



EUROPEAN
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COMMISSION IMPLEMENTING DECISION

of 13.11.2013

**amending Commission Decision C(2013) 935 final of 15 February 2013 adopting the
Multi-beneficiary Programme under the IPA Transition Assistance and Institution
Building Component for the year 2013**

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THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Council Regulation (EC) No 1085/2006 of 17 July 2006 establishing an Instrument for Pre-Accession Assistance (IPA)¹, and in particular Article 14 (2)(a) thereof,

Having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002² (hereinafter referred to as 'the Financial Regulation'), and in particular Article 84(2) thereof,

Whereas:

- (1) Regulation (EC) No 1085/2006 lays down the objectives and main principles for pre-accession assistance to candidate and potential candidate countries.
- (2) The Multi-Beneficiary Programme under the IPA Transition Assistance and Institution Building Component for the year 2013 was adopted on 15 February 2013 by Commission Decision C(2013) 935 final.
- (3) It is appropriate to amend the Multi-Beneficiary Programme under the IPA Transition Assistance and Institution Building Component for the year 2013 in order to increase the funding by EUR 20.71 million for regional cooperation projects and actions that are highly relevant for the accession process. Additional funding is provided in particular to Project 3 – Western Balkans Investment Framework – Enterprise Development & Innovation Facility (EDIF), Project 5 - Support to the South East European Centre for Entrepreneurial Learning (SEECCEL), Project 12 - Support to the operating expenditures of the Regional Cooperation Council (RCC) Secretariat, Project 13 - Strengthening European Integration (SEI), Project 14 - International Cooperation in Criminal Justice: Prosecutors' Network and Project 15 - Support to the International Sava River Basin Commission in the development of the Sava Geographic Information System.
- (4) It is appropriate to amend the Multi-Beneficiary Programme under the IPA Transition Assistance and Institution Building Component for the year 2013 in order to extend the final date for execution for Project No. 3 – Western Balkans Investment Framework - EDIF until 31 December 2025 to allow the Enterprise Innovation Fund (ENIF) to develop its commercial viability.
- (5) It is appropriate to implement part of the activities under certain projects in joint management, namely: Project 3 - Western Balkans Investment Framework – EDIF in

¹ OJ L 210, 31.7.2006, p. 82.

² OJ L 298, 26.10.2012, p. 1.

joint management with the World Bank as this organisation has prepared the activities, assessed their feasibility and defined the implementation arrangements together with the European Commission, Project 12 - Support to the operating expenditures of the Regional Cooperation Council Secretariat, in joint management with RCC, subject to the successful completion of the on-going 4-pillar assessment, Project 13 - Strengthening European Integration in joint management with the European Central Bank (ECB) and the International Monetary Fund (IMF), as these organisations have the experience and the expertise in economic governance.

- (6) The Commission may entrust budget-implementation tasks under joint management to the RCC (subject to the successful completion of the on-going 4-pillar assessment), to the ECB, IMF and the World Bank, subject to the conclusion of contribution agreements or administration agreement. The responsible authorising officer has ensured that the RCC, ECB, IMF and the World Bank comply with the conditions of Article 53d of Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities³ (hereinafter referred to as 'the Financial Regulation 1605/2002') and of Articles 35 and 43 of its Implementing Rules⁴.
- (7) This Decision complies with the conditions laid down in Article 94 of Commission delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of 25 October 2012 on the financial rules applicable to the general budget of the Union⁵ (hereinafter referred to as "the Rules of Application").
- (8) It is appropriate to acknowledge that grants may be awarded without a call for proposals by the responsible authorising officer who ensures that the conditions for an exception to a call for proposals according to Article 190 of the Rules of Application are fulfilled. The reasons for and potential beneficiaries of such award should be identified, where known, in this Decision for reasons of transparency.
- (9) The maximum contribution of the European Union set by this Decision should cover any possible claims for the payment of interest due for late payment on the basis of Article 92 of the Financial Regulation and Article 111(4) of its Rules of Application.
- (10) The Commission is required to define the term "non-substantial change" in the sense of Article 94(4) of the Rules of Application to ensure that any such changes can be adopted by the authorising officer by delegation, or under his or her responsibility, by sub-delegation (hereinafter referred to as the 'responsible authorising officer').
- (11) The measures provided for by this Decision are in accordance with the opinion of the IPA Committee⁶,

³ OJ L 248, 16.9.2002, p.1. These provisions remain applicable until 31 December 2013 according to Article 212 of the Financial Regulation.

⁴ Commission Regulation (EC, Euratom) No 2342/2002 of 23 December 2002 laying down detailed rules for the implementation of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities. OJ L 357, 31.12.2002, p.1. These provisions remain applicable according to Article 212 of the Financial Regulation.

⁵ OJ L 362, 31.12.2012, p. 1.

⁶ The Member States have declared, recalling the Council Conclusions of 18 February 2008, that the adoption of the Multi-Beneficiary Programme under the IPA Transition Assistance and Institution Building Component for the year 2013 does not prejudice the position of each individual Member State on the status of Kosovo (under UNSCR 1244/99), which will be decided in accordance with their national practice and international law.

HAS DECIDED AS FOLLOWS:

Article 1

The Annex to Commission Decision C(2013) 935 final of 15 February 2013 is hereby replaced by the Annex to this Decision.

Article 2

Implementation modalities

Budget-implementation tasks shall be entrusted to the Regional Cooperation Council, the European Central Bank, the International Monetary Fund, and the World Bank, under joint management, as provided for in the attached Annex, subject to the conclusion of the relevant agreements.

This programme is implemented without financing agreements.

Grants may be awarded without a call for proposals by the responsible authorising officer according to Article 190 of the Rules of Application.

Article 3

The maximum amount of European Union contribution shall be **EUR 120 760 000** to be financed through Article 22.020701 of the general budget of the European Union for 2013.

The financial contribution referred to in the first paragraph shall also cover any possible interests due for late payment.

Article 4

Non-substantial changes

Increases or cumulated changes to the allocations of specific actions not exceeding 20 % of the contribution referred to in the first paragraph of Article 3 shall not be considered substantial, provided that they do not significantly affect the nature and objectives of the actions.

The responsible authorising officer may adopt these non-substantial changes in accordance with the principles of sound financial management and proportionality.

Done at Brussels, 13.11.2013

For the Commission
Štefan FÜLE
Member of the Commission

ANNEX

Multi-beneficiary programme under the IPA-Transition Assistance and Institution Building Component for the year 2013

1 IDENTIFICATION

Beneficiaries	Western Balkans: Albania, Bosnia and Herzegovina, Croatia (except project No. 9, 10, 11, 12), Kosovo*, the former Yugoslav Republic of Macedonia, Montenegro, Serbia, Turkey for projects No. 1, 5, 7, 8, 9 and 13; Iceland for projects No. 8 and 13
CRIS decision number	2013/024091, 2013/024093, 2013/024094, 2013/024372; and SI2.645091
Year	2013
EU contribution	EUR 120 760 000
Implementing Authority	European Commission except for: Project No. 1: SIGMA will be implemented by joint management with the OECD. Project No. 2: International Cooperation in Criminal Justice will be implemented by indirect centralised management by the Italian Ministry of the Interior Public Security Department. Project No. 3: WBIF - will be implemented partly by indirect centralised management by the European Investment Fund (EIF) and partly by joint management with EIF, the European Investment Bank (EIB) and the World Bank respectively. Project No. 6: will be implemented by joint management with the OECD. Project No. 9: Erasmus Mundus - Action 1, No. 10: Erasmus Mundus – Action 2 and No.11: Youth in Action: The European Commission will delegate the implementation of these projects to the Education, Audiovisual and Culture Executive Agency (EACEA). Project No. 12: will be implemented at 65.60% by joint management with the RCC. Project No. 13: Strengthening European Integration will be partly implemented by joint management with the European Central Bank, the International Monetary

* This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo Declaration of Independence

	Fund and the World Bank and partly by indirect centralised management by the European Training Foundation (ETF).
Final date for concluding the Financing Agreement	The programme is implemented without Financing Agreements.
Final date for contracting	30 November 2014
Final dates for execution	30 November 2017. The following exceptions apply: 3) WBIF: 30 November 2025 9) Erasmus Mundus Action 1: 30 November 2018 10) Erasmus Mundus Action 2: 30 November 2018
Budget line(s) concerned	22.02.07.01: regional and horizontal programmes
Programming Unit	Unit D3 - Regional Cooperation and Programmes, DG Enlargement
Implementation Unit	<p>Unit D3- Regional Cooperation and Programmes, DG Enlargement with the following exceptions:</p> <p>Project No. 1 will be implemented in joint management with the OECD.</p> <p>The European Commission will delegate the implementation of project No. 2 to the Italian Ministry of the Interior Public Security Department.</p> <p>The European Commission will delegate the implementation of part of project No. 3 to the European Investment Fund (EIF).</p> <p>DG Enlargement will cross sub-delegate implementation of project No. 4 to DG MOVE.</p> <p>Project No. 6: will be implemented by joint management with the OECD.</p> <p>DG Enlargement will cross sub-delegate implementation of project No. 7 to DG ECHO and project No. 8 and No. 15 to DG ENV.</p> <p>Project No. 9, 10 and 11 will be implemented by EACEA.</p> <p>Project No. 12: will be at 65.60% implemented by joint management with the RCC.</p> <p>Project No. 13: Strengthening European Integration will be partly implemented by joint management with the European Central Bank, the International Monetary Fund and the World Bank. The European Commission will delegate implementation of part of the project to the European Training Foundation (ETF).</p>

2 THE PROGRAMME

This IPA Multi-beneficiary (MB) Programme is designed to respond to priority needs as indicated in the IPA Multi-annual Indicative Planning Document (MIPD) 2011-2013, taking into account activities implemented under the national programmes, the guidance provided in EU strategic documents, the lessons learned from the programming and implementation of previous EU assistance and the findings from consultations with, *inter alia*, the beneficiaries, certain International Financial Institutions (IFIs), the Regional Cooperation Council (RCC), EU Member States, civil society organisations and European Commission services.

While the main assistance to IPA beneficiaries is given through the national programmes, the MB programmes endeavour to complement and add value to these as well as to enhance regional cooperation. Multi-beneficiary assistance covers regional projects that set out to promote cooperation between IPA beneficiaries as well as horizontal projects that address common needs of the IPA beneficiaries and aim to achieve efficiencies and economies of scale.

2.1 PRIORITIES SELECTED UNDER THIS PROGRAMME

The MB MIPD 2011-2013 identifies the following priorities: (1) to maintain the momentum of reform of the judiciary and public administration; (2) to enhance regional cooperation in the fight against organised crime and corruption; (3) to contribute to ensuring non-discrimination and respect for human rights as well as freedom of expression; (4) to help completing the process of reconciliation in the Western Balkans; (5) Contribute to building a vibrant civil society; (6) to help the beneficiaries overcome the economic and financial crisis and prepare for sound recovery by jointly working on increasing competitiveness and investments in infrastructure; and (7) to foster reforms and regional cooperation in education.

The MB 2013 programme addresses all priorities of the MIPD either directly or indirectly, while particular attention is paid to public administration reform, the fight against organised crime and corruption and to support recovery from the recent economic crisis in particular by working on increasing competitiveness, private sector development and higher education. With a view to facilitate programming, the projects have been consolidated into separate programmes. Besides this MB programme, a Tempus programme 2013 and the Regional Housing Programme 2012 – 2013 are planned.

In addition, on 5 December 2011, the European Commission adopted a programme to support Civil Society development in 2011-2012 which has been amended to include an allocation for 2013 for which MB assistance is complementing funds from national IPA programmes in the Civil Society Facility.

MB assistance will be provided through IPA component I for "Transition Assistance and Institution Building".

2.2 SECTORS SELECTED UNDER THIS PROGRAMME AND DONOR COORDINATION

To achieve the priorities selected for support in the programming period 2011-2013, the MB MIPD contains seven (7) sectors on which IPA assistance will be focused:

- Justice and home affairs, including fundamental rights and vulnerable groups
- Public administration reform
- Support to civil society
- Private sector development
- Transport and energy infrastructure, including nuclear safety
- Environment and climate change
- Social Development.

This 2013 MB programme will address all MIPD sectors except civil society as this support is provided under the above mentioned horizontal programme for Civil Society development.

The selection process of projects that form part of this annual programme has been based on sector plans and discussions in sector working groups that were set up for the purpose to define the priorities for the MIPD 2011 – 2013 and hence in full coordination with the IPA beneficiaries, other donors, the RCC, civil society and other stakeholders, taking also into account lessons learnt of past and on-going programmes. Only projects that have achieved sufficient readiness for implementation have been accepted.

Whereas IPA assistance at national level is progressively introducing the concept of a Sector-wide Approach (SWAp), the concept is not fully applicable for regional programmes. However, as the various regional and horizontal projects will complement policy reforms at national level, their added value to address common needs in all IPA beneficiaries and fostering regional cooperation should be taken into account when further developing the SWAp approach.

This MB programme for IPA 2013 includes 15 regional and horizontal projects set out to address the above mentioned priorities and sectors.

With a view to maintain the momentum of **Public Administration Reform** and improve public governance, the SIGMA project will be further supported to develop roadmaps for comprehensive reform strategies that are properly prioritised and sequenced and will be subject to performance-oriented monitoring and assessment.

A regional project for international cooperation in criminal justice has been selected as one of the priorities in the sector **Justice and Home Affairs**, to enhance the fight against organised crime and corruption. In the same sector, a follow-up project to strengthen networks for regional cooperation of prosecutors has been developed.

Particular attention has been given to projects that foster socio-economic development and employment creation by continuing financial support for **Private Sector Development** as well as **Transport Infrastructure** and cooperation with IFIs, address skills shortages and raise the competitiveness of the region. Investments in human resource development, innovation and access to finance for SMEs are deemed to hold the key for achieving sustainable economic growth and embracing the Europe 2020 strategy.

In the sector of **Environment and Climate Change**, a regional project has been selected to enhance capacities for disaster risk reduction, in particular, to prevent,

prepare for and respond to floods through appropriate measures in the Western Balkans and Turkey. In addition, it is planned to further support the regional network for accession in the area of environment and climate change, previously known as RENA. Support will also be provided to the Sava River Basin Commission in the development of the Sava Geographic Information System.

With a view to foster reforms and regional cooperation in education, the IPA 2013 MB programme will continue previous practice and support the Erasmus Mundus Action 1 and 2 as well as the Youth in Action programme in the sector **Social Development**.

Coordination and coherence of assistance and activities is particularly important, given the large number of players involved in MB IPA assistance programming. Strong coordination and coherence has been highlighted to the Commission during consultations as very important by the authorities of the region, including hands-on involvement of the EU Delegations in the implementation.

Efforts are being made by the Commission to ensure good coordination in the programming as well as the implementation process by organising regular meetings throughout the year with beneficiaries, EU Delegations, EU Member States, IFIs, the RCC and other stakeholders such as civil society. This process is aimed at ensuring complementarities, avoiding overlaps and enhancing, as far as possible, local ownership of the choices, content and design of the programmes.

The Commission organised a donor coordination conference in June 2012 where the Commission and Member States, together with the IFIs and non-EU donors, discussed those projects that were selected to form the MB programme for 2013. In previous programming exercises these discussions proved to be a key tool to determine areas of common interest and possibilities for sector coordination and division of labour.

2.3 DESCRIPTION

The Multi-beneficiary programme 2013 will focus its support through the various projects to achieve the following sector objectives:

- 1) Sector Public Administration Reform: The overall objective is to contribute towards upgrading the operational capacities and the professionalism of public administrations at central, regional and down to local level as well as to promote regional cooperation through knowledge transfer, networking and exchange of experience.
- 2) Sector Justice and Home Affairs, including fundamental rights and vulnerable groups: To strengthen regional and international cross-border cooperation mechanisms between law enforcement agencies and judicial authorities in the combat of the various forms of organised crime, including trafficking in human beings, and corruption, through networking, mutual legal assistance, transfer of proceedings, requests for extradition, joint investigation teams and witness protection programmes.
- 3) Private Sector Development: The aim is to raise regional competitiveness, including through increased competence of human capital, attract investments,

facilitate trade and establish a business climate conducive to the development of SMEs.

4) Sector Transport and Energy infrastructure: Support in this sector has the ultimate goal to support the modernisation of the economies of the beneficiaries, to increase the access to finance for investments in priority infrastructure projects in the region, with particular attention to regional initiatives.

5) Sector Environment and Climate Change: The aim is to support beneficiaries to align with the environmental and climate *acquis*, to strengthen regional and inter-institutional cooperation in strategic planning for environmental and climate policy and investments and to develop capacities and mechanisms in disaster risk management as well as mitigation of and adaptation to climate change. It is also intended to raise institutional and public awareness in the areas of environment and climate change.

6) Sector Social Development: The objective is to support the development of the higher education systems in the beneficiaries through cooperation between local higher education institutions and those of the EU Member States as well as to promote youth exchange.

In addition, the MB programme 2013 will finance a number of other interventions that fall outside the scope of these sectors such as project identification and preparation and support in their implementation as well as support to the RCC.

Public Administration Reform

Project 1: Support for Improvement of Governance and Management (SIGMA) – EUR 10 000 000

The MIPD foresees continued support to public administration report (chapter 3.2.2.). The SIGMA project provides support to IPA Beneficiaries to establish strong public administrations with emphasis on the development of capacities (horizontal management systems and public financial management) in view of eventual EU membership.

The overall project objective is to facilitate more sustainable public governance reforms and strengthen public governance systems in the region in all aspects (integrity, predictability, accountability, legality and transparency) and to provide quality policy outcomes supporting socio-economic development. The specific project objective is to assist the beneficiaries in developing strongly owned, well targeted and realistic public governance reform policies that are performance-oriented, properly sequenced and prioritised, supported by appropriate budgeting with the aim to improving their horizontal management resources (e.g. Public Financial Management, Human Resource Management) and policy-making.

The project will be implemented in joint management with the OECD following Article 53d of the Financial Regulation¹ and the corresponding provisions of the

¹ Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities (OJ L 248, 16.9.2002, p.1).

Implementing Rules² as this organisation has prepared the activities, assessed their feasibility and defined the implementation arrangements together with the European Commission. A Contribution Agreement will be signed in quarter 1, 2013.

Justice and Home Affairs

Project 2: International cooperation in criminal justice – EUR 5 000 000

The MIPD refers (chapter 3.1.1.) to the need for the countries in the Western Balkans to enhance their judicial cooperation to ensure an efficient functioning of their justice systems. The Stockholm Programme 'An open and secure Europe serving and protecting the citizen' adopted by the EU Council in December 2009, defines the framework for EU police and customs cooperation, as well as criminal and civil law cooperation for the period 2010 – 2014 and also serves as reference framework for judicial cooperation in the Western Balkans.

The overall project objective is to prevent and combat trans-border organised crime and linked corruption cases with cross-border implications and to dismantle criminal organisations involved in illicit trafficking, in particular trafficking in firearms, drugs and human beings, destined to the EU. The specific project objective is to improve the capacities of the beneficiaries for international judicial and police cooperation through the support of international investigations and prosecutions, the promotion of secured exchange of information and intelligence, the use of modern communication technology and data protection mechanisms aligned to EU standards.

The programme will be implemented by an EU mandated body on an indirect centralised management basis in accordance with Article 54 paragraph 2(c) of the Financial Regulation and the corresponding provisions of the Implementing Rules. A call for expression of interest was launched to EU Member States. The Commission received seven expressions of interest. As a result of the evaluation, the Italian Ministry of the Interior - Public Security Department was selected as the body to which implementation of the programme will be delegated.

The decision entrusting executive tasks to the Italian Ministry of the Interior is subject to the positive outcome of the assessment of the "existence and proper operation" of the organisation, the so-called "six pillars compliance assessment" in the framework of indirect centralised management. The Delegation Agreement should be signed in quarter 2, 2013.

Project 14: International Cooperation in Criminal Justice: Prosecutors' Network – EUR 5 000 000

The overall project objective is to prevent and combat trans-border organised crime and linked corruption cases with cross-border implications, and to dismantle criminal organisations involved in illicit trafficking in particular trafficking in firearms, drugs and human beings, destined to the EU. The specific project objective is to strengthen the operational capacity and capabilities of the Public/State Prosecutors' Offices in the

² Commission Regulation (EC, Euratom) No 2342/2002 of 23 December 2002 laying down detailed rules for the implementation of Council Regulation No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities (OJ L 357, 31.12.2002, p. 1).

Beneficiaries in order to prosecute and investigate cross-border organised crime and linked cases of economic and financial crime and corruption.

The programme will be implemented following a restricted call for proposals to competent public sector administrations of EU Member States, to be launched in quarter 1, 2014.

Eligibility, selection and award criteria: In order to be eligible for a grant, applicants must be legal persons; relevant public administration authorities or public sector operators entrusted with responsibilities related to the implementation of activities relevant to the call; directly responsible for the preparation and management of the action with their partners, not acting as an intermediary; experienced in law enforcement and/or judicial cooperation in Croatia, Candidate Countries and Potential Candidates for accession to the EU. One grant will be awarded with a maximum possible rate of co-financing of 95%.

Private Sector Development, Transport and Energy infrastructure

Project 3: Western Balkans Investment Framework (WBIF) – EUR 39 200 000

Chapter 3.4.1. of the MIPD refers to access to financing as one of the main challenges for the private sector in the Western Balkans. It is envisaged to facilitate increased access to finance for Small and Medium-sized enterprises (SMEs) in particular through continued cooperation with the International Financial Institutions (IFIs), coordinated through the WBIF.

The overall project objective is to support the socio-economic growth of the Western Balkans by implementing the WBIF as the main mechanism for coordination and cooperation among the beneficiaries, the European Commission, IFIs and bilateral donors. The specific project objective is twofold: Component 1) to continue support to the IFI Coordination Office and for Component 2) to further develop the Western Balkans Enterprise Development and Innovation Facility (WB EDIF) as the main financing platform for SMEs expansion and development. The WB EDIF has been established as a joint initiative of the European Investment Fund (EIF) with the European Investment Bank (EIB) as well as the European Bank for Reconstruction and Development (EBRD). The WB EDIF uses financial engineering instruments (two Equity Funds and one Guarantee Facility), supported by Technical Assistance (TA).

Component 1 (EUR 5 000 000) of the project – IFI coordination, will be implemented by centralised management and a service tender will be launched in quarter 2, 2013.

Component 2 of the project will provide a total of EUR 34 200 000 to WB EDIF and replenish different funds and facilities.

Component 2 will be partly managed by indirect centralised management through EIF, following Article 56 of the Financial Regulation and the corresponding provisions of the Implementing Rules. The European Commission will sign Delegation Agreements with EIF in order to replenish Equity financing for the Enterprise Innovation Fund (ENIF) for an amount of EUR 21 200 000 and to replenish the fees to EIF as the trustee for EU funds in the Enterprise Expansion Fund (ENEF) for an amount of EUR

600 000. The EIF is the EU specialised equity investor, thus best positioned to take up this role.

Part of component 2 will be implemented in joint management with EIF, EIB and the World Bank respectively, according to Article 53d of the Financial Regulation and the corresponding provisions of the Implementing Rules, as these organisations have prepared the activities, assessed their feasibility and defined the implementation arrangements together with the European Commission. To replenish the Guarantee Facility with EUR 5 400 000, the European Commission will sign a Contribution Agreement with EIF. For a contribution of EUR 7 000 000 to the TA Facility, the European Commission will sign Contribution Agreements and enter into joint management with EIB and the World Bank. All agreements should be signed by quarter 4, 2013 at the latest.

Project 4: Support to the South East Europe Transport Observatory (SEETO) – EUR 600 000

The project purpose is to support the implementation of the Strategic Work Programme of SEETO with the objective of fully integrating South East Europe into the European Transport market. The project will be implemented with a framework contract for the total value of EUR 600 000 tendered in quarter 1, 2013. Implementation of this project will be cross sub-delegated to DG Mobility and Transport (MOVE).

Project 5: Support to the South East European Centre for Entrepreneurial Learning (SEECCEL) – EUR 3 400 000

The project is in line with the MIPD 2011-2013 chapter 3.4.1., which refers to the need to develop efficient mechanisms to raise competitiveness, including competence of human capital and improve the business environment for SMEs to support sound recovery from the economic and financial crisis and generate future growth for the region.

The overall project objective is to raise the competence and skills level of human capital in the Western Balkans and Turkey. The specific project objective is to enhance regional cooperation in the development of a lifelong entrepreneurial learning (LLEL) system as a part of the implementation of the Small Business Act for Europe (SBA) - human capital dimension (principle 1 and 8), the pre-accession process and the overall Europe 2020 strategy.

The project will be implemented in centralised management by way of direct grant to the South East Europe Centre for Entrepreneurial Learning (SEECCEL) in accordance with Article 190 (1) (f) of Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union³ (hereinafter referred to as "the Rules of Application") on account of its technical competence. While implementing various activities since 2009, SEECCEL, which is located in Croatia, has developed into a unique reference point in the area of capacity building in entrepreneurship and entrepreneurial learning in the region.

³ OJ L 362 of 31.12.2012, p. 1.

The first contract is planned to be signed in quarter 1, 2013 followed by a second contract in quarter 4, 2013 for new activities.

Project 6: "Next Generation Competitiveness" - EUR 4 900 000

The overall project objective is to strengthen the competitiveness of key economic sectors in the Western Balkans by supporting the implementation of the South East Europe 2020 Vision. The specific project objective is to expedite the implementation of policy reforms that target the business environment and help remove structural barriers to growth. Besides setting up an open, sector-based, regional network of Western Balkan businesses and governments, the project aims to develop a set of policy tools which can be transferred and applied to other economic sectors to increase their competitiveness and to establish a monitoring process to ensure the SEE 2020 Vision is being implemented.

This project is a continuation and extension of a previous project geared towards raising regional competitiveness, implemented by OECD. It is envisaged to sign in quarter 1, 2013 a Contribution Agreement with OECD and to enter into joint management, following Article 53d of the Financial Regulation and the corresponding provisions of the Implementing Rules as this organisation has prepared the activities, assessed their feasibility and defined the implementation arrangements together with the European Commission.

Environment and Climate Change

Project 7: Prevention, preparedness and response to floods in the Western Balkans and Turkey – EUR 2 000 000

Disaster risk reduction and mitigation of and adaptation to climate change are addressed under chapter 3.6. of the MB MIPD 2011-2013.

The overall objective of this project is to increase the capacities of the relevant authorities to ensure proper flood risk management at national, regional and EU level. The specific project objective is to increase beneficiaries' capability to develop effective national civil protection systems and collaborate in a coherent manner in dealing with floods at regional and European level (prevention, preparedness and response) as well as to support the approximation to and implementation of the EU Floods Directive.⁴

The implementation of this project will be sub-delegated to DG Humanitarian Aid and Civil protection (ECHO); the DG Joint Research Centre (JRC) will support the management of the project, considering its relevant scientific competence. A call for proposals is expected to be launched in quarter 4, 2013.

The contract will be awarded to a consortium consisting of at least one EU Member States' body which is competent in the field of this project. The selection and award criteria will relate to the financial and operational capacity of the applicant, the relevance and design of the proposal, effectiveness and feasibility of the action, sustainability of the action, budget and cost-effectiveness of the action and European added-value (European dimension).

⁴ Directive 2007/60/EC on the assessment and management of flood risks (OJ L288, 6.11.2007, p.27)

Project 8: Environment and Climate Regional Accession Network (ECRAN) – EUR 5 000 000

In chapter 3.6.3., the MIPD foresees further support to regional networks such as the Regional Environmental Network for Accession (RENA). This project should be seen as a successor of RENA. The overall objective of this project is to strengthen regional cooperation between the candidate countries and potential candidates in the fields of environment and climate action given their prospect of accession to the European Union. The specific project objective is to help the beneficiaries to build their capacity for the correct planning, transposition, implementation and enforcement of environment and climate *acquis*, and thus prepare for the accession negotiations for Chapter 27 – Environment and Climate Change. Also, the project will support the streamlining of climate considerations in sectoral policies, raise awareness and promote inter-ministerial co-operation. The project will further help the beneficiaries to deal with trans-boundary environmental and climate issues which are of direct importance both at national and regional level, as well as strengthen the capacity of NGOs active in environment and climate fields.

The implementation of this project will be sub-delegated to DG Environment (ENV). The procurement procedure will be launched in quarter 1, 2013 and a service contract is planned to be concluded in quarter 1, 2013.

Project 15: Support to the International Sava River Basin Commission in the development of the Sava Geographic Information System – EUR 150 000

The overall objective of this project is to provide good communication channels for the ISRBC community in order to share and disseminate information and knowledge about protection of the water resources and water management activities in the Sava River Basin. The specific project objective is to provide support and assistance to the International Sava River Basin Commission (ISRBC) and the countries cooperating under the Framework Agreement on the Sava River Basin (Croatia, Bosnia and Herzegovina, Serbia and Slovenia) as well as to Montenegro in starting to implement the first Sava River Basin Management Plan as well as in all joint activities targeted for subsequent RBM cycles by developing necessary capacities and information base - Sava Geoportal.

The implementation of this project will be sub-delegated to DG Environment (ENV). It is planned to sign a grant contract with the Sava River Basin Commission in quarter 1, 2014, in accordance with Article 190 (1) (f) of the Rules of Application on account of its technical competence and high degree of specialisation. Based on their regional presence and wide experience in horizontal actions, reviews and stakeholder coordination in the area, only the ISRBC combines the required technical capacity, knowledge and above all independence and authority to undertake a fair and consistent assessment, with a view to creating the conditions for effective coordination.

Sector Social Development

Project 9: Erasmus Mundus Action 1: Western Balkans - Turkey Windows – EUR 8 000 000

As noted in the MIPD 2011 - 2013, the objectives of assistance in this sector is to enhance regional cooperation among the beneficiaries, enable better quality of higher education and foster reforms in education.

The overall project objective is to achieve better understanding and mutual enrichment between the European Union and the candidate countries and potential candidates in the field of higher education through promoting the mobility of students and doctoral candidates at higher education level. The specific project objective is to enable highly qualified graduates and doctoral candidates from the Western Balkans and Turkey to engage in postgraduate study at European universities and to obtain qualifications and/or experience in the European Union and EFTA-EEA States.

This project will be implemented by indirect centralised management. Implementation tasks are delegated by the European Commission to the Education, Audiovisual and Culture Executive Agency (EACEA). The EACEA will sign grant contracts with the universities after the selection of the students. It is expected that these contracts will be concluded in quarter 2, 2014.

Following a selection of Erasmus Mundus joint programmes EACEA then enters into a 5 year Framework Agreement with the selected Master course and Joint Doctorate programmes. Consequently and on an annual basis the Erasmus Mundus consortia select their students/doctoral candidates according to a set of minimum requirements⁴ which must be incorporated into the specific selection requirements of each Erasmus Mundus Master course or Joint Doctorate and published on the respective course website. The Erasmus Mundus consortia then submit scholarship and fellowship grant applications to EACEA for distribution and management of the individual grants.

Project 10: Erasmus Mundus – Action 2: Partnerships, Lot - Western Balkans – EUR 12 000 000

The overall project objective is to contribute towards the development of human resources and the international cooperation capacity of higher education institutions in the Western Balkans. The specific project objective is to enable the exchange of staff and students at all levels thereby enhancing their knowledge and skills.

This project will be implemented by indirect centralised management. Implementation tasks are delegated by the European Commission to the Education, Audiovisual and Culture Executive Agency. The project will be implemented through a call for proposals. The call for proposals should be launched in quarter 4, 2013. The selection and award criteria will relate to (a) the financial and operational capacity of the applicant, (b) the relevance of the proposal, and (c) the methodology proposed.

⁴ published on EACEA website:
http://eacea.ec.europa.eu/erasmus_mundus/beneficiaries/documents/action1/emmcselectreq_2012.pdf
and
http://eacea.ec.europa.eu/erasmus_mundus/beneficiaries/documents/action1/emjdselectreq_2012.pdf

Project 11: Youth in Action Western Balkans Window – EUR 3 000 000

The overall project objective is to strengthen democracy, civil society and social inclusion in the Western Balkans, as well as young people's mutual understanding, sense of solidarity and tolerance, by facilitating the integration and active participation of young people in society. The specific objective of this project is to promote the non-formal education and youth sector in the region by supporting projects with the partner beneficiaries, in particular youth exchanges, transnational voluntary service and training and networking for those active in youth work.

This project will be implemented by indirect centralised management. Implementation tasks are delegated by the European Commission to the Education, Audiovisual and Culture Executive Agency. The Programme "Youth in Action" is implemented on the basis of a permanent Call for Proposals. The present project, as part of the overall programme, foresees three deadlines in 2013. Following the selection of the projects by an evaluation committee on the basis of criteria defined in the Youth in Action Programme Guide, grants will be awarded in quarter 2, 3 and 4, 2013 to youth organisations established in the Western Balkans.

Support and other activities:

Project 12: Support to the operating expenditures of the RCC Secretariat – EUR 10 900 000

The MIPD 2011 – 2013 foresees in chapter 3 the financing of other interventions that fall outside the scope of the main sectors, including support to the operational budget of the Regional Cooperation Council (RCC) and other technical assistance and capacity building support to its strategic coordination role. The overall project objective is to strengthen regional cooperation in South East Europe. The specific project objective is to provide additional support to the operational budget of the Secretariat of the RCC for 2013 and in particular for 2014 – 2016 support the new enforced role and budget of the RCC Secretariat to coordinate the implementation of the South East Europe 2020 strategy.

The part of the project providing additional co-financing to the operational budget of the RCC Secretariat in 2013 is being implemented by way of an operating grant, directly awarded to the RCC in quarter 2, 2013, based on Article 190 (1) (c) of the Rules of Application, on account of its *de facto* monopoly. The second part of the project providing co-financing to the RCC operations in 2014 - 2016 will be implemented partly by way of an operating grant of EUR 3 575 000, to be concluded in quarter 4, 2013 for support in 2014 based on Article 190 (1) (c) of the Rules of Application. For the part of the project implemented by direct grant contracts, the essential selection criteria are financial and operational capacity of the applicant. The award criteria are relevance, effectiveness and feasibility, sustainability and cost-effectiveness of the action.

Part of support of RCC operations in 2014 – 2016 will be implemented in joint management, subject to the successful completion of the on-going 4-pillar assessment of the RCC. To this end it is planned to conclude in quarter 4, 2014 a Contribution Agreement for EUR 7 150 000 for the years 2015-2016.

The RCC was established in 2007 by the Heads of States and Governments of the South East European Cooperation Process (SEECP), with the support of the EU, as the successor to the Stability Pact. The RCC is thus a unique institution for regional cooperation, and no other organisation can perform this function. By supporting the operation of the Secretariat of the RCC, which is the main partner for regional cooperation in South East Europe, the EU will also strengthen regional cooperation per se. The EU has made a political commitment to support it as a forum for such cooperation. The IPA contribution will directly support the implementation of the RCC Strategy and Work Programme 2014-16 which was adopted by the RCC Board in April and endorsed by the SEECP Ministerial in June 2013. The main priority will be the SEE 2020 Strategy, and its 11 headline targets for economic growth and jobs, which was endorsed by the Western Balkan Ministers of Economy in Tirana in November 2012.

Project 13: Strengthening European Integration – EUR 11 610 000

The MIPD 2011 – 2013 foresees in chapter 3 the financing of other interventions such as project identification and preparation.

The overall project objective is to ensure effective programming and project development as well as implementation of the MB programmes thus contributing to the overall progress of the accession process and increasing the effectiveness and impact as well as visibility of accession-oriented projects financed through IPA. The specific project objective is to strengthen the ability of the beneficiaries to effectively design and develop strategic documents, programmes and projects to be submitted for financing under IPA as well as to enable the implementation of a number of accession-related actions of various public/private actors in order to meet specific and urgent needs in the beneficiaries.

Furthermore, to support the beneficiaries' participation in activities for the exchange of information, networking, in workshops, conferences, study visits and similar activities and to assist in smaller-scale projects supporting European integration.

It is expected that part of the project will be implemented through approximately 7 service contracts for a total indicative amount of EUR 2 500 000, procured through calls for tender (1-2) or under framework contracts (5-6), depending on the amount, which should be launched between quarter 1, 2013 and quarter 3, 2014.

Part of the project will be implemented by indirect centralised management by the European Training Foundation (ETF) in accordance with Article 54(2)(b) of the Financial Regulation. ETF will support the beneficiaries to develop strategies and action plans in the policy area of employment, social policies and Human Resources (HR) development. To this end, the European Commission will sign an Agreement with ETF for an amount of EUR 1 400 000 in quarter 1, 2013.

ETF was initially created by Council Regulation (EEC) N° 1360/90 of 7 May 1990, repealed by Regulation (EC) N° 1339/2008 of the European Parliament and of the Council of 16 December 2008 establishing a European Training Foundation (recast)⁶. ETF has extensive experience from previous enlargement rounds in supporting candidate countries of in the area of HR development, employment strategies and

⁶ OJ L354 on 31 December 2008 (pp.82-93).

vocational training. In the context of the Europe 2020 strategy and in view of preparing for future membership, the beneficiaries have to reinforce reform efforts underpinning a smart, sustainable and inclusive growth agenda while addressing skills depletion, shortages or gaps in dynamic sectors, regions and enterprises.

Furthermore, part of the project will be implemented by grant contracts, including direct award. The essential selection criteria are financial and operational capacity of the applicant. The award criteria are relevance, effectiveness and feasibility, sustainability and cost-effectiveness of the action.

One direct grant is foreseen to be awarded to the South East Europe Regional Rural Development Standing Working Group (SWG SEE) for an indicative amount of EUR 900 000 (equivalent to 100% of the total costs) to be awarded in quarter 1, 2014. The direct grant aims to provide support in planning and programming the IPA-funded projects by, for example, assisting in stakeholder consultations, advice on drafting project fiches and the preparation of a region-wide pilot initiative for area-based development (ABD) including the provision of assistance for one support scheme in one of the most advanced target regions in close collaboration with the Commission services, in particular DG Enlargement and DG Agriculture and Rural Development. The award decision is based on Article 190 (1) (f) of the Rules of Application, since a particular type of body on account of its technical competence is required. Based on their regional presence and wide experience in horizontal actions, reviews and stakeholder coordination in the area of rural development, only the SWG SEE combines the required technical capacity, knowledge and above all independence and authority to undertake a fair and consistent assessment, with a view to creating the conditions for effective coordination of a future regional pilot initiative for area-based development.

It is planned to continue cooperating with the World Bank. The World Bank has extensive international experience in working with government counterparts to implement policy reforms and associated sector programmes. Over the last years, the Bank has worked extensively with Turkey and the Western Balkans to strengthen government functions associated with the monitoring and evaluation of policies and programmes, as well as Public Finance Management and economic governance (e.g. programme budgeting, audit, statistical capacity) and is therefore well placed to carry the work forward.

It is therefore foreseen to sign an Administration Agreement and to enter into joint management with the World Bank following Article 53d of the Financial Regulation and the corresponding provisions of the Implementing Rules. An indicative amount of EUR 1 000 000 is set aside for this purpose and the Administration Agreement should be signed in quarter 2, 2014 at the latest.

In order to prepare the beneficiaries for implementation of a sector-based approach and enhanced economic dialogue, it is also foreseen to enter into cooperation with the European Central Bank (ECB) and the International Monetary Fund (IMF). The experience and expertise of these institutions (in case of ECB building on an earlier, MBP IPA 2009 project) is urgently needed to prepare the beneficiaries for the enhanced pre-accession economic dialogue under the next Multi-annual Financial Framework (MFF). The strengthened EU governance and surveillance mechanisms

have implications for fiscal and economic surveillance of enlargement countries, putting more emphasis on external sustainability and competitiveness issues and on the identification of the main structural bottlenecks of growth. Enlargement Countries find it difficult to meet ensuing requirements, often due to weak administrative capacities. It is foreseen that the ECB and IMF, given their central role in economic governance in the European and global context, will have to engage more systematically in supporting the beneficiaries and the process in the next MFF.

It is therefore foreseen to sign Contribution Agreements (CA) and to enter into joint management with these organisations, following Article 53d of the Financial Regulation and the corresponding provisions of the Implementing Rules. An indicative amount of EUR 1 000 000 (EUR 500 000 each) is set aside for this purpose and the Contribution Agreements should be signed in quarter 4, 2013.

In addition, it is foreseen to support the SENSE News Agency by way of an action grant, based on article 190 (1) (f) of the Rules of Application, on account of its technical competence and high degree of specialisation. The SENSE News Agency informs the public in the countries of the former Yugoslavia about the functioning of the international tribunals and courts of The Hague, in particular the work of the International Criminal Tribunal for the former Yugoslavia (ICTY), to show that justice is done and how it is done, to raise public support for cooperation with the ICTY and for domestic prosecution of war crimes. The action provides local media with reliable, objective and non-biased information, bringing international justice closer to the victims and general public and opposing the culture of impunity and prevents denial and revisionism.

Only the Sense News Agency, who has been covering regularly and systematically all the trials and other relevant activities at ICTY for a number of years, has the technical capacity to conduct this assignment. An indicative amount of EUR 200 000, equivalent to 22 % of the total cost of EUR 897 923, is foreseen for this grant, to be awarded in quarter 1, 2013.

It is also foreseen to support the Outreach Programme of ICTY with an indicative amount of EUR 500 000. To this end, a Contribution Agreement with ICTY should be signed in quarter 1, 2013, based on Article 190 (1) (f) of the Rules of Application on account of its technical competence and high degree of specialisation. Only the ICTY, responsible for the war crime judgements, has the technical capacity and knowledge to conduct this assignment, namely to promote transitional justice in the former Yugoslavia, through raising awareness of the ICTY's trials and of their role in the development of the rule of law and enforcement of human rights.

In addition, urgent bridging support will be provided to the European Institute of Gender Equality (EIGE) and the European Environment Agency (EEA) to carry out preparatory measures in the Beneficiaries and to liaise with the Beneficiary counterparts and stakeholders so as to facilitate future participation in their measures and to stimulate cooperation between the Beneficiaries and their stakeholders. Contribution Agreements should be signed in quarter 3, 2014 at the latest based on Article 190 (1) (f) of the Rules of Application, on account of their technical competence and high degree of specialisation. The support of EUR 100 000 will allow the European Institute of Gender Equality to continue actions with the aim to increase

participation of women in the society and workforce, embedded in the SEE 2020 vision. The CA of EUR 500 000 to the European Environment Agency, in particular, will provide support to the Europe 2020 Greenhouse Gas Emission Control in candidate countries and potential candidates.

It is also foreseen to sign Contribution Agreements with the secretariat of the Central European Free Trade Agreement (CEFTA) for an amount of maximum EUR 500 000 to, on the one hand continue co-financing the functioning of the CEFTA secretariat from September till end of December 2014 (EUR 60 000) and, on the other hand provide initial support to the CEFTA secretariat in the implementation of the SEE 2020 strategy (EUR 440 000). The Contribution Agreements should be signed at the latest in quarter 4, 2014, based on Article 190 (1) (f) of the Rules of Application, on account of its technical competence and high degree of specialisation. The implementation of the CEFTA agreement is seen as essential for completing the regional free trade area, thus facilitating also implementation of SEE 2020. A functional regional market within CEFTA and continued *acquis* alignment are also important to attract investments in South East Europe.

It is also planned to launch in quarter 4, 2013 an open call for proposals to selected civil society organisations and networks (i) to carry out research and analysis of the recent past and history in the Western Balkans (lot 1), and (ii) to report on transitional justice with reference to the last 25 years in the Western Balkans (lot 2).

With a maximum of 90% of co-financing rate and a total available EU budget of EUR 1 300 000, a maximum of 3 grants (2 for lot 1 and 1 grant for lot 2) will be awarded by quarter 2, 2014 at the latest. The selected organisations will be awarded grants based on the relevance, effectiveness and feasibility, sustainability and cost-effectiveness of the proposed action, their experience and proven track record in conducting multi-stakeholder research and analysis, consultation and advocacy in the field of history and reconciliation. As a result of their research and analysis, the organisations are expected to produce material such as text books, but also ad hoc studies, documents and conference results available on specific websites. Organisations from the beneficiary countries and from the EU are invited to apply.

Furthermore it is planned to sign a Grant Agreement with Transparency International (TI) for an indicative amount of EUR 1 710 000 to be awarded in quarter 1, 2014, based on Article 190 (1) (f) of the Rules of Application, on account of its technical competence and high degree of specialisation. Transparency International has developed and already repeatedly tried out an innovative methodology to assess the performance of anti-corruption systems, the so-called National Integrity System assessment (NIS). With this expertise and experience they have a unique position to offer the Commission an assessment tool on anti-corruption. Their approach combines comprehensive research and active stakeholder engagement. The support will allow TI to conduct/update assessments of the NIS in each of the enlargement countries, provide guidance on how to strengthen the accountability and transparency of the national systems. In particular the development of a methodology for establishing a mechanism to track progress of anti-corruption efforts is relevant to the European Union. It will assist in measuring developments in the annual EU Progress Reports.

Cost-effectiveness is guaranteed as DG DEVCO and DG HOME have or are currently making equally use of conducting the NIS and are/have been satisfied with the

budgetary handling by the organisation. As the methodology for conducting the NIS has in the past been implemented in over 100 countries, including most EU Member States, the action can be considered as feasible. Transparency International is a recognized global player on anti-corruption whose effectiveness has been repeatedly proven in particular on conducting the NIS. Sustainability will be ensured as the newly developed tracking mechanism will remain a tool for the European Commission beyond the project cycle.

2.4 CROSS-CUTTING ISSUES

Cross cutting issues, such as equal opportunities and non-discrimination, support to minorities and vulnerable groups, environmental protection, disaster prevention, involvement of civil society and good governance with particular attention to fight against corruption, have, as appropriate, become an integral part of each project. The mainstreaming of the cross cutting issues in each project shall ensure that strategies, policies, structures and operating procedures of the beneficiaries are in conformity with the principles defined in the various projects.

2.5 ASSUMPTIONS AND PRE-CONDITIONS

It is assumed that all beneficiaries and other stakeholders are fully committed to make the regional cooperation process all-inclusive and to resolve any outstanding bi-lateral and regional issues. The commitment of the beneficiaries to make the necessary resources available, to cooperate closely and to share knowledge as well as experiences are essential to the success of the projects included under this programme.

3 BUDGET

3.1 INDICATIVE BUDGET TABLE (CENTRALISED MANAGEMENT)

	Institution Building (IB)				Investment (INV)				Total (IB + INV)		Total IPA EU contribution					
	Total expenditure		IPA EU contribution		Other contribution ⁽¹⁾		Total expenditure		IPA EU contribution		Other contribution ⁽¹⁾		Total (IB + INV)		Total IPA EU contribution	
	EUR (a)=(b)+(c)	EUR (b)	% (2)	EUR (c)	EUR (c)	% (2)	EUR (d)=(e)+(f)	EUR (e)	% (2)	EUR (f)	EUR (g)=(a)+(d)	EUR (h)=(b)+(e)	% (3)	EUR (g)=(a)+(d)	EUR (h)=(b)+(e)	% (3)
Public Administration Reform	10 204 000	10 000 000	98	204 000	2								10 204 000	10 000 000	8.28	
Project No.1: SIGMA	10 204 000	10 000 000	98	204 000	2								10 204 000	10 000 000		
Justice and Home Affairs	10 263 000	10 000 000	97.44	263 000	2.56								10 263 000	10 000 000	8.28	
Project No. 2: Int. cooperation in criminal justice	5 000 000	5 000 000	100		0								5 000 000	5 000 000		
Project No. 14: Support to the Prosecutors' network	5 263 000	5 000 000	95	263 000	5								5 263 000	5 000 000		
Private Sector Development	16 400 000	15 300 000	93	1 100 000	7	56 800 000	27 200 000	47	29 600 000	73 200 000	42 500 000	35.19				
Project No. 3: component 2) WBIF -EDIF	7 400 000	7 000 000	94.59	400 000	5.41	56 800 000	27 200 000	47.89	29 600 000	64 200 000	34 200 000					
Project No. 5: SEECCEL	4 000 000	3 400 000	85	600 000	15								4 000 000	3 400 000		
Project No. 6: Competitiveness	5 000 000	4 900 000	98	100 000	2								5 000 000	4 900 000		

Transport and Energy infrastructure	5 600 000	5 600 000	100		0						5 600 000	5 600 000	4.64
Project No. 3: component 1) IFI coordination	5 000 000	5 000 000	100		0						5 000 000	5 000 000	
Project No. 4: SEETO	600 000	600 000	100		0						600 000	600 000	
Environment and Climate Change	7 166 667	7 150 000	100		0	16 667					7 166 667	7 150 000	5.92
Project No. 7: Prevention, preparedness and response to floods	2 000 000	2 000 000	100		0						2 000 000	2 000 000	
Project No. 8: ECRAN	5 000 000	5 000 000	100		0						5 000 000	5 000 000	
Project No. 15: Support to Sava River Commission	166 667	150 000	90		10	16 667					166 66	150 000	
Social Development	23 750 000	23 000 000	97		3	750 000					23 750 000	23 000 000	19.05
Project No. 9: Erasmus Mundus Action 1	8 000 000	8 000 000	100		0						8 000 000	8 000 000	
Project No. 10: Erasmus Mundus Action 2	12 000 000	12 000 000	100		0						12 000 000	12 000 000	
Project No. 11: Youth in Action	3 750 000	3 000 000	80		20	750 000					3 750 000	3 000 000	
Support activities	28 642 368	22 510 000	78		22	6 132 368					28 642 368	22 510 000	18.64
Project No. 12: RCC	16 000 000	10 900 000	68.13		31.88	5 100 000					16 000 000	10 900 000	
Project No. 13: SEI	12 642 368	11 610 000	91.83		8.17	1 032 368					12 642 368	11 610 000	
TOTAL	102 026 035	93 560 000	91.7		8.3	8 446 035	56 800 000	27 200 000	48	29 600 000	158 826 035	120 760 000	100

Amounts net of VAT, except for Project No. 1, total amount includes EUR 150 000 of eligible VAT.

- (1) Other contribution (public and private national and/or international contribution) provided by national counterparts and/or international organisations, IFIs and/or grant beneficiaries
- (2) Expressed in % of the Total expenditure IB or INV (column (a) or (d)).
- (3) Sector or Project rows only. Expressed in % of the grand total of column (h). It indicates the relative weight of the sector or with reference to the total IPA EU contribution of the entire FP.

3.2 PRINCIPLE OF CO-FINANCING APPLYING TO THE PROGRAMME

The IPA EU contribution, which represents 76.23 % of the total budget allocated to this programme, has been calculated in relation to the **eligible expenditure**, which in the case of centralised management and joint management is based on the **total expenditure**.

Due to its regional character it is not possible to require national co-financing for all the projects in this Programme.

In the case of grants, final grant beneficiaries should contribute with a minimum of 10% of the eligible expenditure of the project (i.e. maximum EU contribution of 90%).

In the case of Project No. 13 the following exceptions apply in the light of Article 277 of the Rules of Application:

- the direct grant with the South East Europe Regional Rural Development Standing Working Group (SWG SEE), for which full Union financing is essential for the action to be carried out because it is the preparation of a region-wide pilot initiative for which it is in the interest of the Union to be the sole donor to the action, and in particular to ensure visibility.
- the Contribution Agreement with the ICTY, for which full financing is essential for the action to be carried out because the action will contribute to the protection of fundamental rights of peoples. The support to the ICTY contributes to render justice to thousands of victims and their families, respect of fundamental rights, and finally to lasting peace in the former Yugoslavia.
- the Contribution Agreements with CEFTA, for which full financing is essential for the action to be carried out because the implementation of the CEFTA agreement and SEE 2020 strategy to which this action contributes is seen as essential for completing the regional free trade area.

4 IMPLEMENTATION

4.1 MANAGEMENT MODES AND IMPLEMENTATION MODALITIES

The programme will be implemented on a centralised basis by the European Commission in accordance with Article 53a of the Financial Regulation and the corresponding provisions of the Implementing Rules, save for the following exceptions:

Project No. 1 will be implemented by joint management with the OECD following Article 53d of the Financial Regulation and the corresponding provisions of the Implementing Rules as this organisation has prepared the activities, assessed their feasibility and defined the implementation arrangements together with the European Commission.

Project No. 2 will be implemented by indirect centralised management by the Italian Ministry of the Interior, based on Article 54 2(c) of the Financial Regulation, subject to the positive outcome of the so-called "six pillars assessment".

Project No. 3: Part of the project will be implemented by indirect centralised management through EIF following Article 56 of the Financial Regulation and the corresponding provisions of the Implementing Rules. To this end, the European Commission will conclude a Delegation Agreements with EIF.

Part of the project will be implemented by the European Commission in joint management with EIF as well as the EIB and the World Bank following Article 53d of the Financial Regulation and the corresponding provisions of the Implementing Rules, as these organisations have prepared the activities, assessed their feasibility and defined the implementation arrangements together with the European Commission. To this end, the European Commission will conclude Contribution Agreements with EIF, EIB and World Bank respectively.

Implementation of Project No. 4 will be cross sub-delegated from DG Enlargement to DG Mobility and Transport (MOVE).

Project No. 6: The project will be implemented by joint management with the OECD following Article 53d of the Financial Regulation and the corresponding provisions of the Implementing Rules as this organisation has prepared the activities, assessed their feasibility and defined the implementation arrangements together with the European Commission.

Implementation of Project No. 7 will be cross sub-delegated from DG Enlargement to DG Humanitarian Aid and Civil protection (ECHO) and Projects No. 8 and No. 15 to DG Environment (ENV).

Project No. 9: Erasmus Mundus - Action 1: Western Balkans - Turkey Windows; No. 10: Erasmus Mundus – Action 2: Partnerships, Lot - Western Balkans and No. 11: Youth in Action Programme – Western Balkans Window, will be implemented by indirect centralised management following Article 53a of the Financial Regulation and the corresponding provisions of its Implementing Rules. Implementation tasks are delegated under Article 54 (2) (a) of the Financial Regulation to the Education, Audiovisual and Culture Executive Agency, which was created by Commission Decision 2005/56/EC of 14 January 2005. The mandate of the agency was extended by Commission Decision 2007/114/EC of 8 February 2007.

Project No. 12: Part of the programme will be implemented by the European Commission in joint management with the RCC, following Article 53d of the Financial Regulation and the corresponding provisions of the Implementing Rules, as this organisation has prepared the activities, assessed their feasibility and defined the implementation arrangements together with the European Commission.

Project No. 13: Part of the programme will be implemented by the European Commission in joint management with the World Bank, ECB and IMF, following Article 53d of the Financial Regulation and the corresponding provisions of the Implementing Rules, as these organisations have prepared the activities, assessed their feasibility and defined the implementation arrangements together with the European Commission. Part of the programme will be implemented by indirect centralised management by the European Training Foundation (ETF) in accordance with Article 54 2(b) of the Financial Regulation.

4.2 GENERAL RULES FOR PROCUREMENT AND GRANT AWARD PROCEDURES

Procurement shall follow the provisions of Part Two, Title IV Chapter 3 of the Financial Regulation No 966/2012 and Part Two, Title II, Chapter 3 of its Rules of Application.

Grant award procedures shall follow the provisions of Part One Title VI and Part Two Title IV Chapter 4 of the Financial Regulation No 966/2012 and Part One Title VI and Part Two Title II Chapter 4 of its Rules of Application.

4.3 ENVIRONMENTAL IMPACT ASSESSMENT, NATURE CONSERVATION AND DISASTER RESILIENCE

All investments shall be carried out in compliance with the relevant EU environmental legislation. An appropriate nature conservation assessment shall be made for each project⁷, equivalent to that provided for in Article 6 of the Habitats Directive⁸.

Disaster resilience and risk prevention and management should be also integrated in the planning, preparation and implementation of projects.

5 MONITORING AND EVALUATION

5.1 MONITORING

The Commission may undertake any actions it deems necessary to monitor the programmes concerned.

In the case of joint management with international organisations: the Commission may undertake any actions it deems necessary to monitor the programmes concerned. These actions may be carried out jointly with the international organisation(s) concerned.

5.2 EVALUATION

Programmes shall be subject to ex ante evaluations, as well as interim and/or, ex post evaluations in accordance with Articles 57 and 82 of IPA Implementing Regulation⁹, with the aim of improving the quality, effectiveness and consistency of the assistance from EU funds and the strategy and implementation of the programmes.

The results of evaluations shall be taken into account in the programming and implementation cycle.

The Commission may also carry out strategic evaluations.

6 AUDIT, FINANCIAL CONTROL AND ANTI-FRAUD MEASURES

The accounts and operations of all parties involved in the implementation of this programme, as well as all contracts and agreements implementing this programme, are subject to, on the one hand, the supervision and financial control by the Commission (including the European Anti-Fraud Office), which may carry out checks at its discretion, either by itself or through an

⁷ Cf. Annex Nature Conservation to the corresponding investment project fiche

⁸ Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora (OJ L206, 22.7.1992). Directive as last amended by Regulation (EC) No. 1882/2003 (OJ L 284, 31.10.2003, p. 1)

⁹ Commission Regulation (EC) No 718/2007 of 12 June 2007 implementing Council Regulation (EC) No 1085/2006 establishing an instrument for pre-accession assistance (IPA), OJ L 170, 29.6.2007, p.1

outside auditor and, on the other hand, audits by the European Court of Auditors. This includes measures such as ex-ante verification of tendering and contracting carried out by the EU Delegation in the Beneficiary.

In order to ensure the efficient protection of the financial interests of the European Union, the Commission (including the European Anti-Fraud Office) may conduct on-the-spot checks and inspections in accordance with the procedures foreseen in Council Regulation (EC, Euratom) No. 2185/96¹⁰.

The controls and audits described above are applicable to all contractors, subcontractors and grant beneficiaries who have received EU funds.

7 NON SUBSTANTIAL REALLOCATION OF FUNDS

The authorising officer by delegation (AOD), or the authorising officer by sub-delegation (AOSD), in line with the delegation of powers conferred upon him/her by the AOD, in accordance with the principles of sound financial management, may undertake non substantial reallocations of funds without an amending financing decision being necessary. In this context, cumulative reallocations not exceeding 20% of the total amount allocated for the programme, subject to a limit of EUR 4 million, shall not be considered substantial, provided that they do not affect the nature and objectives of the programme. The IPA Committee shall be informed of the above reallocation of funds.

8 LIMITED CHANGES

Limited changes in the implementation of this programme affecting essential elements listed under Article 94 of the Rules of Application which are of an indicative nature¹¹, may be undertaken by the authorising officer by delegation (AOD), or by the authorising officer by sub-delegation (AOSD), in line with the delegation of powers conferred upon him by the AOD, in accordance with the principles of sound financial management without an amending financing decision being necessary.

¹⁰ Council Regulation (EC, Euratom) No 2185/96 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities (OJ L 292, 15.11.1996, p. 2).

¹¹ These essential elements of an indicative nature are, for grants, the indicative amount of the call for proposals and, for procurement, the indicative number and type of contracts envisaged and the indicative time frame for launching the procurement procedures.

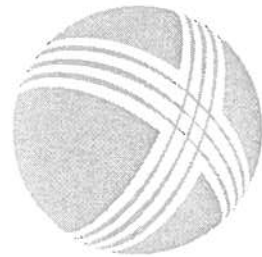


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Thank you for pre-consultation on this matter. I also like to inform you that Mr B. Caperman, from the Regional Cooperation and Programmes Unit, will participate in your meeting on the ETF 2015 Programme on 5th March.

Overall the priorities follow the already outlined priorities and goals in the ETF Strategy 2014 – 2020 and the Mid-Term Perspective 2014 – 2020.

In more detail the Policy Priorities follow the Human Resource Development Pillars under the SEE 2020 Strategy as well as the Small Business Act (SBA).

This concern for ETF the Smart Growth Pillar, Dimension D; "Education and Competences". This dimension aims to improve the regional knowledge and skills base and sets specific objectives in two main domains: a reduction of early leavers from education and training and an increase in tertiary educational attainment. ETF is under this Dimension supporting the work of Education Reform Initiative for South Eastern Europe (ERISEE) and South East Europe Centre for Entrepreneurial Learning (SEECCEL).

One priority closely connected to the Smart Growth Pillar is the Small Business Act for Europe, more exact the monitoring of principles, I – Create an environment in which entrepreneurs and family businesses can thrive and entrepreneurship is rewarded, and VIII – Promote the upgrading of skills in SMEs and all forms of innovation.

Very closely linked to above is the Inclusive Growth Pillar, Dimension L "Employment". The labour markets in the SEE region are categorised of low employment and low activity rates, particularly among women and young people.

It also include to certain extent the Sustainable Growth Pillar, Dimension K; "Competitiveness". This pillar is linked to SME Policy and improvement of the business environment.

Finally I like to mention the more operational cooperation between DG EAC, DG EMPL, DG ELARG, RCC within the WB project on Employment and Social Inclusion, and the development of comprehensive HRD (Human Resource Development) strategic vision in the Enlargement countries.

