

Standard Summary Project Fiche – IPA centralised programmes

Project Fiche: 15

1. Basic information

- 1.1 CRIS Number: 2009/021-170
- 1.2 Title: **Support for Participation in Community Programmes**
- 1.3. ELARG Statistical code: 04.65
- 1.4. Location: Montenegro

Implementing arrangements:

- 1.5 Contracting Authority: Delegation of the European Commission to Montenegro
- 1.6 Implementing Agency: N/A
- 1.7 Beneficiary (including details of project manager):

Government of Montenegro
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The Project Manager for the Community Programmes is the National IPA Coordinator (NIPAC). Secretariat for European Integration, under the competence of the Cabinet of the NIPAC - Deputy Prime Minister for European Integration, will be the main national coordinator for participation in Community Programmes. The work, mandate and authorizations of the Secretariat for European Integration are regulated by the Law on Public Administration¹.

The Unit within the Secretariat for European Integration, in charge of the programming and monitoring of the project, will be the Sector for Coordination of Donor Assistance.

¹ Article 37, paragraph 2 (“Official Gazette of the Republic of Montenegro” No. 38/03, “Official Gazette of Montenegro”, No. 22/08) and in conjunction with Article 24 of the Decree on Job Groups, Criteria for Internal Organisation and Systematisation, Job Nomenclature and Draft Number of Executors in the Public Administration Bodies (“Official Gazette of the Republic of Montenegro” No. 54/04), in accordance with the scope defined by the Decree on Public Administration Organisation and Manner of Work (“Official Gazette of the Republic of Montenegro”, No. 54/04, 78/04, 6/05, 61/05, 6/06, 32/06, 42/06, 56/06, 60/06 and 72/06, 06/07, 25/07, 32/07, 35/07, “Official Gazette of Montenegro”, No. 06/07, 16/07 and 26/08).

For each programme, the respective line Ministry will be responsible for co-ordination of project activities as follows:

- Programme: 7th Framework Programme – FP7
Ministry of Education and Science
- Programme: The Entrepreneurship and Innovation Framework Programme (EIP)
Ministry for Economic Development
- Programme: Culture
Ministry of Culture, Sports and Media

Financing:

1.8 Overall cost (VAT excluded):	270.976 EUR
1.9 EU contribution:	146.500 EUR
1.10 Final date for contracting:	2 years after the signature of the Financing Agreement
1.11 Final date for execution of contracts:	4 years after the signature of the Financing Agreement
1.12 Final date for disbursements:	5 years after the signature of the Financing Agreement

2. Overall Objective and Project Purpose

2.1 Overall Objective:

Improved understanding of Montenegro and its citizens on European Union policies and working methods.

2.2 Project purpose:

To co-finance the costs of the "entry-tickets" which Montenegro has to pay in accordance with the relevant Memoranda of Understanding establishing its participation in three Community programmes.

2.3 Link with AP/NPAA / EP/ SAA

In line with Thessaloniki Agenda for Western Balkan countries, approved by the Council on 20th June 2003, Community Programmes may be opened to potential candidate countries in line with the approach followed for the candidate countries.

The Framework Agreements establishing the general principles for the participation of the candidate countries and Western Balkan countries in Community programmes provide that these countries shall contribute financially to the general budget of the European Union corresponding to the specific programmes in which they participate and may apply for Community external assistance.

The former state union of Serbia and Montenegro had signed Framework Agreement on participation in Community Programmes on 29th June 2005, which came into force on 27 July 2005. Following its independence, Montenegro signed the Agreement¹ with the European Union on the Interim implementation of the Protocol 8² of the Stabilisation and Association Agreement, dealing with basic principles of participation of Montenegro in Community Programmes, thus being its constituent part.

In the **National Plan for Integration** (NPI), Community Programmes are expected to be part of the pre-accession strategy to EU (e.g., regarding the FP7, under the mid-term priorities (3.25.1.3), the “entry ticket” is planned for using IPA funds).

2.4 Link with MIPD

The MIPD (2009 – 2011)

Further to “Support programmes” sub-component “assistance is foreseen to allow Montenegro to participate in Community agencies and institutions; as well as in Community programmes” (2.2.2).

2.5 Link with National Development Plan

N/A

2.6 Link with national/ sectoral investment plans

N/A

¹ The Agreement was signed on the basis of the European Communities Decision, adopted on the 13th of November 2007, defining general principles of participation of Montenegro in Community Programmes.

² In Article 1 of the Protocol 8, it is mentioned that Montenegro may participate in the following Community Programmes stipulated in Annex to the *Framework Agreement between the European Community and Serbia and Montenegro on general principles of participation of Serbia and Montenegro in the Community Programmes* (O.J. L92, 22. 7. 2005., p. 29.) and in the programmes introduced or amended after the 27th of July 2005 as well as in those mentioned in the introductory clause of Montenegrin participation.

3. Description of project

3.1 Background and justification

In its Communication “Agenda 2000” (July 1997), the European Commission proposed the progressive opening-up to the candidate countries of a broad range of Community programmes, as one of the intermediate objectives of accession. The objective of participation in the programmes is to enable the countries to familiarise themselves with the methods and policies of the European Union.

The “*Thessaloniki Agenda for the Western Balkans: Moving towards European Integration*”, endorsed at the European Council on 20 June 2003, “*Community programmes will be opened to SAP countries along the lines established for the participation of candidate countries*”

The Framework Agreements establishing the general principles for the participation of the candidate countries and Western Balkan countries in Community programmes provide that these countries shall contribute financially to the general budget of the European Union corresponding to the specific programmes in which they participate and may apply for Community external assistance.

Consequently, the IPA programme can be used as a complement to the national funds to co-finance the financial contribution ("entry-ticket") to be paid each year by the candidate countries and Western Balkan countries to participate in the Community programmes. IPA funds of a given year co-finance the financial contribution for the participation in the programmes in the following years. The part of the financial contribution which is financed from the national budget should increase progressively, and a gradual and selective approach to participation should be maintained in Community programmes.

For Montenegro, Protocol 8 of the Stabilisation and Association Agreement provides the legal basic principles of its participation in Community Programmes, which was signed with the European Union on October 15, 2007. As a follow up, Montenegro signed an Agreement³ with European Community in views of exchange of letters on the Interim implementation of the Protocol 8 to the Stabilisation and Association Agreement, dealing with basic principles of participation of Montenegro in Community Programmes, on 15th of November 2007 and entered into force on the same date.

In accordance with the Protocol 8, the specific terms and conditions regarding each particular programme, in particular the financial contribution payable, are determined by agreement, in the form of a Memorandum of Understanding (MoU), between the Commission and Montenegro. Such MoU are already in force concerning the Seventh Framework Programme for Research and Development (FP7) and the Entrepreneurship and Innovation Programme (EIP). Montenegro has expressed its interest to participate also in the Programme Culture.

³ The Agreement was signed on the basis of the European Communities Decision, adopted on the 13th of November 2007, defining general principles of participation of Montenegro in Community Programmes.

CULTURE

The Programme⁴ supports beneficiaries in all branches of culture (except the audiovisual) through trans-national mobility of people and works and inter-cultural dialogue, including the cultural heritage, which is one of the priorities of Montenegro. The programme's total budget is € 400 million for the 2007-2013 period and the yearly appropriations amount to 43-58 million €. Co-financing of the projects from the European Commission cannot exceed 50% of the total eligible cost of the project. Under Strand 2 of the programme support is also given to organizations operating or wanting to operate at European level in the field of culture, acting as European Cultural Ambassadors.

One of the main pre-conditions for participation is the establishment of a Cultural Contact Point (CCP), which can be financed through the annual Budget of the Programme, IPA, or through the national budget. As the result of mutual agreement, the Ministry of culture, sports and media has decided to finance the CCP from its budget for the period 2010-2013.

The projection of the representatives of the DG for education and culture is that the MoU will be signed in the period July - September 2009, while the payment of the Montenegrin contribution for Programme Culture, if the signing of MoU is completed in due time, will have to be carried out in February 2010, 1 May 2010 at the latest.

ENTREPRENEURSHIP AND INNOVATION SPECIFIC PROGRAMME (EIP)

Montenegro signed a Memorandum of Understanding between the European Community and Montenegro on the participation of Montenegro to the Community Programme "Entrepreneurship and Innovation specific Programme (EIP) of the Competitiveness and Innovation Framework Programme (2007 to 2013)". In the Article 3 of this MoU it is mentioned that Community external aid can be used for partial financial contribution of Montenegro.

SEVENTH FRAMEWORK PROGRAMME FOR RESEARCH AND DEVELOPMENT (FP7)

Montenegro signed a Memorandum of Understanding between the European Community and Montenegro on the participation of Montenegro to the Seventh Framework Programme for Research and Development (FP7) on 25 January 2008.

3.2 Assessment of project impact, catalytic effect, sustainability and cross border impact

For Montenegro, participation in Community Programmes represents a major step in meeting the criteria towards EU accession in the field of science, culture, employment, entrepreneurship and innovation. It represents a key measure to make the country and its citizens familiar with the Union's policies and working methods.

Increased participation in Community Programmes is an important element in the EU integration process, as it implies participation in knowledge sharing, awareness raising and acquiring knowledge from member states of EU practices in various sectors. This knowledge

⁴ In the "Culture - Programme Guide", Eligible Countries (I.3.2), it is stated that "countries of Western Balkan could become eligible in the future, subject to the conclusion of a MoU concerning the participation of each of those countries in the Programme."

can subsequently be utilised in the design and application of future projects and actions in Montenegro.

Participation in Community programmes will also encourage the active involvement of public and private institutions, NGOs, civil society institutions, universities to benefit from the EU accession process. It is expected that the knowledge and skills developed through participation in Community Programmes will be retained within the participating institutions and within the responsible ministries. It is also expected that the institutions will be able to maintain and develop the EU networks established through community programme participation into longer term formal and informal collaboration.

3.3 Results and measurable indicators

Result 1: Ensured payment by Montenegro of its entry tickets for the Community programmes for which a Memorandum of Understanding is in force (in particular FP7, EIP).

Indicator:

- Date of effective payment by Montenegro of its entry-tickets and date of transfer of IPA funds, as a partial reimbursement.

Result 2. Completion of negotiations for a MoU for the Programme Culture.

Indicator:

- Signed MoU between Montenegro and EC on participation in the Culture Programme.

3.4 Activities

The main activity consists of providing IPA funds as reimbursement of a part of the entry ticket for participation in the Community Programmes for which a Memorandum of Understanding is in force.

The EU contribution to the entry ticket will be negotiated between the beneficiary and the EC, normally before the MoU is signed. The participation of the beneficiary in Community Programmes shall follow the specific terms and conditions set out for each such programme in the MoU.

The Montenegrin Government has a commitment, not only to provide for the national co financing, but also to advance the funds necessary for the payment of the total entry ticket, before it gets the partial IPA reimbursement.

Contracting Arrangement:

The activity will be implemented as a reimbursement of a part of the entry ticket after the entry ticket has been paid, on the basis of a specific agreement.

3.5 Conditionality and sequencing

The main conditionality is signature of the Memorandum of Understanding on participation in selected Community Programmes between the European Commission and the Government of Montenegro which is a precondition for participation.

Sequencing :

- The various Commission services responsible for the different programmes will send to the Mission of Montenegro to the EU a request for the total financial contribution ("entry ticket" for the participation in a given programme or agency ("call for funds")).
- The responsible line ministries must ensure the timely payment of the total entry ticket, within the deadlines requested in the call for funds. When making the payment for each programme, the authority in charge should quote the reference number indicated in the call for funds for the programme concerned, and send simultaneously a copy of the payment order to the relevant Commission service.
- In case the IPA funds are transferred to the National IPA Coordinator⁵, IPA funds are transferred as reimbursement of a part of the contribution paid, on the basis of a specific agreement and request for funds by the beneficiary with a proof of payment. The National IPA Coordinator then transfer the amount of the IPA support for each programme to the authority which made the payment of the financial contribution to the programme concerned.

3.6 Linked activities

The 6th Framework Programme for Research (2003-2006) had its main objective to strengthen the science and technological bases of industry and encourage its international competitiveness while promoting research activities in support of other EU policies. 7th Framework Programme (2007-2013) is its successor.

Being associated to the 7th Framework Programme for Research (FP7) as of January 1, 2008, possibilities were provided for Montenegro to participate in this programme with a status of a third country in the first year of the programme implementation. Therefore, the participation has been limited and 7 projects with Montenegrin team have been approved for financing and started with implementation. In addition, there are 10 additional projects from 2008 that are either about to start or are still in the negotiation phase. The Ministry of Education and Science is the coordinating institution for the programme, its support activities, ranging from direct, one-on-one communication with researchers, over organization of info days, targeted workshops, etc., to provision of expert help for development of individual project proposals. It also provides financial support to both – prospective and successful participants (preparatory grants, support to participants in the proposals that have reached evaluation threshold).

Entrepreneurship and Innovation Programme (EIP) of the Competitiveness and Innovation Framework Programme (2007 to 2013) is available to Montenegro as of March the 3rd this year, by signing the MoU between the EU and Montenegro. For 2008, Montenegro paid its participation in amount of € 29.329. In the third quarter of 2008, European Commission awarded the first grant to the Consortium, consisting of the national institutions⁶, resulting, to

⁵ IPA funds may be transferred also to the line ministries, subject to prior consultations with the Delegation and with the country.

⁶ Consortium of the grant contract, No: Montenegro, 225257 EIICM: Directorate for the development of Small and Medium Enterprises, the Chamber of Commerce, the Faculty of Mechanical Engineering and the Business Start – up Centre Bar.

date, by opening of the European Centre for Information and Innovation⁷, which will be responsible for the implementation of this 2008-2011 year project.

European Commission participates in amount of €180.000 (55%), while partners in the Consortium participate with the remaining €148.460 (45%).

⁷ The Innovation and Information Centre was opened in Podgorica, on the 28th of November, 2008.

3.7 Lessons learned

The experience of neighbouring countries shows that participation in Community programmes is an extremely important feature of a successful pre-accession strategy. Citizens, companies and national administrations of the candidate or potential candidate countries are joining in co-operation and exchange networks with their counterparts in EU countries in very different areas covered by Community programmes.

Montenegrin research community did not participate significantly in 6th Framework Programme for Research, and Montenegro took part only in 4 projects: ERA West Balkan, SEE-ERA-NET, SEEREN2 and SEEGRID2. Even though it was poor, it contributed to building the capacity of the Ministry, and setting grounds for development of networks between Montenegrin and researchers from the region among themselves as well as their partnerships with European researchers. New opportunities were open not only to the experienced researchers, but to young scientists as well, which is considered to be an important feature of this process. However, participation in the first two years of FP7 has shown that the number of successful projects with Montenegrin participants is increasing, and it is expected that the positive trends will continue through the Programme implementation, especially since institutional support to participants has developed.

The experience shows that exchange of practices with the candidate countries and member states, who already took part in Community programmes, is valuable and important lessons to Montenegrin institutions to learn how to prepare and organize. This is of particular importance on capacity building of institutions on how to prepare good project proposals.

In addition, in order to mobilize and involve more private and public organizations to participate in Community programmes, it is absolutely necessary to organize awareness-raising campaigns and to work more on building their capacity as to be able to use as effective as possible available EU funds and learn more about EU procedures and mechanisms.

IPA programming experience has shown that line ministries should increase their planning capacities. In addition, for Community Programmes which requires different institutional arrangements like agencies, line ministries should ensure their establishment and capacity improvement prior to their participation in Community Programme. In Montenegro, preparations have been taken in terms of planning the establishment of the national agency that is going to be responsible for implementation of the Life Long Learning Programme.

In order to enable to its citizens successful participation in Community programmes in future, Montenegro should build its administrative capacities and carefully plan financial contributions and mechanisms for taking part in the management and financial control provisions.

4. Indicative Budget (amounts in €)

Amounts net of VAT	IPA support	Contribution from the national budget	Total financial contribution to the programme ("entry ticket")
	EUR	EUR	EUR
7 th Framework Programme for Research	106.500	106.500	213.000
Entrepreneurship and Innovation	22.000	15.976	37.976
Culture	18.000	2.000	20.000
TOTAL	146.500	124.476	270.976

** [If sufficient funds are available, two years of Programme participation could be financed from the IPA budget 2009]*

The exact total financial contribution to be paid by Montenegro for the participation in listed programmes is or will be specified in the Memorandum of understanding establishing the terms and conditions for participation in the Community programme concerned.

The contribution from the national budget covers the difference between the total financial contribution of Montenegro to the programmes as indicated in the above mentioned Memorandum of Understanding and the IPA support.

5. Indicative Implementation Schedule (periods broken down per quarter)

Call for funds for FP7, EIP and Culture: Q1 2009 and Q2 2010 for Culture Programme
Payment by Montenegro of the entry tickets for FP7, EIP and Culture: Q1 or Q2 2009 and Q2 2010 for Culture Programme
Signature of the reimbursement agreements for the three programmes: Q2 or Q3 2009 and Q3 2010 for Culture Programme

6. Cross cutting issues: NA

ANNEX 1. Dates of signature of the Memorandum of understanding

PROGRAM / AGENCY	DATE OF SIGNATURE (MEMORANDUM OF UNDERSTANDING)
FP7	January 25, 2008
EIP	March 3, 2008
CULTURE	Expected for July - December 2009

Annex 2- Amounts in EUR contracted and disbursed per Quarter over the full duration of Programme

Contracted	Q4 2009	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Q1 2011	Q2 2011
Cumulated			146.500				
Disbursed	Q4 2009	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Q1 2011	Q2 2011
Cumulated			146.500				