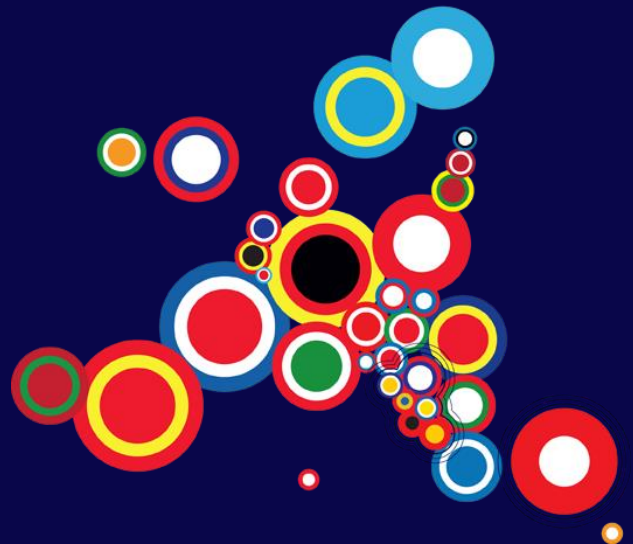




INSTRUMENT FOR PRE-ACCESSION ASSISTANCE (IPA II) 2014-2020

THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA

Support to participation in
Union Programmes



Action summary

This Action is supporting the country in participating in EU Programmes. The purpose is to co-finance the costs of the "entry-tickets" which the beneficiary has to pay for the participation in Union Programmes, and, by those means, to facilitate the progressive transfer of know-how and the strengthening of capacities of the relevant beneficiaries.

Action Identification	
Action Programme Title	Annual Action Programme for the former Yugoslav Republic of Macedonia for the year 2017
Action Title	Support to participation in Union Programmes
Action ID	IPA 2017/040-200/01.01/MK/Union Programmes
Sector Information	
IPA II Sector	1. Democracy and Governance
DAC Sector	43010 (multisector aid)
Budget	
Total cost	EUR 12,553,065
EU contribution	EUR 7,293,780
Budget line	22.02 01 01
Management and Implementation	
Method of implementation	Indirect management
National authority or other entrusted entity	The IPA Funds Management Department (National Fund) is responsible for financial implementation of the Union Programmes. The NIPAC Office is responsible for overall coordination of and reporting on the Union Programmes.
Implementation responsibilities	IPA Funds Management Department (National Fund) Ministry of Finance Fatmir Ademi, Head Dame Gruev 14, 1000 Skopje Tel.+389 2 3255 301 Fax.+389 2 3106-156 E-mail: Fatmir.Ademi@finance.gov.mk Secretariat for European Affairs (NIPAC office) Government of the former Yugoslav Republic of Macedonia Orhideja Kaljoshevska, k. Dimitar Vlahov 4, 1000 Skopje Phone:++389(0)2 3200 139 Cell:++389(0)70 409 519 E-mail: orhideja.kaljosevska@sep.gov.mk
Location	
Zone benefiting from the action	The former Yugoslav Republic of Macedonia
Specific implementation area(s)	Nation-wide activities

Timeline			
Final date for concluding Financing Agreement(s) with IPA II beneficiary	At the latest by 31 December 2018		
Final date for concluding procurement and grant contracts	3 years following the date of conclusion of the Financing Agreement, with the exception of cases listed under Article 189(2) of the Financial Regulation		
Final date for operational implementation	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 targeted	Significant objective	Main objective
Participation development/good governance	<input type="checkbox"/>	<input type="checkbox"/>	x
Aid to environment	<input type="checkbox"/>	x	<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	<input type="checkbox"/>	x	<input type="checkbox"/>
Combat desertification	x	<input type="checkbox"/>	<input type="checkbox"/>
Climate change mitigation	<input type="checkbox"/>	x	<input type="checkbox"/>
Climate change adaptation	<input type="checkbox"/>	x	<input type="checkbox"/>

1. RATIONALE

PROBLEM AND STAKEHOLDER ANALYSIS

The purpose of Union programmes is to support the European Union's internal policies in various sectors: culture, media, education, science and research, social policy, environment protection, transport, energy, competitiveness and innovation, justice, fiscal and customs policy, etc.

However, in 2003, the EU agreed in the Thessaloniki Agenda to open participation in Union Programmes and Agencies to the Western Balkan countries, following the approach used in the past for candidate countries. In its Communication "Preparing for the participation of the Western Balkan countries in Union programmes and agencies" of 3 December 2003¹ the Commission established the main principles and guidelines of participation of candidate and accession countries in Union programmes, underlining the need for a selective and gradual approach.

The Commission approach is based on three pillars:

- A bilateral Framework Agreement (FA) between the European Union and the beneficiary country on the general principles for participation in Union Programmes has to be signed. The former Yugoslav Republic of Macedonia and the EU signed this agreement on 22 November 2004, and after the adoption and ratification procedure the Framework Agreement entered into force on 29 June 2005.
- For each Union programme, the Commission needs to conclude International agreements (IAs) (or previously Memorandum of Understanding (MoU)) with the beneficiary country wishing to take part. The agreements lay down the rules governing participation, in particular the administrative capacities required, the planned financial contribution, the mechanisms for taking part in the management of the programme and the financial-control provisions.

Such agreements have already been concluded (between the country and the Commission) with regards to the following programmes: Horizon 2020, Cosme, Erasmus +, Erasmus + external strand, Creative Europe – Culture, Creative Europe - Media, Customs, Fiscalis, Civil Protection Mechanism, Programme for Employment and Social Innovation (EaSI) - Progress strand and Europe for Citizens.

- The candidate and potential candidate countries have to pay into the Union budget a financial contribution to cover the estimated costs of participation by their citizens, the so-called, 'entry ticket'. The EU financial pre-accession instrument (IPA II) can be used to pay a part of the 'entry ticket' for a particular Union programme. The EU support for the entry tickets is to decrease with the time starting from 90% of the entry ticket in the first year of participation, and gradually decreasing in percentage or in real terms.

Participation of candidate and potential candidate countries in EU Programmes aims to promote reform and modernisation and at the same time strengthen administrative and regulatory convergence of the partner countries with the EU. By taking part in the Union programmes, the country is building technical and administrative capacity for the implementation of the EU sectoral policies.

¹COM(2003) 748 final

In the period 2014-2020, similar to CARDS and IPA I (2007-2013) the Instrument for Pre-accession Assistance (IPA II) will be used to help the country meet part of the costs of participation in those programmes, chosen by the country itself, on the basis of an increasing national contribution per programme. Depending on the available resources and capacities, as well as the results of the country's participation in current Union Programmes, the country may opt at a later stage to participate in other Union Programmes for which it is eligible.

Based on a previous Government approval, the country has expressed interest to participate in the following Union Programmes for 2014-2020:

- Horizon 2020
- COSME
- Europe for Citizens
- Culture – Creative Europe
- Media – Creative Europe
- Customs
- Fiscalis
- Civil protection mechanism
- Erasmus plus
- Erasmus plus – external strand
- Programme for Employment and Social Innovation (EaSI) - Progress strand
- LIFE

In addition, by a written procedure concluded on 12 September 2016, the country obtained the status of an observer in the European Union Agency for Fundamental Rights.

Possibility for participation in the following Union Programmes, will be further considered:

- Rights, Equality and Citizenship Programme
- Health for Growth Programme
- Consumer programme
- European Earth monitoring Programme (GMES)
- Justice Programme.

However, in 2017 IPA II will only support the participation of the country in the programmes listed in Section 3 Budget breakdown.

The key stakeholders in the process are the IPA Funds Management Department responsible for the payment of the entry tickets. The final grant beneficiaries are involved in the implementation of the activities resulting of the participation of the country in the Union Programmes. Potential obstacles to smooth operation are lack of funds for timely payment of the entry tickets by the national authorities, shortage of ministerial staff, lack of political support or inadequate technical capacities to support the end beneficiaries in information sharing, etc. In this context, training of the final stakeholders is a key element for the sustainability of the preparatory actions.

On the side of the European Union and the relevant DGs it is essential to provide the necessary technical descriptions of the actions and the annual costs in time and assign adequate resources to the management/monitoring of the contracts.

OUTLINE OF IPA II ASSISTANCE

The EU will financially support the participation of the former Yugoslav Republic of Macedonia in selected Union Programmes through covering partially of the costs of the relevant entry tickets. The objective of this financial aid is to enhance exchanges with EU Member States. This is expected to promote reform and modernisation, and strengthen administrative and regulatory convergence of the country with the EU,

The IPA II Funds Management Department at the Ministry of Finance is responsible for the management of the received grant funds and the timely payment of the entry tickets. The relevant programme managing entity, supported by the NIPAC Office, is responsible for promoting the Union programmes and encouraging the various potential indirect beneficiaries (private business, citizens, civil society organisations, etc) liaise with EU counterparts, prepare and implement projects to support country's development. The final grant beneficiaries are responsible, as per their participation status, for the implementation of the activities resulting from the participation of the country in the Union Programmes.

RELEVANCE WITH THE IPA II STRATEGY PAPER AND OTHER KEY REFERENCES

The Indicative Strategy Paper (ISP) 2014-2020 identifies the need to provide assistance for co-financing entry-tickets to the relevant Union Programmes. This Action will focus on those Programmes identified as priorities by the Government and being in line with the objectives of the respective ISP sectors, i.e. the Rule of Law and Fundamental Rights, Democracy and Governance, Competitiveness and innovation, Environment and climate change, Transport, Education, employment and social policies, Agriculture and rural development.

LESSONS LEARNED AND LINK TO PREVIOUS FINANCIAL ASSISTANCE

During the financial period 2007–2013, the country participated in the Union Programmes listed in the table below. All of the programmes were successful, except PROGRESS and LifeLong Learning, where the amount of the entry ticket covered was higher than the amount received on projects.

Union Programme		First year of participation	Projects implemented 2007 – 2013 Value in EUR	Number of projects/ participants	Entry Ticket 2007 - 2013		
					National co-financing EUR	IPA co-financing EUR	Entry ticket total amount
1	FP 7 ²	2007	12,571,925	101	2 181 195	5 073 714	7,254,409
2	CIP_EIP ³	2007	3 329 593	8	277 216	627 184	904,400
3	CIP_IEE ⁴	2011	1 531 018	3	178 638	669 766	848,404

² 7th Framework Programme for Research and Technological Development

³ Competitiveness and Innovation Framework Programme -Entrepreneurship and Innovation Programme

⁴ Competitiveness and Innovation Framework Programme - Intelligent Energy Europe Programme

Union Programme	First year of participation	Projects implemented 2007 – 2013 Value in EUR	Number of projects/ participants	Entry Ticket 2007 - 2013			
				National co-financing EUR	IPA co-financing EUR	Entry ticket total amount	
4	PROGRESS	2007	1 014 879	21	360000	1 020000	1,380,000
5	CULTURE	2008	13 506 915	42	153 600	38 400	192,000
6	Europe for Citizens	2009	3,891,608	59	9 000	66 000	75,000
7	Lifelong Learning programme and Youth in Action	2012	3,565,169	349	351 890	2 840 000	3,191,890
8	Centralised measures of the LLL programme	2012	1 171 069		20 700	159 300	180,000
9	Customs 2013	2009	211,121	81	55 724	155 397	211,121
10	Fiscalis 2013	2009	173,521	24	44 905	128 616	173,521
11	Civil Protection Mechanism & Financial Instrument	2012	65,061	/	11 056	54 005	65,061
TOTAL			41,031,879	688	3,643,068	10,832,382	14,475,450

By acquiring status of associate member in the FP7 programme in 2007, the country was given the right to participate on an equal footing with the EU Member States in all the specific programmes, and thus gaining the opportunity to get increased number of FP7 projects, and accordingly increased financial gain. The country is included in the category of successful countries which not only managed to reinstate its contribution, but enlarge it almost double, which is a rare achievement for many EU countries. In spite of the positive results, there are certain anomalies which are regularly reported in the European Commission Reports, which are the insufficient administrative capacities in the Ministry of Education and Science, inconstant and inappropriate participation of their representatives in the network of the national contact persons and facilities of the European Research space. The participation of small and medium-sized enterprises is still below the estimated levels and needs. In the forthcoming period, it will therefore be necessary to strengthen the campaign for their bigger participation in the new “Horizon 2020” Programme.

The country has participated in two of the three sub-programmes CIP-EIP and CIP-IEE, in CIP-EIP since 2007, in CIP-IEE since 2011. The participation in the third sub-programme CIP-ICT has been

postponed due to shortage of financial means for co-financing. The participation in the Programme was complicated for entities from the former Yugoslav Republic of Macedonia due to several reasons: lack of former experience in EU Programmes/Projects, insufficient innovation in the proposed ideas, low quality of applications, etc.

The country has participated in the Culture Programme since 2008. According to the official statistics published by the European Commission/Executive agency of Education, Culture and Audio-visual Work from 2008 to 2015, 145 projects have been prepared with the participation of cultural operators from the former Yugoslav Republic of Macedonia while 60 projects are supported from which 32 projects have been Literary Translation projects (out of this 2 Cooperation projects have not been realised). However, the cultural operators from the country participate, above all, with status of co-organisers within the projects, with the exception of 2 projects in which national cultural operators are leaders and 2 projects in which cultural operators participate as associate partners.

From 2014 the country officially participates in the Creative Europe (Culture Sub Programme). In the period 2014- 2016, 25 projects have been supported with participation of national cultural operators as follows: 8 Cooperation project have been supported in which cultural operators participate as co-organizers in 7 projects and 1 project in which a national organization is a lead partner. 14 Literary translation projects have been selected and 1 of them has three years Framework partnership Agreement with EACEA. A national organization is partner in 1 project supported under category Platforms and 2 national organizations participated in 2 projects supported under the category Networks.

The country has participated in the programme “Europe for citizens” since 2009. The interest for participation by the interested entities has increased, and the number of approved projects where various organisations from the country participate in, was increased. From 2008 to 2016, the country participated in 76 projects, represented by the relevant associations or institutions, acting as leading partners in nine of the projects and as partners in the rest.

Since 2009, the country has also participated in the programme “Customs”. In the period 2009-2016, a total of -142 customs officers participated in -75 events and training sessions, ensuring co-operation, exchange of information and best practices with EU member states’ Customs administrations, candidate countries and potential candidate countries, work improvements on the ground, etc.

As of 2009 the country participates in the programme “Fiscalis”. Through the participation in many activities (-83 trainings and events), the Public Revenue Office acquired significant capacities which led to the enhancement of the working processes and introduction of new ways of work, which allow strengthening of the administrative capacities.

The country has participated in the Centralised measures of the Lifelong Learning programme since 2012 benefiting from network projects, multilateral projects and other types of actions that support the European cooperation in education and training. The National agency for European educational programmes and mobility was established as a public institution to promote and implement the European educational programmes in the country.

Experience from the enlargement context shows, that successful participation in Union Programmes requires a high degree of ownership and initiative by the beneficiary. Proactive involvement by the beneficiary in gathering the necessary information on programmes, procedures and working methods as well as in establishing networks and structures and informing the public is essential in order to reap the benefits of participation in programmes and agencies. There is also a need for coupling the general

information delivery measures with targeted attention for enhancing the knowledge on particular aspects in the implementation of the union programmes i.e. calls, financial and legal issues, project preparation and management. Enhancing the participation of small and medium size enterprises remains a key challenge to be addressed through more dynamic and better targeted information and project support measures.

2. DESCRIPTION AND IMPLEMENTATION ARRANGEMENTS

INTERVENTION LOGIC

Objective:

- To ensure participation of the former Yugoslav Republic of Macedonia in Union Programmes by co-financing the costs of the entry-tickets(participation fees) for selected Union Programmes in areas such as education, culture, civil protection, private sector developments, labour market and employment, taxation, research and technological development (RTD).

Results:

- Enhanced participation of the former Yugoslav Republic of Macedonia in Union Programmes
- Increased exchanges with EU Member States;
- Strengthened ownership and responsibility (including in financial terms) for participation in Union Programmes;
- Improved awareness in country on the Union Programmes.

Indicators⁵:

- increasing No of projects prepared and funded involving country participation;
- Ratio between the value of the entry ticket and the value of the projects in which the country participates;
- Number of beneficiaries involved in international projects;
- Number of promotion events and measures.

IMPLEMENTATION ISSUES

The current action provides co-financing for paying the entry tickets / participation fees for 11 Union programmes for the year 2019 as described below in section 3 - Budget breakdown

The participation of the IPA II beneficiary country in Union Programmes, including payment by the country of the entry ticket/participation fees, shall follow the specific terms and conditions set out for each programme in the relevant International Agreement. Co-financing rates from previous participation shall be taken into account, and in line with the principle of increasing the former Yugoslav Republic of Macedonia ownership and responsibility, IPA II funding rates shall decrease over the years in real or relative terms.

⁵ Sources of verification: Union programme reports; NIPAC Reports

The former Yugoslav Republic of Macedonia 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 the former Yugoslav Republic of Macedonia.

The overall responsibility for management of the country's participation in the Union Programme was entrusted to the NIPAC and the NIPAC office hosted by the Secretariat for European Affairs (SEA). This responsibility includes promotion of the Union programmes and general consultations to stakeholders on how to participate in the Union programmes. In addition the NIPAC office will regularly monitor the participation rates and reports on them as well as on co-financing trends in the context of IPA monitoring committees. The NIPAC office will provide an annual monitoring report to the European Commission covering not only the financial implementation of the entry ticket payment, but also the actual substantial implementation at the level of beneficiaries (responsible Line Ministry) and final beneficiaries (grant beneficiaries) on the achievements of objectives and results.

The IPA Funds Management Department (National Fund) at the Ministry of Finance is responsible for payment and financial management aspect.

COMMUNICATION AND VISIBILITY

Communication and visibility activities shall be implemented in accordance with the rules of each Union programme. The relevant programme managing entity shall be responsible for monitoring of the visibility activities. The NIPAC office needs to make sure that the national 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.

3. BUDGET BREAKDOWN

	Total expenditure	IPA II contribution		IPA II beneficiary contribution	
	EUR	EUR	%	EUR	%
Entry ticket for Horizon 2020 - 2019	3,632,460	1,634,607	45	1,997,853	55
Entry ticket for COSME - 2019	188,623	94,312	50	94,311	50
Entry ticket for Europe for Citizens - 2019	15,000	9,000	60	6,000	40
Entry ticket for Culture (Creative Europe) - 2019	45,000	29,250	65	15,750	35
Entry ticket for Media (Creative Europe) - 2019	75,000	48,750	65	26,250	35
Entry ticket for Customs - 2019	185,000	77,700	42	107,300	58
Entry ticket for Fiscalis - 2019	55,000	23,100	42	31,900	58
Entry ticket for Civil Protection Mechanisms - 2019	31,982	16,311	51	15,671	49
Entry ticket for Erasmus plus - 2019	8,000,000	5,200,000	65	2,800,000	35
Entry ticket for Programme for Employment and Social Innovation (EaSI) Progress strand - 2019	200,000	82,000	41	118,000	59
Entry ticket for Erasmus plus external strand - 2019	125,000	78,750	63	46,250	37
	12,553,065	7,293,780		5,259,285	

[click twice on the table to open the embedded Excel file]

ANNEX

Overview of the former Yugoslav Republic of Macedonia'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

Union Programme	Signing of International agreement	Responsible DG & Contact	Line Ministry & Contact
HORIZON 2020	IA Agreement signed 1/7/2014	DG Research and Innovation Tania Friederichs tel +32 2295 7141 tania.friederichs@ec.europa.eu	Ministry of Education & Science Ms. Marina Nikolovska marina.nikolovska@mon.gov.mk off.023140186
COSME - Competitiveness of enterprizes and Smal and Medium-sized Enterprizes	IA Agreement signed 29/9/2014	DG Internal Market, Industry, Entrepreneurship and SMEs Ms Christiane Cambron Tel.: +32 2 2959673 christiane.cambron@ec.europa.eu	Ministry of Economy Ms. Ardiana Abazi ardiana@economy.gov.mk off.02-3093 453
Europe for Citizens	IA signed 11/12/2014	DG Migration and Home affairs Pavel Tychtl tel.: +(32) 2 2962973 pavel.tychtl@ec.europa.eu	Ministry of Education & Science Ms.Aneta Trpevska aneta.trpevska@mon.gov.mk
Creative Europe - Culture Programme	IA Agreement signed 22/7/2014	DG Education and Culture Ms Corinne Rigaud corinne.rigaud@ec.europa.eu +(32) 2 2990523	Ministry of Culture Ms.Biljana Prentoska biljana.prentoska@ccp-macedonia.gov.mk off.02-3207 446 Ms. Ivana Ristic off.02-3240 531
Creative Europe - Media programme	IA Agreement signed 24/07/2015 -	DG Communications Networks, Content and Technology Dag Asbjornsen	Film Agency Mr. Vladimir Stojcevski vladimir.stojcevski@cez.mk off.02 3224100
CUSTOMS 2020	IA Agreement signed 4/8/2014	DG Taxation & Customs Union Damien Cocard & Nancy Peeters nancy.peeters@ec.europa.eu +32/2/2986/134	Customs Administration Ms.Slagjana Damjanoska sladjana.damjanoska@customs.gov.mk ; off.02/329 39 10
FISCALIS 2020	IA Agreement signed 4/8/2014	DG Taxation & Customs Union Damien Cocard & Nancy Peeters nancy.peeters@ec.europa.eu +32/2/2986/134	Public Revenue Office Ms.Biljana Jakimova (076/ 44 63 30) biljana.jakimova@ujp.gov.mk off.02/3299 684, Mr.Goran Andonovski
Civil Protection Mechanism & Financial Instrument	IA Agreement signed	DG ECHO Biljana Zuber +32 22991804 Biljana.ZUBER@ec.europa.eu	Protection & Rescue Directorate Ms.Tatjana Anastasov, off.02/3247 205

ERASMUS +	IA Agreement signed 26/5/2014	DG Education and Culture Marlene Bartes	Ministry of education and science Ms.Aspasija Hadzisce aspasija.hadzisce@mon.gov.mk aspasijah@yahoo.com Mr. Darko Dimitrov Executive director, National Agency darko.dimitrov@na.org.mk
ERASMUS + External Strand	IA Agreement signed 26/5/2014	DG Education and Culture Marlene Bartes	Ministry of education and science Ms.Aspasija Hadzisce aspasija.hadzisce@mon.gov.mk aspasijah@yahoo.com
Programme for Employment and Social Innovation (EaSI) - Progress strand	IA Agreement signed 30/3/2015	DG Employment, Social Affairs and Equal Opportunities, FEDORIW Lidia & WESTPHAL Christiane	Ministry of Labour and Social Policy Ms. Aleksandra Slavkovska aslavkovska@mtsp.gov.mk off.02/3106 358 Ms. Ankica Ivanovska aivanovska@mtsp.gov.mk 02-3106 358
Agency for fundamental rights	By a written procedure concluded on 12 September 2016, the country obtained the status of an observer		Ministry of Justice Frosina Tasevksa Head of EU Department tel. 389(0)75 402 577 ftasevska@mjustice.gov.mk Ministry of Foreign Affairs Djenk Sejfula