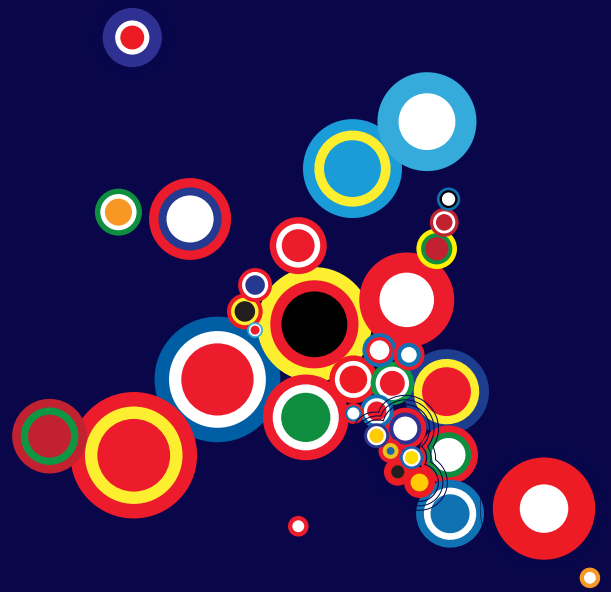




INSTRUMENT FOR PRE-ACCESSION ASSISTANCE (IPA II) 2014-2020

Kosovo*

Facility for implementation of
Political Priorities, including
Pristina-Belgrade Dialogue



Action Summary

To support measures related to urgent political priorities in support of Kosovo's European perspective, including those that may arise from the Pristina-Belgrade dialogue, the normalisation of relations with Serbia, the EULEX review, visa liberalisation and any other political developments

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

| Action Identification | |
|---|---|
| Programme Title | <i>2014 Annual Action Programme for Kosovo</i> |
| Action Title | Facility for implementation of political priorities, including the Pristina-Belgrade dialogue |
| Action Reference | <i>IPA 2014 /032353 / Kosovo/ Facility for implementation of political priorities, including the Pristina-Belgrade dialogue</i> |
| Sector Information | |
| IPA II Sectors | <i>Democracy and Governance</i> |
| DAC Sector | <i>43010</i> |
| Budget | |
| Total cost (VAT excluded)¹ | <i>EUR 3.0 million</i> |
| EU contribution | <i>EUR 3.0million</i> |
| Management and Implementation | |
| Method of implementation | <i>Direct Management</i> |
| <i>Direct management:</i> EU Delegation in charge | <i>European Union Office in Kosovo</i> |
| Implementation responsibilities | <i>European Union Office in Kosovo</i> |
| Location | |
| Zone benefiting from the action | <i>Kosovo</i> |
| Specific implementation area(s) | <i>Kosovo</i> |
| Timeline | |
| Deadline for conclusion of the Financing Agreement | <i>31 December 2015</i> |
| Contracting deadline | <i>3 years following the date of conclusion of Financing Agreement</i> |
| End of operational implementation period | <i>6 years following the date of conclusion of Financing Agreement</i> |

1. RATIONALE

PROBLEM AND STAKEHOLDER ANALYSIS

¹ The total action cost should be net of VAT and/or of other taxes. Should this not be the case, clearly indicate the amount of VAT and the reasons why it is considered eligible.

The European Union's involvement in Kosovo is focused primarily on the Stabilisation and Association Process, including the Progress Report, the SAP Dialogue and the Indicative Strategy Paper for Kosovo. However, the European Union is also directly concerned by developments that fall outside the immediate scope of the SAP and should be able to support these where needed. The below provides a non-exhaustive summary of such developments:

Pristina-Belgrade Dialogue

On the basis of the UN General Assembly resolution adopted on 9 September 2010, a process of dialogue between Pristina and Belgrade started on 8 March 2011. The UNGA Resolution welcomed the readiness of the European Union to facilitate a process of dialogue between the parties; the process of dialogue in itself would be a factor for peace, security and stability in the region, and that dialogue would be to promote cooperation, achieve progress on the path to the European Union and improve the lives of people. The dialogue has been facilitated by the EEAS, in close cooperation with the Commission. Agreements have been reached on civil registries, free movement, cadastre, customs stamps acceptance of university diplomas, integrated border management and regional cooperation and representation. On 19 April, Pristina and Belgrade reached a mile-stone 'first agreement of principles on the normalisation of relations'. In May 2013, an action plan to help implement the agreement was agreed. The dialogue has not ended and will continue. For the implementation of existing and future agreements, financial and/or technical assistance will continue to be required.

Northern Kosovo

The Commission has confirmed repeatedly that the people living in the north of Kosovo also need to benefit from the European perspective. To that end, the Commission underlined the importance of Kosovo launching a comprehensive agenda for the North. In its Conclusions of 5 December 2011, the Council invited Kosovo to launch an inclusive and long-term agenda for northern Kosovo and welcomed the Commission's intention to offer its full support to this agenda. The Commission is implementing a special programme in support of the Pristina-Belgrade dialogue financed under IPA 2013, which has a particular focus on the north.

Feasibility Study and Stabilisation and Association Agreement

In its conclusions of 28 February 2012, the Council took note of the intention of the Commission to launch a feasibility study for a Stabilisation and Association Agreement (SAA) between the European Union and Kosovo. The study was officially launched on 27 March and was issued on 10 October 2012. The feasibility study examined where Kosovo was in terms of political, economic and legal approximation, and highlighted the areas in which further progress and assistance was needed. The negotiations for an SAA started in October 2013 and were completed in May. The text of the SAA was initialled in July.

Visa dialogue

The General Affairs Council Conclusions of 5 December 2011 reaffirmed that Kosovo would benefit from the perspective of eventual visa liberalisation and welcomed the Commission's intention to launch a visa dialogue with Kosovo. The Commission launched the visa dialogue with Kosovo on 19 January 2012. The visa liberalisation roadmap was handed over on 14 June 2012. The visa roadmap identifies the measures that Kosovo needs to adopt and implement and the requirements it needs to fulfil to advance towards visa liberalisation. Progress in Kosovo's visa liberalisation efforts is monitored at regular intervals; the first progress report was issued in February 2013, the second in July 2014.

EULEX

EULEX Kosovo is the EU's largest CSDP mission. On 17 February 2012, the Strategic Review on EULEX was discussed in PSC. The main recommendations were to prolong the Mission's mandate for two years (until 14 June 2014), to significantly reduce the Mission's size in the south, to keep all executive functions, to focus more on the north, where the mandate remains unchanged; and to conduct a follow-up strategic review depending on developments in the north. The Council approved the extension of the mandate for two years. The new EULEX structure is to reduce the number of staff and provides for a gradual handover of responsibilities from EULEX to the Kosovo authorities. This process is to be accompanied by financial assistance from the EU. In an effort to structure and focus this assistance, the Commission asked Kosovo to prepare a Rule of Law Assistance Strategy at the occasion of the Structured Dialogue on the Rule of Law of January 2014. Kosovo submitted the assistance strategy in May.

Structured Dialogue on the Rule of Law

The Structured Dialogue on the Rule of Law between the European Commission and Kosovo, launched on 30 May 2012, was designed to help Kosovo to address the challenges in the field of the rule of law. The Structured Dialogue provides a high-level forum to regularly assess Kosovo's progress on three issues in particular: the judiciary, the fight against organised crime and the fight against corruption. This forum meets regularly to set priorities for reform in the rule of law area and monitors results.

RELEVANCE WITH THE IPA II STRATEGY PAPER (OR MULTI-COUNTRY STRATEGY PAPER) AND OTHER KEY REFERENCES

The Commission's annual Progress Reports on Kosovo identify the challenges Kosovo needs to address and the measures the EU can take to help Kosovo advance on the path of its European perspective. The Indicative Strategy Paper for Kosovo sets out the priorities for EU financial assistance for the period 2014-2020 to support Kosovo in fulfilling its European perspective. It translates the political priorities set out in the enlargement policy framework into key areas where financial assistance is most needed to meet the relevant criteria. All actions financed under this facility will be directly or indirectly related to the EU approximation process and Kosovo's EU reform agenda. Specific reference is included in the section IV of the Strategy Paper for Kosovo, where it is explicitly mentioned that IPA II will support the implementation of the EU facilitated Dialogue between Pristina and Belgrade, as well as all the developments of the EULEX mission and the visa liberalisation process.

SECTOR APPROACH ASSESSMENT

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

LESSONS LEARNED AND LINK TO PREVIOUS FINANCIAL ASSISTANCE

Experience has shown that Kosovo requires financial assistance that responds quickly and flexibly to political developments and processes. While the General Technical Assistance Facility supports preparation and/or implementation of activities related to planned or ongoing IPA assistance and actions identified as necessary within the IPA programme and Kosovo's general EU reform agenda, this project specifically supports Kosovo in addressing the needs and requirements arising from the political developments and processes described above.

2. INTERVENTION LOGIC
LOGICAL FRAMEWORK MATRIX

| OVERALL OBJECTIVE | OBJECTIVELY VERIFIABLE INDICATORS (OVI) | SOURCES OF VERIFICATION | |
|---|---|---|---|
| <p>To support measures related to urgent political priorities in support of Kosovo's European perspective, including those that may arise from the Pristina-Belgrade dialogue, the normalisation of relations with Serbia, the EULEX review, visa liberalisation and any other political developments that cannot be foreseen</p> | <p>Progress made by the country on the political criteria</p> | <p>Annual Progress Report</p> | |
| SPECIFIC OBJECTIVE | OBJECTIVELY VERIFIABLE INDICATORS (OVI) | SOURCES OF VERIFICATION | ASSUMPTIONS |
| <ol style="list-style-type: none"> 1. To support the practical implementation of agreements reached within the Pristina-Belgrade Dialogue; 2. To support an inclusive and long-term agenda for northern Kosovo; 3. To support Kosovo in addressing the needs and requirements identified in the visa roadmap and the Structured Dialogue on the Rule of Law; 4. To support Kosovo in addressing issues and challenges identified in the feasibility study for a Stabilisation and Association Agreement; 5. To support Kosovo authorities during and after EULEX | <p>Agreements reached within the Pristina-Belgrade dialogue are being implemented;</p> <p>Number of businesses established or supported in northern Kosovo</p> <p>Number of visa roadmap benchmarks met;</p> <p>Number of measures implemented as identified in the SAA feasibility study;</p> <p>Number of benchmarks met on transition of tasks between EULEX and GoK</p> | <p>Annual Progress Report.</p> <p>Project reports.</p> <p>EULEX reports.</p> <p>Reports and conclusions of the Structured Dialogue on the Rule of Law.</p> <p>GoK and Commission reports on the implementation of the visa roadmap.</p> | <p>Government allocates sufficient resources to and capacity to implement the agreements reached in the Pristina-Belgrade Dialogue;</p> <p>Kosovo starts implementing its agenda for northern Kosovo;</p> <p>The security situation in northern Kosovo allows for unimpeded implementation of</p> |

| | | | |
|---|--|---|---|
| <p>phasing-out as per the strategic review;</p> <p>6. To support any other action directly relevant to Kosovo's European perspective and EU reform agenda.</p> | | | <p>projects;</p> <p>The visa liberalisation dialogue and roadmap for Kosovo are implemented;</p> <p>The Strategic Review of EULEX, including the relevant benchmarks, is implemented;</p> |
| <p>Results</p> | <p>Objectively verifiable indicators (OVI)</p> | <p>Sources of Verification</p> | <p>Assumptions</p> |
| <p>1. Substantial progress has been made in the implementation of agreements reached within the framework of the Pristina-Belgrade dialogue;</p> <p>2. Substantial progress has been made in the socio-economic development of northern Kosovo and mutual trust between communities has increased;</p> <p>3. Kosovo has made substantial progress in the implementation of reforms and other measures identified in the visa roadmap, including meeting the relevant benchmarks;</p> <p>4. Kosovo has made substantial and sustainable progress in addressing the issues, challenges and recommendations confirmed in the feasibility study for a Stabilisation and Association Agreement;</p> <p>5. The capacity of Kosovo authorities to assume their responsibilities has been strengthened following EULEX phasing out</p> <p>6. Kosovo's capacity to make progress on its European perspective and implement its EU reform agenda has been improved.</p> | <p>Agreements reached within the Pristina-Belgrade dialogue are being implemented;</p> <p>Number of businesses established or supported in northern Kosovo</p> <p>Number of visa roadmap benchmarks met;</p> <p>Number of measures implemented as identified in the SAA feasibility study;</p> <p>Number of benchmarks met on transition of tasks between EULEX and GoK.</p> | <p>Annual Progress Report.</p> <p>Project reports.</p> <p>EULEX reports.</p> <p>Reports and conclusions of the Structured Dialogue on the Rule of Law.</p> <p>GoK and Commission reports on the implementation of the visa roadmap.</p> | |

| ACTIVITIES | MEANS | OVERALL COST | ASSUMPTIONS |
|--|---|-------------------------------|-------------|
| <p>Depending on the needs related to the Pristina-Belgrade dialogue, the future of EULEX mission, and other political processes described above, the project will be implemented through a number of twinning/twinning light/service/framework/grant contracts as well as work contracts, supply contracts or direct agreements where the need for a rapid response of the Commission to non-programmable events is such that the duration of the procedure to amend this decision would frustrate the purpose of such response.</p> | <p>Service, supplies, and works contracts, grants, twinning, twinning light,.</p> | <p>EUR 3.7 million</p> | |

ADDITION DESCRIPTION

The specific actions foreseen under this facility are yet to be identified. Assistance under this project fiche will target, but not exclusively, areas such as the rule of law, decentralisation, trade, economic development (including macro-economic and fiscal mechanisms), private sector development, public administration reform, employment and social policies, education, training and research, culture and the EU perspective and minority communities, sectorial approximation (energy, the environment and transport) and building institutional capacity. Actions will include institution-building and investment that are directly related to the EU approximation process, Kosovo's European perspective and its EU reform agenda, with particular focus on the implementation of the Pristina-Belgrade Dialogue, the Visa Liberalisation Process and the future of EULEX.

3. IMPLEMENTATION ARRANGEMENTS

ROLES AND RESPONSIBILITIES

The EU Office in Kosovo is still in charge of implementing the EU assistance to Kosovo and it will work closely with the Government of Kosovo, mainly Ministry of Justice and Ministry of Internal Affairs to ensure that the actions identified under this facility are in line with the Strategy Paper and the national development strategies in different sectors.

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

Depending on the needs related to the Pristina-Belgrade dialogue, the future of EULEX mission, and other political processes described above, the project will be implemented through a number of twinning/twinning light/service/framework/grant contracts as well as work contracts, supply contracts or direct agreements where the need for a rapid response of the EU to non-programmable events is such that the duration of the procedure to amend this decision would frustrate the purpose of such response.

Actions to be financed in the context of this action document will tend to be politically sensitive and require particularly speedy implementation and/or high level of discretion. Limited absorption capacities of potential beneficiaries of the action will also have to be taken into account, particularly in northern Kosovo.

For these reasons, a number of derogations from standard PRAG procedures may be required. Possible derogations include: awarding of grants without calls for proposals (direct awards), use of negotiated procedure, shortening of deadlines for work tenders, lowering of thresholds for contracts.

4. PERFORMANCE MEASUREMENT

METHODOLOGY FOR MONITORING (AND EVALUATION)

Monitoring of the progress of the implementation of this Action sector will be done in accordance with the rules and procedures for monitoring established in the EU Office in Kosovo.

INDICATOR MEASUREMENT

| Indicator | Description | Baseline (2015) | Last available (year) | Milestone 2017 | Target 2020 | Source of information |
|------------------|--------------------|------------------------|------------------------------|-----------------------|--------------------|------------------------------|
|------------------|--------------------|------------------------|------------------------------|-----------------------|--------------------|------------------------------|

| | | | | | | |
|---|--|------------|------------|-----|------|--|
| Progress made by the country on the political criteria | | <i>n/a</i> | <i>n/a</i> | 50% | 100% | AOSD reports produced by the EU office in Kosovo Mid-term review of IPA 2014-2020 |
| Number of benchmarks met on transition of tasks between EULEX and GoK | | | | | | |
| Number of visa roadmap benchmarks met | | | | | | |

5. CROSS-CUTTING ISSUES

ENVIRONMENT AND CLIMATE CHANGE (AND IF RELEVANT DISASTER RESILIENCE)

Environmental considerations will be duly reflected in all IPA-financed activities, in addition to specific actions supporting the environment, in particular environmental impact assessments. This is particularly relevant where there could potentially be a strong environmental impact, such as in the case of financing of investments, new legislation, etc. Disaster resilience and risk prevention and management should be integrated in the planning, preparation and implementation of projects.

ENGAGEMENT WITH CIVIL SOCIETY (AND IF RELEVANT OTHER NON-STATE STAKEHOLDERS)

Civil Society /Stakeholders involvement will be taken into consideration in all aspects of EU-funded activities, particularly in relation to all rule of law, public services, legislative matters and socio-economic support programmes in order to support civil society organisations to strengthen their capacities and professionalism, allowing them to engage in an effective dialogue with public and private actors and to monitor developments in areas such as the rule of law and respect for fundamental rights.

EQUAL OPPORTUNITIES AND GENDER MAINSTREAMING

Equal opportunities and non-discrimination against women, minority and vulnerable groups (including children, disabled and elderly people) will be taken into consideration in all aspects of EU-funded activities, particularly in relation to public services, legislative matters and socio-economic support programmes.

MINORITIES AND VULNERABLE GROUPS

The aim will be to contribute to multi-ethnic representation in the institutions benefiting from this project facility, which will address the ethnic groups fairly and equitably in accordance with the law, along with other marginalised groups.

6. SUSTAINABILITY

Not applicable as the individual measures to be financed under this project cannot be identified yet, nevertheless this type of assistance has proved to be extremely useful for the sustainability of the overall EU assistance to Kosovo especially as the interest and ownership of government for these types of activities is increasing continuously.

7. COMMUNICATION AND VISIBILITY

Communication and visibility will be given high importance during the implementation of the Action.

The implementation of the communication activities shall be the responsibility of the beneficiary, and shall be funded from the amounts allocated to the Action.

The European Union Office in Kosovo has developed clear visibility guidelines and ensures that all projects which are implemented in Kosovo are fully in line with these guidelines. Project visibility is also clearly stipulated in all contractual documents whereby the contractors/implementers are obliged to adhere to all EU visibility requirements as stipulated in the Communication and Visibility Manual for EU External Actions.

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

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

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

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

