

This action will have two specific objectives. To support the implementation of existing or future agreements reached within the Pristina-Belgrade Dialogue and to support the socio-economic development of Northern Kosovo and facilitate the normalisation of relations between communities. There will be two main types of activities of this action.

All actions will target specific, achievable and sustainable results:

1. Relations between Kosovo and Serbia have improved and under this result potential activities could be:

The specific activities foreseen under this results are yet to be identified. Assistance under this result will target, but not exclusively, areas such as the rule of law, decentralisation, trade, economic development (including macro-economic and fiscal mechanisms), private sector development, support to civil society, public administration reform, employment and social policies, education, training and research, culture, the European perspective, minority communities, support to agriculture, sectorial approximation (energy, the environment and transport) and building institutional capacity.

Activities will include institution-building and investments that are directly related to Kosovo's European perspective, with particular focus on the implementation of the Pristina-Belgrade Dialogue.

2. Progress has been made in the integration of Northern Kosovo and mutual trust between communities has increased:

Assistance under this result will aim, among others, to enhance integration of Northern Kosovo with a view to enabling all communities in Kosovo to take part in the opportunities resulting from the Stabilisation and Association Agreement.

Assistance under this results will target, but not exclusively, areas such as the rule of law, decentralisation, trade, economic development (including macro-economic and fiscal mechanisms), private sector development, support to civil society, public administration reform, employment and social policies, education, training and research, culture, the European perspective, minority communities, support to agriculture, sectorial approximation (energy, the environment and transport) and building institutional capacity. In accordance with the EU Gender Action Plan, robust gender evidence will be used to inform all EU external spending, programming and policy making related to these activities.

RISKS

The potential risks that may arise are the following:

Risk: Continuous high-level commitment from the government to the Pristina-Belgrade Dialogue process, as well as willingness to implement the Agreements reached or that will be reached, is needed to ensure effective implementation of the Action.

Mitigation measures: The on-going Pristina-Belgrade Dialogue process continues.

Risk: The security situation in Northern Kosovo does not allow for adequate implementation or monitoring of the activities. The past experience has showed that the security situation and limitations

on the free movement of EU statutory staff resulting thereof, in parallel with other external environment risks that are present in Northern Kosovo, can significantly impact the proper implementation of projects in Northern Kosovo.

Mitigation Measure: Early warning indicators of potential obstacles should be in place and allow for swift reaction before the assistance is jeopardized.

Risk: Lack of donor coordination active in Northern Kosovo can potentially lead to duplication and overlaps of activities in Northern Kosovo.

Mitigation Measure: It's important to maintain and strengthen the coordination of the Sector Working Groups on Donor Coordination organised/managed by the Ministry for European Integration.

The main assumptions identified for the successful implementation of this action are the political stability in Kosovo, sufficient resources are allocated to implement the agreements reached in the Pristina-Belgrade Dialogue and the security situation in Northern Kosovo allows for unimpeded implementation of projects;

CONDITIONS FOR IMPLEMENTATION

There are no preconditions for implementation of this action.

3. IMPLEMENTATION ARRANGEMENTS

ROLES AND RESPONSIBILITIES

The EU Office in Kosovo is in charge of implementing the EU assistance to Kosovo and it will work closely with the Kosovo government, mainly Ministry of Justice, Ministry of Local Government and Administration, Ministry of European Integration, Ministry of Dialogue and Ministry of Internal Affairs to ensure that the activities identified under this action are in line with the Strategy Paper and Kosovo's development strategies in the relevant sectors.

IMPLEMENTATION METHOD(S) AND TYPE(S) OF FINANCING

Depending on the needs related to implement the objectives and results set out above, the measures described above will be implemented through a number of service/framework contracts, works and supply contracts where the need for a rapid response of the Commission to non-programmable events is such that the duration of the procedure to amend this decision would frustrate the purpose of such response.

Actions to be financed in the context of this action document will tend to be politically sensitive and require particularly speedy implementation and/or high level of discretion. Limited absorption capacities of the potential IPA II beneficiaries of the action will also have to be taken into account, particularly in Northern Kosovo. The implementation modalities of the projects arising under this action will be closely discussed with the Kosovo Unit in DG NEAR as well as the beneficiaries and the best possible option will be considered.

4. PERFORMANCE MEASUREMENT

METHODOLOGY FOR MONITORING (AND EVALUATION)

The Commission may carry out a mid-term, a final or an ex-post evaluation for this Action or its components via independent consultants, through a joint mission or via an implementing partner. In case a mid-term or final evaluation is not foreseen, the Commission may, during implementation, decide to undertake such an evaluation for duly justified reasons either on its own decision or on the initiative of the partner.

The evaluations will be carried out as prescribed by the DG NEAR guidelines for evaluations. In addition, the Action might be subject to external monitoring in line with the EC rules and procedures set in the Financing Agreement. The projects arising under this action may be subject to ROM monitoring and the findings will feed into future project implementation.

INDICATOR MEASUREMENT

Indicator	Baseline (2017)	Target (2020)	Final Target (2025)	Source of information
Degree of implementation of Agreements reached within the Pristina-Belgrade dialogue;	n/a	80%	100%	Annual reports produced by the EU office in Kosovo
Number of projects implemented in Northern Kosovo;	22	15	10	Number of Contracts; Monitoring/Evaluation reports Project implementation reports

5. CROSS-CUTTING ISSUES

EQUAL OPPORTUNITIES AND GENDER MAINSTREAMING

Based on the fundamental principles of promoting equality and combating discrimination, participation in all aspects of EU-funded activities, particularly in relation to public services, legislative matters and socio-economic support programmes, project will be guaranteed on the basis of equal access regardless of sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation. The more specific objectives of this support will aim to increase the gender equality-related specific actions. More specifically, activities based on this action will be fully adjusted to the needs of women with children, training and meeting premises will be fully adapted to the needs of

persons with disabilities, equal opportunities principles and concrete measures will be embedded in all strategic documents that will be produced under this Action.

Equal opportunity will also be taken into account in the preparation of all tender documents and in the recruitment of personnel through the placement of appropriate wording. In accordance with the EU GAP, all activities related to this Action will be based on a gender analysis and involve consultations with Kosovo gender equality mechanisms and women's organizations in planning, implementation, monitoring and evaluation phases.

ENVIRONMENT AND CLIMATE CHANGE (AND IF RELEVANT DISASTER RESILIENCE)

Environmental considerations will be duly reflected in all activities under this Action. For specific actions supporting the environment and climate change consideration will be given, where relevant, to the preparation of environmental impact assessments. This is particularly relevant where there could potentially be a strong environmental impact, such as in the case of financing of investments, new legislation, etc. Disaster resilience and risk prevention and management will be integrated in the planning, preparation and implementation of projects where relevant.

ENGAGEMENT WITH CIVIL SOCIETY (AND IF RELEVANT OTHER STAKEHOLDERS)

Civil Society /Stakeholders involvement will be taken into consideration in all aspects of the activities of this Action, particularly in relation to all rule of law, public services, legislative matters and socio-economic support programmes in order to support civil society organisations to strengthen their capacities and professionalism, allowing them to engage in an effective dialogue with public and private actors and to monitor developments in areas such as the rule of law and respect for fundamental rights. Engagement from civil society organisations, where relevant, is particularly important for the activities of this Action. A balanced participation of women and men representatives of civil society organizations will be ensured.

MINORITIES AND VULNERABLE GROUPS

During the implementation of the activities under this action, a special focus will be given to offering equal opportunities for everyone, including minority groups involved in the public sector as well as in the private service sector. The aim will be to contribute to multi-ethnic representation in the institutions benefiting from this projects, which will address the ethnic groups fairly and equitably in accordance with the law, along with other marginalised groups. Special attention will be paid to ensuring involvement of women from diverse minority groups, many of whom are particularly marginalized from decision-making processes.

6. SUSTAINABILITY

Sustainability of the action will be ensured through the involvement of all relevant actors, at all levels, and clear structures and roles for the implementation and monitoring. The individual measures to be financed under this action cannot be identified at the programming phase, nevertheless the sustainability of the actions will be taken into consideration in all aspects of the activities of the

action. For the assistance to have a long-term impact and produce meaningful results it should take into consideration the interest and ownership for the activities by the central and/or local authorities. Special attention will be paid to the activities proposed/originating from the central and/or local authorities that will ensure that the action will be supported from the local stakeholders (Civil Society, economic operators, citizens), through a consultation processes, and thus ensure the sustainability of the action. Attention will also be paid in improving the absorption capacity of the authorities, both at central and local level.

7. COMMUNICATION AND VISIBILITY

Communication and visibility will be given high importance during the implementation of the Action. The implementation of the communication activities shall be the responsibility of the IPA II beneficiary, and shall be funded from the amounts allocated to the Action.

All necessary measures will be taken to publicise the fact that the Action has received funding from the EU in line with the Communication and Visibility Manual for EU External Actions. Additional Visibility Guidelines developed by the European Commission (DG NEAR) will have to be followed.

Visibility and communication actions shall demonstrate how the intervention contributes to the agreed programme objectives. Actions shall be aimed at strengthening general public awareness and support of interventions financed and the objectives pursued. The actions shall aim at highlighting to the relevant target audiences the added value and impact of the EU's interventions. Visibility actions should also promote transparency and accountability on the use of funds.

The European Union Office in Kosovo has developed clear visibility guidelines and ensures that all projects which are implemented in Kosovo are fully in line with these guidelines. Project visibility is also clearly stipulated in all contractual documents whereby the contractors/implementers are obliged to adhere to all EU visibility requirements. Awareness campaigns may be included within the project activities. Visibility materials may be produced (brochure, leaflets, newsletters).

It is the responsibility of the IPA II beneficiary to keep the EU Office fully informed of the planning and implementation of the specific visibility and communication activities.

The IPA II beneficiary shall report on its visibility and communication actions in the report submitted to the IPA monitoring committee and the sectoral monitoring committees.

Many of the projects developed in the context of the above-mentioned processes will be politically sensitive and therefore require a certain level of discretion. In such cases, in order not to endanger the success of such projects, deviation from the standard visibility guidelines may be required.