



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

KOSOVO* Support to participation in Union Programmes

Action summary

The action will support Kosovo's participation in Union Programmes by co-financing the costs of entry-tickets.

The Action will enhance participation of Kosovo in Union Programmes, including strengthened ownership and responsibility of Kosovo for participation in those Programmes, and will contribute to an increase in the exchanges with EU Member States.

In addition, the Action aims to strengthen the capacities of responsible governmental bodies to manage and participate in EU Programmes.

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

Action Identification			
Action Programme Title	Annual Action Programme for Kosovo for the year 2020		
Action Title	Support to participation in Union Programmes		
Action ID	IPA 2020/ 042 089 /02 / Kosovo / Support to participation in Union Programmes		
Sector Information			
IPA II Sector	1. Democracy and Governance		
DAC Sector	43010 (multisector aid)		
Budget			
Total cost	EUR 657 277.60		
EU contribution	EUR 500 000.00		
Management and Implementation			
Method of implementation	Direct management		
<i>Direct management:</i> EU Delegation	European Union Office in Kosovo		
Implementation responsibilities	European Union Office in Kosovo		
Location			
Zone benefiting from the action	Kosovo		
Specific implementation area(s)	Kosovo		
Timeline			
Final date for concluding Financing Agreement(s) with IPA II beneficiary	At the latest by 31 December 2021		
Final date for concluding contribution/delegation agreements, procurement and grant contracts	3 years following the date of conclusion of the Financing Agreement, with the exception of cases listed under Article 114(2) of the Financial Regulation		
indicative operational implementation period	6 years following the conclusion of the Financing Agreement		
Final date for implementing the Financing Agreement (date by which this programme should be de-committed and closed)	12 years following the conclusion of the Financing Agreement		
Policy objectives / Markers (DAC form)			
General policy objective	Not	Significant	Main

	targeted	objective	objective
Participation development/good governance	<input type="checkbox"/>	<input type="checkbox"/>	X
Aid to environment	X	<input type="checkbox"/>	<input type="checkbox"/>
Gender equality (including Women In Development)	<input type="checkbox"/>	X	<input type="checkbox"/>
Trade Development	<input type="checkbox"/>	X	<input type="checkbox"/>
Reproductive, Maternal, New born and child health	X	<input type="checkbox"/>	<input type="checkbox"/>
RIO Convention markers	Not targeted	Significant objective	Main objective
Biological diversity	X	<input type="checkbox"/>	<input type="checkbox"/>
Combat desertification	X	<input type="checkbox"/>	<input type="checkbox"/>
Climate change mitigation	X	<input type="checkbox"/>	<input type="checkbox"/>
Climate change adaptation	X	<input type="checkbox"/>	<input type="checkbox"/>

1. RATIONALE

The Action will enhance participation of Kosovo in Union Programmes, including strengthened ownership and responsibility of Kosovo for participation in those Programmes, and will contribute to an increase in the exchanges with EU Member States. In addition, the Action aims to strengthen the capacities of responsible governmental bodies to manage and participate in EU Programmes.

PROBLEM AND STAKEHOLDER ANALYSIS

European Union Programmes are multi-annual financial instruments structured to promote cooperation, primarily among Member States in fields related to different European Union (EU) policies (i.e. research, competitiveness and innovation, media, education, health, youth, culture, environment, customs policy, fight against poverty, fight against youth unemployment, and so on). The policies behind the Union Programmes are closely related to the priorities of the strategy Europe 2020 – delivering the smart, sustainable and inclusive growth.

For Kosovo, its participation in these programmes represents an opportunity to prepare for its European perspective and to familiarise itself with the EU policies as well as with the system of values and mechanisms on which the EU is based.

The process of Stabilisation and Association Agreement between Kosovo and the EU started in October 2013. The Agreement was signed in October 2015 and entered into force on 1 April 2016. By signing this Agreement, Kosovo entered for the first time into a contractual agreement with EU, for which it is committed to fulfil the obligations deriving from Agreement (alignment of legislation, trade issues and so on).

In order to better fulfil the responsibilities arising from the Agreement, Kosovo has decided in 2017 to participate in Union Programmes with the aim to further build technical and administrative capacities in line with EU standards.

Kosovo signed the Framework Agreement with the European Commission on general principles for participation in Union Programmes on 25 November 2016. The Agreement includes a list of the 17 Union Programmes in which Kosovo is eligible to participate; it entered into force on 1 August 2017. Along with public administrations and agencies, private sector organisations, businesses and Civil Society Organisations including women's civil society organisations could benefit from the use of Union Programmes, which aim to build their capacities and prepare the ground for Kosovo's European perspective.

In 2017, a preliminary assessment/study of Kosovo's participation in Union Programmes was conducted. The objective of this study/assessment was to map of all the 17 Union Programmes by providing findings and recommendations on the capacities and needs for Kosovo's participation. The study identified all target groups for 17 Union Programmes, assessed the readiness of potential beneficiaries on various Union Programme participation by analysing the relevance of strategic documents and the potential beneficiaries' capacities. Further consultation workshops were held in 2017. At the end of consultation processes and based on preliminary assessment/study findings, Kosovo decided for a short-list of Union Programmes where IPA II support would be considered.

Support was programmed for the first time under IPA 2017 Annual Programme and focused on building the capacities of the National Contact Points to coordinate the work around the EU Programme and raise awareness among all stakeholders on the importance and benefits of the EU Programmes.

OUTLINE OF IPA II ASSISTANCE

In order for IPA II funds to be available for reimbursement during the participation of Kosovo in a given year, IPA II funds need to be earmarked in the IPA programme of the same or previous year.

The programmes where Kosovo decided to apply for reimbursement from IPA 2017, 2018 and 2020 are the following:

Erasmus +

ERASMUS + is the programme aiming at boosting skills and employability as well as modernising Education, Training and Youth work. The Programme has a budget of EUR 14.7 billion. It is a result of the integration of Lifelong Learning Programme, Youth in Action, Erasmus Mundus, Tempus, Alfa, Edulink and the programme for cooperation with industrialised beneficiaries in the field of higher education.

COSME

The programme for the Competitiveness of Enterprises and small-medium enterprises aim is to strengthen the competitiveness and sustainability of the Union's enterprises, including in the tourism sector, encourage an entrepreneurial culture, and promote the creation and growth of SMEs. It will engage a budget of EUR 2.3 billion for the 7 years running from 2014 to 2020.

Creative Europe

Creative Europe programme gives support to safeguard and promote the European cultural and linguistic diversity and support to strengthen the competitiveness of the sector. The Creative Europe framework programme brings together the Culture and Media programmes. It has a budget of EUR 1.46 billion for the 7 years running from 2014-2020.

Europe for Citizens

Europe for Citizens aims to encourage cooperation between citizens and organisations from different beneficiaries and facilitate the development of a sense of belonging to common European ideals and to promote the process of European integration. It has a budget of EUR 185 468 000.00 for the period 2014-2020.

Fiscalis 2020 programme

In 2019, the Tax Administration of Kosovo started the procedures to apply and sign an agreement to participate in the Fiscalis 2020 programme, which aims to enable Kosovo tax administrations to create and exchange information and expertise. It allows developing and operating major trans-European IT systems together, as well as establishing networks by bringing together officials from across Europe. It makes a substantial important contribution to the fight against tax fraud and supports revenue collection for participating beneficiaries' budgets and therefore has the potential to contribute to a reduction of the informal economy. Fiscalis 2020 has a budget of EUR 223 000 000.00 for the period 2014-2020.

Customs 2020 programme

Kosovo Customs has started procedures to apply and sign an agreement to participate in the EU's Customs 2020 programme. The whole process is expected to be completed by the end of 2019/beginning of 2020. Customs 2020 enables Kosovo customs administrations to create and exchange information and expertise between each other. It aims to support the functioning and modernisation of the EU's customs union in order to strengthen the internal market and to improve the administrative capacity of the customs authorities and strengthen the competitiveness of European businesses. Customs 2020 has a budget of EUR 523 000 000.00, covering the period 2014-2020.

All of the selected Union Programmes are in line with Kosovo short-term priorities and immediate needs deriving from the European Reform Agenda and the Stabilisation and Association Agreement. In addition to that, the above six Union Programmes give an opportunity for participation of different target groups, such as government bodies, private organisations and Civil Society Organisations. In addition, the programmes mentioned above, when implemented, should benefit both women and men, and, insofar as possible seek to contribute to gender equality.

RELEVANCE WITH THE IPA II INDICATIVE STRATEGY PAPER AND OTHER KEY REFERENCES

Kosovo's participation in selected Union Programmes will contribute to the addressing of recommendations of the European Commission's 2019 Kosovo Report and short-term priorities of the European Reform Agenda, most notably:

- i) Improving quality and access to education;
- ii) Improving quality standards and infrastructures as well access to finance for small-medium enterprises;
- iii) Supporting and promoting the culture sector;
- iv) Increasing CSO capacities related to their involvement in decision-making process.

In the meantime, Kosovo has appointed contact points for each Union Programmes where the International Agreement has been/will be signed. In addition, the cost of entry tickets is planned in the Kosovo Budget.

In addition, the Indicative Strategy Paper for Kosovo defines priorities for EU financial assistance to support Kosovo in meeting the criteria set for the period 2014-2020. This action document will focus on those Union Programmes identified as short-term priorities by the Kosovo institutions and are in line with the Indicative Strategy Paper respective sectors, i.e. Competitiveness, Education, and so on.

Furthermore, the action will be a complementary tool to support implementation of short-term priorities of the European Reform Agenda.

The National Action Plan for Implementing Stabilisation Association Agreement 2017-2021 also acknowledges the importance of Kosovo's participation in Union Programmes, such as: COSME, Erasmus+, and so on.

The 2018 Kosovo Report recommends increasing Kosovo's focus on the implementation of the Agreement obligations in order to move forward with its European perspective. Furthermore, the Action is in line with the February 2018 strategy entitled 'A credible enlargement perspective for and enhanced EU engagement with the Western Balkans', and especially the flagship initiatives aiming to enhance the region's socio-economic development.

LESSONS LEARNED AND LINK TO PREVIOUS FINANCIAL ASSISTANCE

Initially the Union Programmes were planned only for EU Member States but in 2003 during the European Council meeting in Thessaloniki, it was decided to open the European Union Programmes (ex-Community Programmes) to beneficiaries outside the EU and European Economic Area, who were in the Stabilisation and Association Process. The objective of participation of candidate countries and potential candidates on Union Programmes is to make them acquainted with the methods and policies of the EU.

Kosovo has limited experience with Union Programmes having benefited from ERASMUS + until 2018. Currently with the access to the six programmes mentioned above and with additional technical assistance provided by European Commission, Kosovo will have more experience to expand to other programmes as well. However, the experience from the region shows that successful participation in Union Programmes requires a high degree of ownership and initiative by the beneficiary.

Although the beneficiaries in the region are taking measures to improve their approach towards Union Programmes, the lack of data for number of applications and awarded contracts at beneficiary level seems to be a common problem in the region: beneficiaries do not have regular information from Implementing Agencies which will enable Kosovo authorities to regularly monitor, on an annual basis the efficiency and effectiveness of other Western Balkan beneficiaries' participation in Union Programmes. Finally, a general lesson learned is that whereas EU assistance through Union Programmes can contribute to building capacities in one particular sector, it does not always contribute to overall public administration reform. In fact, past EU assistance has sometimes contributed to the creation of sectorial isolated 'islands of excellence', which are rarely sustainable in the overall administrative environment. This is the case, for instance, of actions promoting the establishment of new organisational structures, even if supported with EU Member States practices. Should the creation of new institutional structures be necessary, in order to avoid fragmentation and politicisation of Kosovo administration and to ensure rationality and value for money, the assistance should pay particular attention to ensure clarity of accountability lines with the parent ministry.

Specifically, in Kosovo the experience with the four first programmes has been challenging in the beginning until the relevant institutions were fully informed on the EU programmes and their importance. Therefore, the complementary support provided by this action will aim at raising awareness among the relevant institutions, mainly, the Tax authorities and Customs in order to better facilitate the processes, such as the appointment of the National Contact Points.

2. DESCRIPTION AND IMPLEMENTATION ARRANGEMENTS

INTERVENTION LOGIC

General Objective:

- Long-term Overall objective: Access for participation on six selected EU Programmes
- Intermediate Overall objective(s): To co-finance the costs of the entry-tickets/participation fees and support effective absorption of these programmes funds

Specific objectives:

- Specific Objective 1: To enhance participation of Kosovo in EU Programmes, including increased exchanges with EU Member States
- Specific Objective 2:
To strengthen the capacities of the Office of the Prime Minister, relevant governmental bodies, National Contact Points, and potential beneficiaries for participation in EU Programmes

Outputs:

- Output 1 (influencing Specific Objective 1 and/or 2):
Capacities of the Ministry and relevant governmental bodies, National Contact Points, and potential beneficiaries for participation in EU Programmes strengthened.
- Output 2 (influencing Specific Objective 1): participation of Kosovo in the six abovementioned programmes enabled.

Indicators:

- Kosovo's participation rates in the following Union Programmes: Europe for Citizens (2020-2021), COSME (2020-2021), Erasmus+ (2020-2021) and Creative Europe (2020-2021), Fiscalis (2020-2021) and Customs (2020-2021).

Activities under this action mainly include the payment/reimbursement of entry tickets for participation on Union Programmes for which an International Agreement will be signed.

The Kosovo institutions that will coordinate and manage the programmes will show maximum dedication, including adequate staffing and budget resources, to participate and implement in a proper way the Union Programmes. Beneficiaries have benefited from technical assistance aiming to strengthen capacities for Kosovo's participation on the first four Union Programmes. Technical assistance in relation to the selected Union Programmes is financed through IPA 2017 programme as well as through this action.

IMPLEMENTATION ISSUES

By participating in Union Programmes, Kosovo is obliged to contribute to the EU budget by paying a fee (entry ticket). The fees are different for every programme, as each programme has its own rules for participation. The entry tickets are negotiated with the European Commission during the drafting of International Agreements. International Agreements are signed for the four first programmes and ratified by Kosovo Parliament (please see the Annex 1 for more details).

IPA funding rates shall decrease over the years in real or relative terms. IPA funds of year N co-finance entry tickets / participation fees for year N or year N+1 [e.g. participation fees for IPA 2014-2020 would co-finance 2014-2021 fees, i.e. the last year of IPA co-financing is falling outside this financial framework].

For participating in Union Programmes proper planning is needed. The institutions/beneficiaries should plan the cost of entry tickets in their medium term budget and the cost of entry tickets reimbursed by IPA programmes should be allocated in advance (one or two years in advance).

Kosovo must not only provide the co-financing but also the funds necessary for the payment of the total entry ticket, prior to receiving the partial reimbursement from IPA II. The reimbursement will be paid as a grant to Kosovo.

In case of co-financing for year N, the authorities will pay the entry ticket in advance, until the Financing Agreement is signed and the Commission co-financing can be reimbursed.

The key stakeholders affected by this action are the final grant beneficiaries (governmental and non-governmental bodies) of the Union Programmes selected. More specifically the main beneficiary of this assignment is the Office of the Prime Minister together with the Ministry of Education, Science and Technology, Ministry of Trade and Industry, Ministry of Culture, Youth and Sports. In addition to the government institutions, the others benefiting from this project is the civil society organisations sector, local public administration and public bodies, the private sector and education and research. Tax Administration of Kosovo and Kosovo Customs will also be included as stakeholders under this action and our experience has shown that they are amongst the most efficient institutions in Kosovo and there should not be any challenges in implementation with them.

The National IPA Coordinator in close coordination with DG NEAR will regularly monitor the participation rates and reports on them as well as on co-financing trends in the context of IPA monitoring committees.

COMMUNICATION AND VISIBILITY

Communication and visibility activities shall be implemented in accordance with the rules of each Union programme. The implementation of the communication activities shall be funded from the amounts allocated to the action.

All necessary measures will be taken to publicise the fact that the action has received funding from the EU in line with the communication and visibility requirements in force. All stakeholders and implementing partners shall ensure the visibility of EU financial assistance provided through IPA II throughout all the phases of the programme cycle.

The relevant programme managing entity shall be responsible for monitoring of the visibility activities. The NIPAC office needs to make sure that the institution participant of the respective Union Programme establishes direct contacts with the EU Delegation in order to plan and implement together visibility actions linked to the implementation of the respective Union Programme.

Visibility and communication actions shall be complementary to other activities implemented by DG NEAR and the EU Office in the field. The European Commission and the EU Office should be fully informed of the planning and implementation of the specific visibility and communication activities.

A consolidated communication and visibility plan for the Action will be developed, based on an agreed communication narrative and master messages, customised for the different target audiences (stakeholders, business community, civil society, general public etc.). The communication and visibility plan should include a specific reference to ensuring EU visibility in the information and communication campaigns to be implemented at central and local level.

Effectiveness of communication activities will be measured inter alia through public surveys in the IPA II beneficiaries. The surveys will cover awareness about the action and its objectives as well as the fact that it is funded by the EU. As a minimum, one survey should be carried out before the start of the implementation of the communication and visibility plan and one after its completion.

3. BUDGET BREAKDOWN

	Total expenditure	IPA II contribution		IPA II beneficiary contribution	
	EUR	EUR	%	EUR	%
Entry ticket for <i>ERASMUS+</i> 2020/2021	100 000.00	70 000.00	70	30 000.00	30
Entry ticket for <i>Creative Europe</i> 2020/2021	70 000.00	49 000.00	70	21 000.00	30
Entry ticket for <i>COSME</i> 2020/2021	257 592.00	180 314.40	70	77 277.60	30
Entry ticket for <i>Europe for Citizens</i> 2020/2021	30 000.00	21 000.00	70	9 000.00	30
Entry ticket for <i>Fiscalis</i> 2020	25 000.00	22 500.00	90	2 500.00	10
Entry ticket for <i>Fiscalis</i> 2021	30 000.00	24 000.00	80	6 000.00	20
Entry ticket for <i>Customs</i> 2020	35 000.00	31 500.00	90	3 500.00	10
Entry ticket for <i>Customs</i> 2021	40 000.00	32 000.00	80	8 000.00	20
Technical Assistance	69 685.60	69 685.60	100	0.00	0
TOTAL for ACTION	657 277.60	500 000.00		157 277.60	

ANNEX I

Overview of Kosovo's public institutions that have signed International Agreements with the European Commission and dates of entry into force or latest amendments to the International Agreements

The Office of the Prime Minister is the main beneficiary, responsible for coordination of activities at beneficiary level of this Action Document, and has appointed the counterpart for the action and focal point Union Programmes. Other beneficiaries are institutions – line ministries and agencies responsible for implementation of respective Union Programmes as below:

EU Programme	Kosovo programme coordinator	Financing Agreement signed	Current status of ratification process
COSME	Ministry of Trade and Industry	Agreement signed 19th December 2017	Ratified by the Parliament on 23 July 2018, entered into force on 4 September 2018.
Erasmus +	Ministry of Education, Science and Technology	Agreement signed 5th June 2018	Ratified by the Parliament on 20 September 2018.
Creative Europe, Sub-Programme “Culture”	Ministry of Culture, Youth and Sport	Agreement signed 5th June 2018	Ratified by the Parliament on 20 September 2018.
Europe for Citizens	Office of the Prime Minister	Agreement signed 26th June 2018	Ratified by the Parliament on 20 September 2018.
Fiscalis	Ministry of Finance/Tax Administration of Kosovo	Letter of intent is sent to DG TAXUD on 27.07.2019	To be completed.
Customs	Ministry of Finance/Kosovo Customs	Letter of intent is sent to DG TAXUD on 18.07.2019	To be completed.