

## ANNEX

### Main Text

### Amending CARDS Regional Action Programme 2006

#### 1. IDENTIFICATION

<b>Budget heading</b>	<del>22.05.01 Assistance for the Countries of the Western Balkans</del> 22.020502 Completion of CARDS assistance
<b>Total cost</b>	€31,800,000
<b>Legal basis</b>	Council Regulation (EC) N° 2666/2000 <sup>1</sup>
<b>Beneficiary Countries</b>	Albania, Bosnia and Herzegovina, former Yugoslav Republic of Macedonia (fYRoM), Croatia <sup>2</sup> , Kosovo (as defined by the United Nations Security Council Resolution 1244 of 10 June 1999), Montenegro and Serbia.
<b>Budget Year</b>	2006
<b>Contracting:</b>	All contracts must be concluded after the signature of the Financing Agreement and within 36 months following the date of the budgetary commitment.
<b>Implementation:</b>	The Final Date of Implementation of projects under this proposal is 31.12.2014. Therefore, all activities, including contracts, payments, monitoring, audits and evaluations must end by 31.12.2014
<b>Implementation Method</b>	Centralised and Joint Management

#### 2. RATIONALE

##### 2.1. Strategic Framework

The development of regional cooperation corresponds to a commitment made by the countries of the region at the EU–Western Balkans Summits of Zagreb (2000) and Thessaloniki (2003). At the EU–Western Balkans Summit of Thessaloniki (June 2003) it was noted that, "rapprochement with the EU will go hand in hand with the development of regional co-operation". Regional cooperation is a principle of the highest importance for the political stability, the security and economic development of the Western Balkan countries. Many of the challenges facing the Western Balkan countries are not

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<sup>1</sup> OJ L 306, 7.12.2000, p. 1. Regulation as last amended by Council Regulation (EC) No 2112/2005 of 21 November 2005 (OJ L 344, 27.12.2005, p23).

<sup>2</sup> The European Council of Thessaloniki (June 2003) confirmed the Stabilisation and Association process as the policy framework of the European course of the Western Balkan countries all the way to their future accession. It reiterated the EU's determination to fully and effectively support the European perspective of the Western Balkans and endorsed the Thessaloniki Agenda. The Thessaloniki Agenda has strengthened and enriched the SAp with elements from the enlargement process, so that it can better meet the new challenges, as the countries of the region move from stabilisation and reconstruction to sustainable development, association and integration into European structures. Although Croatia has been given the status of a candidate country, it is covered by the regional MIP 2005-2006 (except for the Cross Border Cooperation component, which will be covered by the pre-accession instrument) whereas the country remains an integral part of the Stabilisation and Association process and considering the political relevance of Croatia's effective participation in the regional co-operation to the country itself and the other Western Balkan countries.

only common to them but also have a cross-border dimension, which involves their regional neighbours.

Since the enlargement of the European Union (EU) on 1 May 2004, the EU and the Western Balkans have become even closer neighbours, therefore the situation in the Western Balkan countries, their progress on the road to European integration and their present and future relations with the EU really are of immediate concern to the EU itself. When Bulgaria and Romania become EU members, the entire Western Balkan region will be surrounded by Member States of the EU. This will have important repercussions for both the countries of the region and the EU in a number of areas, in particular where the free circulation of goods, services and persons are concerned. These challenges have to be addressed in the broader context of south-eastern Europe.

The different set of reasons — political, economic and security — for which regional cooperation in the Western Balkans is crucial, are closely interlinked: for instance, regional stability and security are needed for economic development, which in turn favours stability and security in the region.

Accession to the EU requires therefore an ability by the acceding country to cooperate with other countries pragmatically on fields of common interest through Regional programmes. Regional cooperation in the Western Balkans is needed as a crucial ingredient of stability, as a catalyst for reconciliation, good-neighbourliness and good political relations and in helping to overcome nationalism and intolerance through the promotion of mutual understanding and political dialogue in the region. Regional programmes are designed to support such initiatives and strengthen multi-lateral experiences in beneficiaries; they aim to build a network of close cooperation and/or contractual relationships between beneficiaries in order to deepen cooperation between the beneficiaries and between them and the EU.

The Communication from the Commission on 'The Western Balkans on the road to the EU: consolidating stability and raising prosperity', published on 27 January 2006, notes that "significant progress can be recorded in regional cooperation. Countries are increasingly aware that regional cooperation is not only a key part of the EU's conditionality, but it serves their own interest and has already produced tangible results".

## 2.2. Past Assistance

Over the period 2002-2005, the EC has allocated over €133m to the CARDS Regional programme. This assistance has been allocated on the basis of the priorities identified in the Regional Strategy Paper 2002-2006 and the Multi- Indicative Planning Document for 2005-2006. These priorities are: Institution Building, Cross Border Cooperation, Infrastructure Development, Justice and Home Affairs and Private Sector Development. Further details on the amounts allocated as well as the contracting and payment status are provided in the below table.

Programme / Year	Allocated (€m)	Contracted (€m)*	Paid (€m)
<b>CARDS Regional 2002</b>	39.6	37.6 (95%)	27.0 (68%)
<b>CARDS Regional 2003</b>	31.3	29.7 (95%)	16.2 (52%)
<b>CARDS 2004 Neighbourhood programme</b>	15.0	1.9 (13%)	1.0 (6%)
<b>CARDS Regional 2005</b>	47.9	7.0 (15%)	3.5 (7%)

**Table 1: CARDS Regional Budget Allocation 2002-2005**

\* Status as at 27 September 2006

### Institution Building

Significant progress is being made in the area of Institution building. Through the TAIEX instrument several hundred training sessions on EU legislation targeting public sector officials were organised through to the end of 2005. The well established SIGMA instrument continues to support the Western Balkans with public administration reform and management of funds including external and internal

control. In addition, in May 2006, representatives of the Western Balkan countries signed a Protocol on the creation of a Regional School of Public Administration (ReSPA).

#### Cross Border Cooperation

Since the introduction of the CARDS 2004 Neighbourhood Programme, significant efforts have been made to support countries to prepare for their participation in this programme. Activities include joint management mechanisms (document and structures) and capacity building programmes within public administrations.

#### Infrastructure Development

In 2006 an Energy Community that comprises a regional energy market of considerable importance to the region is taking shape with ratification of the Energy Community Treaty, signed October 25th, 2005, well under way in 2006. Support to the Energy Community Secretariat, one of the Institutions called up by the Treaty, begun under a CARDS 2003 assistance project, is to be continued. The SEETO Memorandum of Understanding covering the Core Transport Network of the region is being implemented through annual meetings of Ministers, a Steering Committee and the SEETO Secretariat. The support for SEETO which was initiated under a CARDS 2003 assistance project is to be continued. Project Preparation Facilities (PPF) covering transport, energy and environment sectors are supporting beneficiaries to complete project dossiers to a sufficient high level that IFIs (and other sources of financing) would be able to allocate funds to selected project proposals.

#### Justice and Home Affairs

On-going CARDS 2002 and 2003 regional police and judicial reform co-operation projects have continued to develop the regional and international police co-operation capacities and have started to build up a regional prosecutor co-operation and mutual legal assistance between the courts. In addition, the SECI Centre for combating organised crime in the South East European region has received EC financial assistance.

#### Private Sector Development

Progress is being made in the area of Private Sector Development, particularly with regards to quality infrastructure and the process of deregulation of institutional frameworks. The technical assistance provided to date has contributed to a shift from a quality infrastructure primarily managed within governmental departments to an institutional framework based on independent organisations. In addition, public officials have participated in quality infrastructure awareness events and/or have undergone intensive hands-on training in specialist subjects. As a result, there are a number of intra-regional joint initiatives in operation in a number of areas including (i) public relations and marketing of national standards bodies, (ii) standardisation of technical terminology for legislation and standards and (iii) the development of a common process for the translation of technical documents.

### **2.3. Lessons Learned**

In the management of regional programming activities a number of pertinent lessons have emerged. These include:

- Stakeholders should be engaged at the programme design stage;
- Enhanced ownership by the National authorities and the EC Delegations and/or EAR of the Regional programme to ensure complementarity with National programmes should be facilitated;
- The added value of the Regional programme vis-à-vis the National programmes should be demonstrated;
- Efforts should be made to concentrate resources on a limited but key number of priority sectors areas;
- Consideration should continue to be given to activities already initiated to ensure continuity and completion of these activities.

Lessons learned from earlier Regional programmes, including the CARDS Regional Action Programme 2005, which is still under implementation, are used as inputs for the present programme.

Furthermore, building on the lessons learned noted above, efforts are being made to improve the knowledge and ownership of the regional programme by the administrations of the Western Balkan countries. A regional event took place in Sarajevo, Bosnia and Herzegovina in April 2006 to discuss

the priorities and proposed projects of the Regional Action Programme 2006. Participants in this meeting included the EC Delegations and representatives of the National authorities. A follow up meeting to finalise the Regional Action Programme 2006 took place in Zagreb, Croatia on 26-27 June 2006. Further follow meetings are foreseen.

Additional details with regards to the lessons learned at a sector level are provided in the annexed sector fiches.

## **2.4. Complementary actions**

Analysis has been performed at a sector level in which the current situation both in terms of projects implemented and policy developments have been taken into account. In addition, proposed regional projects have been verified with the relevant line DGs, DG Enlargement Directorates, EC Delegations and European Agency for Reconstruction (EAR) to ensure that there is no overlap with assistance provided through other donors.

Further information on complementary actions through (i) CARDS National programmes and (ii) Other donors are provided in the annexed Sector Fiches.

### *2.4.1. Donor Coordination*

The EC Delegations and the European Agency for Reconstruction (EAR) strive to facilitate donor coordination with the National Authorities, as part of their coordination meetings in country. In addition, ELARG regional programming missions involve discussions with national authorities and stakeholders. The Terms of Reference for projects are discussed with the EC Delegations and EAR who in turn verify and aim to ensure that there is no overlap with national projects or other donor projects.

Commission staff responsible for the implementation of the Regional Action Programmes participate in regional networks and structures to facilitate coordination amongst donors active in the region. In addition, the Commission holds regular coordination meetings with key stakeholders and coordinators at a regional level, including IFIs and the Stability Pact.

## **3. REGIONAL CONTEXT**

### **3.1. Cooperation related Policy of Region**

The Western Balkan countries have opted for Europe. The Stabilisation and Association Process is the EU's political strategy for the European integration of the Western Balkan countries, all the way through to their eventual accession. Regional cooperation amongst the Western Balkan countries constitutes a key element of the Stabilisation and Association Process: constructive regional cooperation is recognised as a qualifying indicator of the countries' readiness to integrate into the EU.

The centrepiece of the Stabilisation and Association Process is the conclusion of a Stabilisation and Association Agreement (SAA), which represents a contractual relationship between the EU and each Western Balkan country, entailing mutual rights and obligations. Regional cooperation is a specific requirement under the stabilisation and association process. Rapprochement with the EU will go hand in hand with the development of regional cooperation in the Western Balkans. Stabilisation and Association Agreements are already in place with the former Yugoslav Republic of Macedonia and Croatia. Discussions with Bosnia and Herzegovina were opened in December 2005; Albania has signed a Stabilisation and Association Agreement on 12 June 2006, while Serbia and Montenegro opened Stabilisation and Association Agreement negotiations in October 2005 although these were called off as the full conditions on the International Criminal tribunal for the former Yugoslavia were not met.

The regional dimension of the Stabilisation and Association Process is contributing to building a sustained long-term response to regional challenges in the Western Balkans. The Stability Pact for South-Eastern Europe has also successfully helped over the last six years, promoting regional cooperation. The legitimacy of the Stabilisation and Association Process also lies in the fact that it has taken very seriously the principle of regional ownership, thus helping the countries of the region to understand properly that regional cooperation was first and foremost developed in their own interest. The EU can give support to regional cooperation, but further concrete initiatives have to come from the countries of the region themselves in this respect. The South-East Europe cooperation process

(SEECF) is further consolidating its role as the voice of the region and plays a crucial role in moving forward regional cooperation.

### 3.2. Regional Context

Enhanced regional cooperation is one of the major objectives set down in the Thessaloniki agenda, endorsed in the EU–Western Balkans Summit of June 2003, to strengthen the stabilisation and association process. The Western Balkan countries committed themselves to continue to develop regional cooperation and to promote a series of specific objectives with regard to regional free trade, the creation of regional markets for electricity and gas, the development of transport, energy and telecommunication infrastructures, the environment, research technology and development, cross-border and parliamentary cooperation, and a number of other areas. In the Thessaloniki agenda, the EU also expresses support for activities and initiatives in the Western Balkan countries promoting social cohesion, ethnic and religious tolerance, multiculturalism, return of refugees and internally displaced persons. Promoting reconciliation through education, social development and culture are clearly recognised as fundamental for the consolidation of stability and peace in the region.

In this context, Commissioner Rehn, European Commissioner for Enlargement, notes in the EU publication, 'Regional cooperation in the Western Balkans: A policy priority for the European Union', published in December 2005, "the Western Balkan countries have now realised that they have responsibilities towards each other and that they have many challenges in common, some of a cross-border nature. They see now the considerable benefits of increasingly close regional cooperation — political understanding, economic and social prosperity. This new resolve to address issues of common relevance in a cooperative manner is reflected by concrete progress on the ground". In the same Communication, it is also stressed that "EU policies for the region should focus more on equitable and sustained economic development and on extending the benefits of economic growth to vulnerable groups and communities by combating unemployment, social exclusion and discrimination and by promoting social dialogue".

Extended regional cooperation in south-eastern Europe is essential, regardless of the different stage of integration of the various countries, and an important criterion for the European course of the Western Balkan countries. The stability, prosperity and security of the region are of significant interest to the EU. The EU will continue to foster endeavours to promote regional cooperation. Moreover, the European Council of June 2006 welcomed "the Commission's intention to extend and intensify its cooperation with the EIB and other International Financial Institutions (IFIs) in the Western Balkans with a view to taking appropriate measures aiming at a finance facility for the Western Balkans".

Priority areas where regional CARDS assistance is focused for 2005- 2006 are as follows:

- 1. Institution building:** focuses primarily on strengthening the administrative capacity of the countries and providing support to public administration reform, through instruments implemented regionally.
- 2. Justice and home affairs:** actions in this field have a special focus on the fight against organised crime and corruption, and include enhanced police regional cooperation and judicial regional cooperation.
- 3. Cross-border cooperation:** focuses on promoting economic and social cooperation of border regions, including support to networking activities and the involvement of civil society.
- 4. Private-sector development:** facilitates foreign direct investments in the region and focuses in particular on quality infrastructure.
- 5. Infrastructure development:** supports initiatives in the sectors of transport, energy, environment ~~and~~, information society and social infrastructures and services

### 3.3. Justification for Regional Activities

The proposed projects of the CARDS Regional Action Programme 2006 achieve complementarities with the National Programmes. The proposed projects either ensure that: (i) the problem addressed is truly cross-border and requires active regional cooperation between beneficiaries if it is to be corrected or (ii) there are significant gains to be obtained in terms of efficiency or enhanced impact by implementing through one Regional programme rather than through multiple National programmes.

#### 4. DESCRIPTION

In line with the commitment made by the countries of the region at the EU–Western Balkans Summits of Zagreb (2000) and Thessaloniki (2003), the overall objective of this Regional Action Programme 2006 is to continue to assist the Western Balkans in their preparation towards future EU membership.

The Regional Action Programme 2006 reflects the approved Regional Strategy Paper for 2002-2006 and its second Multi-annual Indicative Programme (MIP) for 2005-2006. It takes account of priorities defined by the Commission in the European Partnerships, in the 2005 Progress Reports, the Communication from the Commission on "The Western Balkans on the road to the EU" of 27 January 2006 as well as in the ongoing dialogue with the national authorities. The proposed actions also take into consideration the countries' policy frameworks and the status of implementation of existing projects/initiatives at a national and regional level. The actions proposed have been reviewed and discussed with inter alia beneficiary countries, EC Delegations, relevant line DGs, and the ELARG country desks.

The programme aims to ensure continuation with activities commenced under the Regional Action Programme 2005 focusing on the Multi-annual Indicative Programme priorities and to facilitate a smooth transition to the forthcoming financial instrument, Instrument for Pre-Accession (IPA), for the period 2007-2013.

##### 4.1. Objectives, Expected Results and Main Activities

###### Institution Building

Objectives: Activities in the area of Institution Building aim (i) to provide assistance for a gradual alignment and implementation of the *acquis communautaire* and (ii) to enhance the capacity of the Public Administration sector.

###### Expected results

- Awareness, quality and quantity of EU *acquis* transposed in the countries of the region increased;
- Public Administration reform progress assessed and priorities identified against baselines set by EU good practice and legislation;
- Increased level of skills and knowledge among the civil servants of the Western Balkans countries to deal with the SAP reforms and the challenges of EU integration.

###### Main activities

- To raise understanding, and to contribute to transposing, implementing and enforcing EU legislation in the Western Balkans countries;
- To contribute to the gradual strengthening of the administrative capacity of the public service in the countries of the Western Balkans;
- To initiate the operations of the Regional School of Public Administration (ReSPA) promoting high standards of public administration based on European values and diversity.

###### Justice and Home Affairs

Objectives: Activities in the area of Justice and Home Affairs aim to (i) bring existing national mechanisms in the law enforcement services into compliance with EU *acquis*, standards and best practices and (ii) to create national capacities according to the bespoke EU standards and best practices to create regional coherence.

###### Expected results

- Assessment reports presented for each country identifying short term and long term activities based on relevant capacities and resources in order to improve existing data collection and/or initiate data collection;
- The JHA institutions will have a clearer view of the criminal situation in the region;
- Staff trained on the methodology for the collection and interpretation of criminal statistics;
- Established procedural mechanism for introduction of proposed indicators and techniques for collating statistics;

- Improved capacities of prosecutors to investigate and prosecute trans-border crimes;
- An increased number of suspects, identified, arrested, prosecuted and sentenced in cases of serious crimes, increased number and volume of seizures and confiscations as regards drugs and criminal assets.

#### Main activities

- A preliminary overall evaluation will be conducted, on a country-by-country basis, to assess the existence and employment of statistics generated by the JHA institutions;
- Assess the results of CARDS 2003 Judiciary Project. Consolidate and share its achievements through the provision of additional support to the establishment of the prosecutor's network.

#### Cross Border Cooperation and Civil Society Dialogue

##### Cross Border Cooperation

Objectives: Activities in the area of Cross Border Cooperation aim to foster cooperation between regions at all levels in a variety of fields. These fields include: (i) economic and social development of the border areas, (ii) infrastructure, (iii) environment, (iv) health, (v) secure borders and (vi) people-to-people activities between participating states.

##### Expected results

- Extended awareness of all CBC programmes among the beneficiaries;
- Administrative capacity of civil servants strengthened;
- Improved communication and exchange of information and experience between economic and social stakeholders;
- The number of people to people initiatives increased.

##### Main Actions

- Continuation of support for the implementation of those Neighbourhood Programmes under the CARDS Regional Action Programmes 2004 and 2005 which have advanced sufficiently and are able to absorb additional funds;
- Continuation of the Stabilisation and Accession Process CBC activities started under the CARDS Regional Action Programme 2005;
- Facilitate specialised training and thematic information seminars, the sharing of best practices and the development of relevant information material;
- Facilitate cultural exchanges;
- Facilitate administrative capacity building measures.

##### *Civil Society Dialogue*

Objectives: Activities in the area of Civil Society aim (i) to strengthen civil society and support dialogue between the public authorities and civil society organisations in the Western Balkans (ii) to support the return and the integration process of refugees and internally displaced persons in the Western Balkans and (iii) to ensure social inclusion, protection and return-related activities to Roma community, internal displaced persons and other marginalised groups.

##### Expected Results

- Improved administrative capacity throughout the region for future participation in SAP cross border cooperation and neighbourhood activities;
- Increased cooperation between bordering regions and countries;
- Increased joint Civil Society Organisation and Public Sector responses to common problems such as return of refugees and social inclusion;
- Greater promotion of people to people initiatives and involvement of civil society in promoting regional cooperation and cross-border initiatives;

- Partnerships between local communities, civil society and local authorities in furthering regional cooperation and cross border cultural understanding, reconciliation and cooperation.

#### Main Actions

- Training of civil servants of the region to plan and operationally manage partnership with Civil Society Organisations;
- Information awareness campaigns related to the civil society and the added value of civil society dialogue;
- Information seminars to Civil Society Organisations on advocacy and lobbying;
- Assessment of social and economic integration needs of returnees to their place of origin;
- Implementation of activities to support the resolution of practical and legal issues affecting the return of refugees, including the issue of property repossession;
- Awareness campaign to the Roma population about the rights and obligations related to the issue of civil registration, particularly in the settlements;
- Measures to facilitate contacts between the Roma population and municipal registry offices;
- Legalisation of informal settlements where Roma live in order to increase opportunities for ownership and upgrading infrastructure (assessment of land and property ownership and registration);
- Improve living conditions for Roma living in settlements (upgrading infrastructure, actions to improve access to facilities, such as water, sewage and electricity);
- Increase the availability of quality housing for low income household outside of settlements;
- Community development projects to allow Roma to improve their own living conditions.

#### Private Sector Development

Objectives: Activities in the area of Private Sector Development aim (i) to apply the EU acquis in the area of free movement of goods and (ii) to implement the regional free trade agreement for South East Europe by strengthening co-operation between quality infrastructure institutions and establishing the relevant institutional framework.

#### Expected Results

- Better qualified public administrators;
- Regional quality infrastructure laboratories assessed.

#### Main Actions

- Assessments in areas of technical regulations, metrology, accreditation, standardisation, testing-certification-testing and market surveillance;
- Hands-on training events for public administrators in specialist quality infrastructure fields;
- Regional proficiency testing exercises (including inter-laboratory comparisons).

#### Infrastructure Development

Objectives: Activities in the area of Infrastructure Development aim (i) to support the implementation of the Stabilisation and Association Process and (ii) to promote sustainable economic development in the Western Balkans.

#### Expected Results

- Higher quality of investment proposals for infrastructural remediation and improvement projects leading to more bankable proposals [in the transport, energy, environment and social infrastructures sectors](#);
- Energy market better integrated both as regards local supply and transit capacity;
- Further re-integration of the regional railway transport network as a pre-condition for a Common Railway Statement;



- The relevant civil aviation authorities capable of enforcing compliance with the transposed acquis requirements;
- Regional co-operation in the field of information society and electronic communications as an added value to a strictly national approach, with the aim of harmonisation.

Main Activities:

- Project preparation facilities, in the transport, energy, environment and social infrastructures sectors;
- Continued support for the operation of the Energy Community Secretariat and SEETO Secretariat;
- Advice, technical support and consultancy to civil aviation authorities particularly with regards to aviation safety and security.

## 4.2. Stakeholders

The public administrations (national, regional and local levels) as a whole are the main stakeholders.

Other stakeholders include international donors working in the same areas (including inter alia EU member states, IFIs, Council of Europe, OSCE, USAID, UNDP). Institutions and organisations in the beneficiary countries may also have a role in the implementation and consultation process, including civil service training institutes or civil society organisations. Co-operation between public administration institutions from the region and similar institutions in the European Union, as well as participation in international networks will be stimulated. Association between relevant institutions should be encouraged.

Further details on stakeholders at a sector level are provided in the annexed Sector Fiches.

## 4.3. Risks and Assumptions

Risk	Likelihood High/Med/Low	Impact High/Med/Low	Counter Measures
Lack of co-ordination across regional /national/other donor projects	Medium	Medium	This risk can be mitigated through ongoing co-operation between EC HQ, EC Delegations, EAR and National Authorities.
Lack of political will to implement projects	Medium	High	Continued strengthening of the capacity of the administrations so that they will be in position to undertake the changes
Lack of interest in regional initiatives.	Low	Medium	Highlight the importance of the programme for the wellbeing of the population and the long-term revenue generation capacity of the sectors addressed

Further details on risks and assumptions by sector are provided in the annexed Sector Fiches.

## 5. IMPLEMENTATION

### 5.1. Implementation Method

The CARDS 2006 Regional Action Programme will be implemented by the European Commission in accordance with Article 53a of the Financial Regulation<sup>3</sup> and the corresponding provisions of the Implementing Rules<sup>4</sup> following Article 53.1 (a) of the

<sup>3</sup> [OJ L 248, 16.9.2002, p.1. Regulation as amended by Regulation \(EC, Euratom\) No 1995/2006 \(OJ L 390, 30.12.2006, p.1\)](#)

<sup>4</sup> [OJ L 357, 31.12.2002, p. 1 Regulation as last amended by Regulation \(EC, Euratom\) No 478/2007 \(OJ L 111, 28.04.2007, p. 13\)](#)

~~Council Regulation (EC, Euratom) Nr. 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Commission (the Financial Regulation: FR) as further detailed in the rules for the implementation of the FR (Implementing Rules: IR).~~ With the exception of the following, the programme will be managed under centralised direct management:

#### 5.1.1. *Joint Management*

The SIGMA and ReSPA components of this programme will be implemented by the European Commission by joint management with OECD following Article 53.1 (c) of the Financial Regulation as further detailed in the Implementing Rules.

#### 5.1.2. *Centralised Indirect Management*

Parts of the Programme in the area of Cross Border Cooperation will be executed by the European Agency for Reconstruction (EAR) according to Article 53 (2) of the Financial Regulation and Article 4(1) and Article 7 (2a) of Council Regulation (EC) No 2666/2000 of 5 December 2000.

Some tasks instrumental to the implementation of TAIEX will be entrusted to a selected delegated entity in accordance with Article 54 (2) c of the Financial Regulation.

### 5.2. **Budget**

<b>Project</b>	<b>Budget</b>
<b>Institution Building</b>	<b>5.900.000</b>
Administrative capacity building including acquis approximation (TAIEX)	2.400.000
Public Administration Reform (SIGMA)	2.000.000
Regional School of Public Administration (ReSPA)	1.500.000
<b>Justice and Home Affairs</b>	<b>2.500.000</b>
Regional Judicial Cooperation (Law enforcement Cooperation Units)	1.500.000
Monitoring	1.000.000
<b>Cross Border Cooperation</b>	<b>11.900.000</b>
SAP Cross Border Cooperation	7.900.000
Civil Society Dialogue	4.000.000
<b>Private Sector Development</b>	<b>1.000.000</b>
Support to business, trade, investment promotion, organisations and agencies (Quality Infrastructure)	1.000.000
<b>Infrastructure Development</b>	<b>10.500.000</b>
Project Preparation Facility	6.000.000
Support to the Energy Community Secretariat	2.500.000
Support to the SEETO Secretariat	1.000.000
Technical assistance to implementation of the ECAA Agreement	1.000.000
<b>Total</b>	<b>31.800.000</b>

### 5.3. **Procurement and award procedures (in centralised management)**

Procurement procedures and contracts implementation shall follow the provisions of Part 2, Title IV of the Financial Regulation and Chapter 3 of Part 2, Title III of its Implementing Rules, as well as the Commission Decision of 24 January 2006 on the rules and procedures for service, supply and works contracts financed from the general budget of the European Communities for the purposes of cooperation with third countries ~~C(2006) 117~~ adopted by the Commission on 24 May 2007 (C(2007)2034).

Grant award procedures and contracts implementation shall follow the provisions of Part 1, Title VI and Part 2, Title IV Chapter 4 of the Financial Regulation and Part 1, Title VI and Part 2, Title III, Chapter 4 of its Implementing Rules.

The Contracting Authority shall also use the procedural guidelines and standard documents provided for in the “Practical Guide to contract procedures for EC external actions” (“Practical Guide”) as published on the EuropeAid website at the date of the initiation of the procurement or grant award procedure.

#### **5.4. Performance monitoring**

Performance monitoring shall be conducted through a number of means. Internal to the EC will be regular Implementation Reviews and review of Contractor reporting on specific projects.

#### **5.5. Evaluation and audit**

Appropriate planning and regular monitoring throughout implementation in the form of regular reports will take place. Evaluation particularly with regards to the quality of the assistance activities during implementation and/or at the end of the programme as well as audits of the programme may also take place. Furthermore, the programme may be audited by the European Court of Auditors, in line with standard procedures.