



EUROPEAN COMMISSION

Brussels, 7.6.2012
C(2012) 3720 final

COMMISSION IMPLEMENTING DECISION

of 7.6.2012

amending Commission Decision C(2010)2689 of 30 April 2010 adopting the Multi-beneficiary Programme under the IPA Transition Assistance and Institution Building Component for the year 2010

COMMISSION IMPLEMENTING DECISION

of 7.6.2012

amending Commission Decision C(2010)2689 of 30 April 2010 adopting the Multi-beneficiary Programme under the IPA Transition Assistance and Institution Building Component for the year 2010

THE EUROPEAN COMMISSION,

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

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

Whereas:

- (1) Regulation (EC) No 1085/2006 lays down the objectives and main principles for pre-accession assistance to candidates and potential candidates.
- (2) The Multi-Beneficiary Programme under the IPA Transition Assistance and Institution Building Component for the year 2010 was adopted on 30 April 2010 by Commission Decision C(2010)2689. The programme has been amended by Commission Decision C(2010)9555 adopted on 20 December 2010.
- (3) The Commission intends to continue the support provided by Project 1 - Support for Improvement in Governance and Management (SIGMA) in the next programming phase 2013. Therefore, the implementation period of Project 1 SIGMA should be extended by 12 months and the funds allocated to it should be increased by EUR 3 million in order to continue SIGMA activities with the OECD. A formal transitional agreement for the continuation of SIGMA activities is required.
- (4) This Decision meets the requirements of Article 90 of Commission Regulation (EC, Euratom) No 2342/2002 of 23 December 2002 laying down detailed rules for the implementation of Council Regulation No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities² (hereafter: "Implementing Rules") and constitutes thus a Financing Decision within the meaning of Article 75 (2) of Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities³ (hereafter: "Financial Regulation").

¹ OJ L 210, 31.7.2006, p. 82.

² OJ L 357, 31.12.2002, p. 1

³ OJ L 248, 16.9.2002, p.1

- (5) The measures provided for by this Decision are in accordance with the opinion of the IPA Committee⁴,

HAS DECIDED AS FOLLOWS:

Sole Article

Commission Decision C(2010)2689 of 30 April 2010 is amended as follows:

- (1) Article 2 is replaced by the following:

"The European Union contribution shall be financed through item 22.020701 of the general budget of the European Union and shall be for a maximum amount of EUR 84 022 000, partly funded from budget year 2010 (EUR 81 022 000) and partly from budget year 2012 (EUR 3 000 000).

This programme is implemented without financing agreements."

- (2) The Annex is replaced by the Annex to this Decision.

Done at Brussels, 7.6.2012

For the Commission
Štefan FÜLE
Member of the Commission

⁴ The Member States have declared, recalling the Council Conclusions of 18 February 2008, that the adoption of the amendment 2 to the Multi-Beneficiary Programme under the IPA Transition Assistance and Institution Building Component for the year 2010 does not prejudice the position of each individual Member State on the status of Kosovo under UNSCR 1244/99, which will be decided in accordance with their national practice and international law.

**ANNEX: THE MULTI-BENEFICIARY PROGRAMME UNDER THE IPA
TRANSITION ASSISTANCE AND INSTITUTION BUILDING COMPONENT
FOR THE YEAR 2010 – AMENDMENT 2**

1. IDENTIFICATION

Beneficiaries	<p>Western Balkans: Albania, Bosnia and Herzegovina, Croatia, the former Yugoslav Republic of Macedonia, Montenegro and Serbia as well as Kosovo*.</p> <p>Iceland (for projects (7), (15) and (16)).</p> <p>Turkey (for projects (1), (6), (7), (8), (9), (10), and (15)).</p>
CRIS / ABAC numbers	2010/022-028, 2010/022-029, 2010/022-030, 2010/022-876, 2012/023-876, SI2.556309
Year	2010, 2012
Cost	EUR 84 022 000
Implementing Authority	<p>European Commission except for projects 1, 2, 6, 7, 10, 11, 12 and 13:</p> <p>Project (1) SIGMA will be implemented by joint management with the OECD.</p> <p>Project (2) Improving Public Financial Management will be implemented by joint management with the World Bank.</p> <p>Project (6) Regional Cooperation in Criminal Justice: Strengthening capacities in the fight against cybercrime will be implemented by joint management with Council of Europe.</p> <p>Project (7) Civil Society Facility (CSF) will be partly implemented by joint management with UNICEF.</p> <p>Projects (10) Erasmus Mundus Action 1: Western Balkans - Turkey Windows, (11) Erasmus Mundus – Action 2: Partnerships, Lot - Western Balkans and (12) Youth in Action Programme – Western Balkans Window: The European Commission will delegate the implementation of these projects to the Education, Audiovisual and Culture Executive Agency.</p> <p>Project (13) Western Balkans Regional Strategy on Research and Development for Innovation will be implemented by joint management with either all International Donors concerned (World Bank, OECD and UNESCO) or with one representing the others.</p> <p>Project (15) Strengthening European Integration: The European Commission will delegate part of the implementation of this project to the European Investment Fund (EIF).</p>

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

Final date for concluding the financing agreements	The programme is implemented without financing agreements.
Final dates for contracting	<p>For 2010 allocation: 30 November 2011.</p> <p>The following exceptions apply: Project (16) Statistical Cooperation and (17) INSPIRATION - Spatial Data Infrastructure in the Western Balkans: 31 December 2011</p> <p>For 2012 allocation: Project (1) SIGMA: 30 November 2013</p>
Final dates for execution	<p>For 2010 allocation: 30 November 2013.</p> <p>The following exceptions apply: Project (2) Improving Public Financial Management: 30 November 2014.</p> <p>Project (5) Strengthening the Prosecutors' Network: 30 April 2014.</p> <p>Project (9) IPF-TA: 31 December 2015.</p> <p>Project (10) Erasmus Mundus Action 1 and (11) Erasmus Mundus Action 2: 30 November 2016.</p> <p>Project (15) Strengthening European Integration: 30 November 2015</p> <p>Project (16) Statistical Cooperation and (17) INSPIRATION - Spatial Data Infrastructure in the Western Balkans: 31 December 2013</p> <p>For 2012 allocation - Project (1) SIGMA: 30 November 2014</p>
Sector Codes	<p>(1) Support for Improvement in Governance and Management (SIGMA): 15110</p> <p>(2) Improving Public Financial Management in the Western Balkans: 15111</p> <p>(3) Cross-Border Institution Building Phase II: 99810</p> <p>(4) Regional Initiative for Roma Integration: 15160</p> <p>(5) Fight against organised crime and corruption: Strengthening the Prosecutors' Network: 15130</p> <p>(6) Regional Cooperation in Criminal Justice: Strengthening capacities in the fight against cybercrime: 15130</p> <p>(7) Civil Society Facility (CSF): 15150</p> <p>(8) Implementation and follow-up of the Small Business Act: 25010</p> <p>(9) Infrastructure Project Facility - Technical Assistance Window: 16000, 21010, 23010</p> <p>(10) Erasmus Mundus Action 1: Western Balkans - Turkey Windows: 11420</p> <p>(11) Erasmus Mundus - Action 2: Partnerships, Lot -</p>

	<p>Western Balkans: 11420</p> <p>(12) Youth in Action Programme – Western Balkans Window: 11420</p> <p>(13) Western Balkans Regional Strategy on Research and Development for Innovation: 43082</p> <p>(14) Systematic Electronic Exchange of Data (SEED): 15110</p> <p>(15) Strengthening European Integration: 99810</p> <p>(16) Statistical Cooperation: 16062</p> <p>(17) INSPIRATION - Spatial Data Infrastructure in the Western Balkans: 15110</p>
Budget line(s) concerned	22.020701: Regional and Horizontal Programmes
Programming Task Manager	Unit D3, Regional Cooperation and Programmes, DG Enlargement
Implementation Task Manager	<p>Unit D3, Regional Cooperation and Programmes, DG Enlargement;</p> <p>The European Commission will delegate the implementation of projects (10), (11), and (12) to the Education, Audiovisual and Culture Executive Agency;</p> <p>DG Enlargement will cross sub-delegate implementation of project (8) to DG Enterprise.</p> <p>DG Enlargement will cross sub-delegate implementation of project (16) to DG Eurostat</p>

2. PRIORITY AXES / PROJECTS

2.1. Priority Axes

This IPA Multi-beneficiary Programme is designed to respond to Multi-beneficiary priority needs as indicated in the IPA Multi-beneficiary Multi-annual Indicative Planning Document (MIPD) 2009-2011¹, taking into account activities implemented under the National Programmes, the guidance provided in EU strategic documents, the lessons learned from the programming and implementation of previous EU assistance and the findings from consultations with, *inter alia*, the Beneficiaries, International Financial Institutions, the Regional Cooperation Council, EU Member States, civil society organisations and European Commission services.

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

To facilitate programming, the Multi-beneficiary IPA 2010 projects managed by DG Enlargement, Unit Regional Programmes have been consolidated into separate Programmes:

- Multi-beneficiary Programme 2010 (this programme);
- Tempus Programme 2010;
- Horizontal Programme for Nuclear Safety and Radiation Protection.

The objective of assistance to be provided under this Multi-beneficiary Programme is to address three priority areas as identified in the IPA Multi-beneficiary MIPD 2009-2011 - political and economic criteria as well as Assumption of the obligations of membership and approximation to European Standards.

2.1.1 Priority Axis 1 - Political criteria

Under the first priority axis, projects number 1 – 7 and project number 17 aim to:

- Reform and strengthen the civil service; Strengthen public administrations' capacities to implement efficient and effective reforms; Strengthen and foster democratic accountability, professionalism and integrity within the IPA beneficiaries' institutions and parliaments and reduce corruption within the public administrations. (*Public Administration, Section 2.3.1.1.1 of the Multi-beneficiary MIPD 2009-2011*).
- Enhance the process of Cross-Border Institution Building. (*Relevant sections in the National Programmes*)
- Complete the process of return of refugees/internally displaced persons and achieve significant progress towards their economic and social integration; Locate missing

¹ C(2009)4518

people displaced by war to contribute to healing the wounds of the war and to promote stability in the region; Ensure the protection of minorities, marginalised and vulnerable groups in accordance with EU and international standards and tackle discrimination and the difficulties faced by vulnerable groups. (*Minority rights, protection of minorities and refugee return, Section 2.3.1.2.1 of the Multi-beneficiary MIPD 2009-2011*).

- Enhance regional, European and international law enforcement and judicial cooperation in the IPA beneficiaries in order to fight organised crime, terrorism, corruption, money laundering, as well as trafficking and smuggling more effectively. (*Fight against organised crime, corruption, terrorism, trafficking and smuggling, Section 2.3.1.3.3 of the Multi-beneficiary MIPD 2009-2011*).
- Strengthen civil society organisations and their role in the political process; Increase civil society organisations' capacity to develop cross-border projects and networks; Strengthen social partnerships to underpin reforms; Familiarise civil society representatives and opinion leaders with EU affairs; Develop best practice cooperation models and standards; Develop sustainable relations between civil society organisations in the IPA beneficiaries as well as in the EU, all within the strategy for the development of civil society in the IPA beneficiaries, the "Civil Society Facility" (CSF). (*Civil Society Dialogue and Development, Section 2.3.1.3.6 of the Multi-beneficiary MIPD 2009-2011*).
- Strengthen public administrations' capacities to implement efficient and effective reforms and foster democratic accountability and professionalism within the Beneficiaries' institutions. (*Public Administration, Section 2.3.1.1.1 of the Multi-beneficiary MIPD 2009-2011*).

Priority Axis 2 - Economic criteria

Under the second priority axis projects 8 – 13 aim to:

- Raise the competitiveness of the Western Balkan economies and Turkey; Increase rates of employment; Develop formal employment; Reduce the current account imbalances in the long term (*Competitiveness of the economies, Section 2.3.2.1 of the Multi-beneficiary MIPD 2009-2011*).
- Promote infrastructure investments: Support the development and upgrading of transport, environment, and energy infrastructure and in the social field, so as to contribute to the creation of conditions favourable to sustainable development in the region as well as in the IPA beneficiaries; Support preparation of projects that may be financed by grants and/or loans provided by the IPA beneficiaries, the international financial institutions (IFIs), IPA resources, and/or other sponsors/donors. (*2.3.2.2.Cooperation with International Financial Institutions, Section 2.3.2.2 of the Multi-beneficiary MIPD 2009-2011*).
- Support the development and the quality of the higher education systems through balanced cooperation between local higher education institutions and those of the EU Member States; Enable mutual enrichment and better understanding between the EU Member States and the IPA beneficiaries through the exchange of academic staff and students at all levels and through the provision of postgraduate studies to highly qualified students in EU universities (*Education and Youth, Section 2.3.2.3 of the Multi-beneficiary MIPD 2009-2011*).

- Strengthen democracy in the Western Balkans; Facilitate the integration and active participation of young people in society; Develop youth organisations and the voluntary sector through cooperation between local NGOs, youth organisations and youth workers and those of the EU Member States, and through youth exchanges, networking and voluntary service. (*Education and Youth, Section 2.3.2.3 of the Multi-beneficiary MIPD 2009-2011*).

2.1.3 Priority Axis 3 - Assumption of the obligations of membership and approximation to European Standards

Projects number 14 and 16 under the third priority axis aims to:

- Ensure that Customs and Taxation systems and documentation are planned and developed in accordance with the interconnectivity requirements of the EU. (*Customs and Taxation, Section 2.3.3.6 of the Multi-beneficiary MIPD 2009-2011*).
- Harmonise national statistical systems with the acquis and improve the availability, quality, comparability and timeliness of statistical data. (*Statistics, Section 2.3.3.7 of the Multi-beneficiary MIPD 2009-2011*).

2.1.4 Support Activities

- The project "Strengthening European Integration" will facilitate the effective and efficient programming and implementation of the Multi-beneficiary Programme.

2.2. Description of projects grouped per priority axis

Priority Axis 1 - Political criteria EUR 39.5 million

Project 1: Support for Improvement in Governance and Management (SIGMA) – EUR 13 million

This project is designed to contribute towards upgrading the operational capacities and professionalism of public administrations in the Western Balkans and Turkey. The project endeavours to: Strengthen the central management systems of the beneficiaries, both in formal terms and in implementation; Ensure that public services are more stable and professional; Improve information sharing amongst beneficiaries and the European Commission (including Delegations).

This project will be implemented by joint management with the OECD. The European Commission will sign a Contribution Agreement with the OECD for 24 months in Q4 2010 for an amount of EUR 10 million. An addendum to the Contribution Agreement with the OECD extending implementation for 12 months and adding an amount of EUR 3 million to the Contribution Agreement will be signed in Q2 2012.

Project 2: Improving Public Financial Management in the Western Balkans – EUR 1 million

This project is designed to provide a platform for systematic improvement of public financial management across the Western Balkans through coordinated action by donors, using a common diagnostic and analytical framework (PEFA methodology)² to guide intervention and encourage cooperation and dialogue between beneficiaries. The project undertakes to: Improve public financial management in each of the Beneficiaries as measured by the (PEFA) analytical framework; Provide more comprehensive and comparable information within and between Beneficiaries on the status of public financial management; Improve skills of recipient jurisdiction officials in analysis, interpretation and policy response on areas of reform initiatives in financial management and accountability; Improve the level of cooperation and exchange of information on public financial management within and between donors and recipient jurisdictions resulting in better targeting of support and more effective interactions.

The project will be implemented by joint management with the World Bank. The European Commission will sign an Administration Agreement with the World Bank for 36 months in Q2 2010.

Project 3: Cross-Border Institution Building Phase II – EUR 1.5 million

This project is designed to strengthen the capacity of Beneficiaries for implementation and management of IPA Cross-Border Cooperation (IPA-CBC) at both programme and project levels. The assistance provided seeks to: Establish programme management; Strengthen capacities of programme structures; Ensure that management and control

² PEFA (Public Expenditure and Financial Accountability) is a partnership between the European Commission, the World Bank and other donors aiming to support integrated and harmonised approaches to assessment and reform in the field of public expenditure, procurement and financial accountability.

mechanisms are in place; Develop and approve project proposals, Increase cross-border cooperation; Improve capacities for project preparation and implementation.

The project will be implemented by a Service Contract. As foreseen in the tender for the initial contract the European Commission and ATC Consultant GmbH will conclude an Addendum to the Service Contract for Cross-border Institution Building (CBIB) Phase II in Q2 2010 in order to continue institution and capacity building for the management of eight joint cross-border programmes from end May 2010 to end November 2011.

Project 4: Regional Initiative for Roma Integration – EUR 3 million

This project is designed to improve the quality of life and access to rights of the Roma, Ashkali and Egyptian (RAE) communities in the Western Balkans. Support provided aims to: Improve living conditions, in particular housing in Roma settlements, access to health care and social welfare systems for RAE communities, and raise awareness about the importance of education and equal opportunities (gender equality) within RAE communities; Improve capacity, in particular of community coordinators, and empowerment among Roma for addressing community issues; Reduce number of RAE individuals at risk of statelessness; Promote and support coordination between relevant administrative bodies in the region; Increase efficiency of public services in dealing with RAE populations and addressing related issues such as legal advice and assistance, delivery of personal documents as well as land planning / property documents; Raise awareness among relevant authorities as well as the general public regarding Roma issues and improve perception; and Enhance visibility at European level of regional actions in the field of Roma inclusion in the Western Balkan.

The project will be implemented through a Grant Agreement following a restricted call for proposals to be launched in Q2 2010. The essential selection and award criteria for the award of grants are laid down in the Practical Guide to contract procedures for EU external actions. The grant beneficiary will contribute with a minimum of 10% of the total eligible cost of the project.

Project 5: Fight against organised crime and corruption: Strengthening the Prosecutors' Network – EUR 5 million

This project is designed to strengthen the operational capacity and capabilities of the Public/State Prosecutors' Offices in the Beneficiaries in order to prosecute and investigate cross-border organised crime and linked cases of economic and financial crime and corruption. The project endeavours to: Improve capacities of public prosecutors to investigate and prosecute cross-border cases of organised crime, economic crime and corruption; Develop training methodologies and a comprehensive staff development approach for prosecutors responsible for prosecuting cross-border cases of serious and organised crime; Foster and facilitate direct communication and cooperation capacities of Public/State Prosecutors' offices with regard to the conduct of joint investigations of cross-border cases of organised crime, economic crime, and corruption, development and implementation of special investigative measures, and request of mutual legal assistance; Improve cooperation between the Prosecutors' Network, Eurojust and the European Judicial Network (EJN) as well as with International Law Enforcement Cooperation Units (ILECUs).

The project will be implemented through a Grant Agreement following a restricted call for proposals to be launched in Q3 2010. The grant beneficiary will contribute with a minimum of 5% of the total eligible cost of the project. The essential selection and award

criteria for the award of grants are laid down in the Practical Guide to contract procedures for EU external actions.

Project 6: Regional Cooperation in Criminal Justice: Strengthening capacities in the fight against cybercrime – EUR 2.5 million

This project is designed to strengthen cross-border and international operational cooperation between law enforcement and judicial authorities of the Beneficiaries and EU Member States in investigations and prosecutions of cybercrime. The project undertakes to: Prepare amendments to the relevant legislation to bring it fully in line with the EU acquis; Enhance cross-border and international operational law enforcement and judicial cooperation, including exchange of information and best practices, for the purposes of investigations or proceedings concerning criminal offences related to cybercrime and electronic evidence; Create and coordinate a pilot cybercrime training platform and interlink training programmes for law enforcement authorities, prosecutors and judges from the Beneficiaries concerning investigation procedures, prosecution and adjudication of criminal offences related to cybercrime, organised in cooperation and coordination with Europol; Improve capacities of financial investigators, Financial Intelligence Units (FIU), and/or relevant law enforcement units in charge of fighting against cyber criminals and strengthen their cooperation with the financial sector; Reinforce cooperation between law enforcement experts and Internet Service Providers (ISPs) in investigations related to cybercrime through the application of national legislation and other relevant international instruments.

The project will be implemented by joint management with the Council of Europe. The European Commission will sign a Contribution Agreement with the Council of Europe for 24 months in Q3 2010. The Council of Europe should contribute with a minimum of 10% of the total eligible cost of the project.

Project 7: Civil Society Facility (CSF) – EUR 12 million

The project aims to develop a strong regional partnership dialogue between Civil Society Organisations (CSOs) from the region themselves and with their EU counterparts and public authorities as well as to enhance the transparency and the accountability of CSOs. The project endeavours to: Further reinforce the professional capacity of CSOs; Organise CSOs so as to play an increasingly influential role in the formulation of public policy at local, national, regional and EU levels; Increase citizens' awareness of their rights and duties as well as participation of citizens in civil society activities; Enhance cooperation and networking among CSOs from the beneficiary countries, and with CSOs from the EU in order to foster an intercultural dialogue; Increase understanding by CSOs of EU affairs and the accession process eventually leading to better dissemination of information. Particular attention will be paid to gender aspects and the plight of children as well as vulnerable families in the work of CSOs.

The project will be implemented through two Service Contracts, one (EUR 6.71 million) following negotiated procedure with a single tender based on Article 242(1)(c) of the Implementing Rules of the Financial Regulation or following a call for tender (for the Technical Assistance) and one (EUR 1.785 million) through the extension of the existing contract with GTZ (People 2 People programme), to be signed in Q3 2010 and Q3 2011 respectively, several grant contracts (totalling EUR 1.855 million) following a call for proposals (for "Empowerment of Women") to be launched at the latest in Q4 2010 and a Contribution Agreement (EUR 1.65 million) with UNICEF (for "Protection of children from violence") to be signed at the latest in Q2 2010. The grant beneficiaries will

contribute with a minimum of 10% of the total eligible cost of the project. The essential selection and award criteria for the award of grants are laid down in the Practical Guide to contract procedures for EU external actions.

Project 17: INSPIRATION - Spatial Data Infrastructure in the Western Balkans – EUR 1.5 million

The project aims to promote Spatial Data Infrastructure (SDI) and further coordinate its implementation in the Western Balkans with a view to preparing Beneficiaries to meet with the objectives of the Inspire Directive. The project undertakes to: Increase comprehensive and comparable information within and between Beneficiaries on the status of Land Administration and Spatial Data Infrastructure to guide reform priorities, policy development, legislative improvements; Increase efficient institutional frameworks and technical arrangements established; Review legislation regarding SDI framework reviewed for implementation in each Beneficiary; Clarification of Information on the state of play and needs in terms of capacity and skills and analysis for future improvement of training and education offer; Enhance awareness in NSDI / INSPIRE among general public and government.

The project will be implemented by a Service Contract that will be awarded following a restricted call for tender to be launched in Q1 2011.

Priority Axis 2 – Economic criteria EUR 38.422 million

Project 8: Implementation and follow-up of the Small Business Act in the Western Balkans – EUR 0.3 million

The project aims to support the Western Balkans and Turkey to implement the Small Business Act, especially by improving the overall policy approach to entrepreneurship, by irreversibly anchoring the “Think Small First” principle in policymaking from regulation to public service, and by promoting SMEs’ growth. The project endeavours to: Elaborate of a new set of indicators and monitoring tools, combining elements of the Charter and the SBA; Evaluate cross country policy based on the new set of policy indicators and monitoring tools; Organise company surveys and/or focus groups in all beneficiaries and integrate results of company surveys/focus groups into the evaluation exercise; Consult with the governments and stakeholder in the region; Elaborate, publish, disseminate and present the Regional Progress report; Monitor priority action implementation and support in policy implementation.

This project will be implemented through a Grant Agreement which should be signed in Q4 2010 with the OECD based on Article 168(1)(f) of the Implementing Rules of the Financial Regulation since a particular type of body on account of its technical competence is required. Only the OECD combines the required technical capacity, knowledge independence and presence in the field. The OECD should contribute with a minimum of 11.8% of the total eligible cost of the project.

Project 9: Infrastructure Project Facility – Technical Assistance Window – EUR 15.122 million

This project is designed to support the preparation and implementation of investment projects that may be financed by grants and/or loans provided by the Beneficiaries, IPA resources, the IFIs and/or other sponsors/donors. The project endeavours to: Increase the number and improve the quality of investment proposals for infrastructural remediation

and improvement projects in the context of National and Regional Investment Plans; Enhance donor coordination and financial cooperation between the Commission, IFIs and beneficiary authorities; Promote the exchange of skills and knowledge among the international experts and the beneficiary institutions, including local authorities and municipalities. For Western Balkans, projects will be selected using the Joint Grants Facility (JGF) of the Western Balkan Investment Framework.

This project will be implemented by a Service Contract that will be awarded following negotiated procedure with a single tender based on Article 242(1)(b) of the Implementing Rules of the Financial Regulation or following a restricted call for tender to be launched in Q1 2011.

Project 10: Erasmus Mundus Action 1: Western Balkans - Turkey Windows – EUR 8 million

This project is designed to enable highly qualified graduates from the Western Balkans and Turkey to engage in postgraduate study at European universities and to obtain qualifications and/or experience in the European Union and EFTA-EEA States.

The Erasmus Mundus Masters or Doctorates Consortia will provide approximately 200 scholarships to graduate students from the Western Balkans and Turkey to attend an Erasmus Mundus Masters or Doctorate Course for a minimum duration of one and a maximum duration of two years. The scholarships are awarded exclusively to graduate students who have been registered to an Erasmus Mundus Masters or Doctorate Course.

This project will be implemented by indirect centralised management. Implementation tasks are delegated by the European Commission to the Education, Audiovisual and Culture Executive Agency (EACEA). Following the selection of the awarded students, the EACEA will conclude grant contracts with the universities. It is expected that these contracts will be concluded in Q3 2011.

Project 11: Erasmus Mundus – Action 2: Partnerships, Lot - Western Balkans – EUR 12 million

This project is designed to enable the exchange of academic staff and students at all levels thereby enhancing their knowledge and skills. The project aims to: Increase the exchange of students between the European Union and the Western Balkans; Enhance the international cooperation capacities of higher education institutions in the Western Balkans through cooperation with high quality European institutions with extensive experience in the European Credit Transfer and Accumulation System (ECTS) and in the implementation of the Bologna process; Share the experiences of EU Member State universities in the framework of Erasmus and in the implementation of the Bologna process and improve cultural understanding and respect for diversity.

This project will be implemented by indirect centralised management. Implementation tasks are delegated by the European Commission to the Education, Audiovisual and Culture Executive Agency. The project will be implemented through a call for proposals. The call for proposals should be launched in Q4 2010. The selection and award criteria will relate to (a) the financial and operational capacity of the applicant, (b) the relevance of the proposal, and (c) the methodology proposed.

Project 12: Youth in Action Programme – Western Balkans Window – EUR 1.5 million

This project is designed to promote the non-formal education and youth sector in the Western Balkans. The assistance provided seeks to: Increase opportunities for young people to experience international mobility and to acquire socio-educational skills which could better facilitate their integration into society; Increase the participation of young people in democratic life and active citizenship in particular young women and young people with fewer opportunities; Improve interethnic and inter-religious dialogue among young people and youth organisations; Develop long-lasting partnerships as well the exchange of expertise and know-how in the field of youth and non-formal education and improve the organisational skills of organisations established in the Western Balkans, in particular regarding the management of European Union funds.

This project will be implemented by indirect centralised management. Implementation tasks are delegated by the European Commission to the Education, Audiovisual and Culture Executive Agency.

The Programme “Youth in Action” is implemented on the basis of a permanent Call for Proposals. The present project, as part of the overall programme, foresees three deadlines: September 2010, February 2011 and June 2011. Grants will be awarded to Youth organisations following the selection of the projects after an evaluation by experts on the basis of criteria defined in the Youth in Action Programme Guide.

Project 13: Western Balkans Regional Strategy on Research and Development for Innovation – EUR 1.5 million

This project is designed to define a regional strategy to further improve the region's potential and capacity for research and development, stimulating innovation. The project undertakes to: Define regional priorities in R&D; Outline policy of structural and institutional transformation of R&D systems; Define prerequisites for development of cooperation of R&D, higher education and business sector; Set action plan defining further steps in strengthening cooperation; Map Regional Centers of Excellence in R&D; Improve existing mechanisms for enhancing absorption capacity of available European funds; Develop new mechanisms for enhancing absorption capacity of available European funds; Outline system of monitoring of cooperation development and criteria of assessment of the results of cooperation.

The project will be implemented by joint management with an International Organisation or International Organisation(s). The European Commission will sign a Contribution Agreement for 24 months in Q2 2010 with either all the International Donors concerned (World Bank, OECD and UNESCO) or with one representing the others to develop the strategy jointly.

Priority Axis 3 – Assumption of the obligations of membership and approximation to European Standards – EUR 2.3 million

Project 14: Systematic Electronic Exchange of Data (SEED) – EUR 1.3 million

This project is designed to build capacity of beneficiaries' customs administration by implementing a systematic solution for a common concept or regional standard in the exchange of customs data between Beneficiaries. At the same time, it will set a standard for structured data exchange with other interested parties (e.g. other state agencies and institutions, participants in the customs procedure as well as between individual departments or divisions) and initiatives (e.g. e-TIR, RacWeb, etc.). The project undertakes to: Improve the fight against customs offences/fraud; Facilitate the legitimate trade; Improve the regional cooperation; Build capacity of all Beneficiary Administrations towards European integration.

The project will be implemented through a Service Contract (under negotiated procedure with a single tender) which should be signed in Q2 2010 with the Italian Customs Agency (“Agenzia delle Dogane”) based on Article 242(1)(b) of the Implementing Rules of the Financial Regulation. The services are entrusted to a public-sector body and relate to activities of an institutional nature. SEED will become a secure form of transmission of information between the participating Balkan Customs Administrations thereby strengthening their collective institutional capacity.

Project 16: Statistical Cooperation (EUR 1 million)

This project is designed to support the upgrading and strengthening of the statistical systems in Iceland, thereby improving the availability, quality, comparability and timeliness of statistical data. The project endeavours to: improve harmonisation of statistical legislation; improve the administrative capacity of official statistics providers, including their ability to coordinate the national statistical systems; and improve the functioning of the national statistical systems and improve the availability, quality and comparability of statistical data in priority areas.

The project will be implemented through a direct grant to the NSI of Iceland in Q2 2011 on the basis of a de-jure and de-facto monopoly to carry out the statistical activities included in this project fiche in line with Article 168 (1) (c) of the Implementing Rules as the NSI is the institution inside the public administration of the IPA beneficiary responsible for collecting, producing and disseminating official statistics. The NSI might be supported in this undertaking by other services of the public administration but the final responsibility for the official statistical information lies with the NSI. The grant beneficiary will contribute 10% co-financing to the eligible expenditure.

Implementation of this project will be cross sub-delegated from DG Enlargement to DG Eurostat.

Support Activities – EUR 3.8 million

Project 15: Strengthening European Integration - EUR 3.8 million

This project is designed to strengthen the ability of the beneficiaries to effectively design and develop programmes and projects to be submitted for financing under IPA Multi-beneficiary Programmes as well as to enable the implementation of a number of

accession-related actions of various public/private actors in order to meet specific and urgent needs in the beneficiaries. Furthermore, to support the beneficiaries' participation in activities for the exchange of information, networking, participation in workshops, conferences, study visits and similar activities and to assist in smaller-scale projects supporting European Integration. In addition, the project supports translations of documents into Icelandic.

Project Preparation Facility: It is expected that the project will be implemented through 5-12 service contracts which should be signed between Q2 2010 and Q4 2011, some of them procured under framework contracts. Furthermore, part of the project will be implemented by indirect centralised management. Implementation tasks are delegated by the European Commission to the European Investment Fund (EIF). An amendment to the existing Mandate with the EIF with regard to additional administrative costs of a part of EUR 216 300 will be signed in Q1 2011. Implementation tasks are delegated under Article 54 (2) (b) of the Financial Regulation to the EIF.

Institution Building Envelope: A direct grant to the Translation Centre of the Ministry of Foreign Affairs of Iceland is foreseen. It will be implemented by means of a grant contract for an amount of up to EUR 2 million to be signed in Q1 2011 with the Translation Centre on the basis of Article 168.1 (f) of the Implementing Rules to the Financial Regulation, which provides for the award of direct grants *“for actions with specific characteristics that require a particular type of body on account of its technical competence, its high degree of specialisation or its administrative power, on condition that the actions concerned do not fall within the scope of a call for proposals”*. The grant beneficiary will contribute 10% co-financing to the eligible expenditure.

2.3. Overview of past and on going assistance (EU / IFI / Bilateral and national assistance) including lessons learned and donor coordination

2.3.1 Past and ongoing assistance

Between 2001 and 2009, over EUR 987 million was allocated in assistance to the Beneficiaries through the CARDS Regional Programmes, the Phare Multi-Country Programmes and the recent IPA Multi-beneficiary programmes. In financial terms, assistance provided under these programmes has addressed, in particular, economic development, through extensive and close collaboration with International Financial Institutions which have helped the development of a functioning financial sector capable of supporting the expansion of the private sector and the needs of municipalities.

Equally important is the support that has been given to the regional cooperation process in the Western Balkans and certain areas of key importance for the European integration, such as taxation and customs, statistics, public administration (SIGMA) and horizontal support via TAIEX. Additional details on the assistance allocated under the CARDS, Phare and IPA programmes are provided in the following table:

Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	TOTAL
CARDS	20.0	75.8	62.9	36.4	75.2	81.8				352.1
PHARE				7.5	69.65	150.3				227.45
IPA							109.0	140.7	160.0	409.7
TOTAL	20.0	75.8	62.9	43.9	144.85	232.1	109.0	140.7	160.0	989.25

Table 1: Total European Union allocations to the CARDS Regional, Phare Multi-Country Programmes and IPA Multi-beneficiary Programmes (*amounts in millions of Euro*)³

2.3.2. *Lessons learned*

In designing this IPA Multi-beneficiary programme, particular note has been taken of the results of projects programmed in previous years. The lessons learned build upon the experience in the implementation of previous projects in the specific areas.

Furthermore, in the management of previous and ongoing Multi-beneficiary IPA, CARDS Regional and Phare Multi-Country projects and programmes a number of applicable lessons have emerged through the project monitoring and evaluation reports as well as the evaluation report on the implementation of CARDS assistance to the Western Balkans which are applicable to this programme.

By involving the beneficiaries and the Regional Cooperation Council in the initial project conception phase of the programming cycle through primarily the IPA Multi-beneficiary coordination meetings, which are held approximately three times a year as well as informing them on the outcomes of each step in the programming cycle, ownership of the Multi-beneficiary programme has improved considerably compared to, for example, the CARDS programme. Such involvement affords beneficiaries the opportunity to judge their absorption capacity for each project as well as to evaluate how each project would fit into the national plans.

In order to avoid duplications and to ensure complementarities, close coordination with other donors, in particular EU Member States have been undertaken during the programming phase of this Multi-beneficiary programme through early consultation on the first project ideas. In addition, the IPA National Programmes have been carefully assessed.

2.3.3. *Donor Coordination*

Coordination and coherence of assistance and activities is particularly important, given the large number of players involved. The need for improved coordination and coherence

³ The CARDS figures 2003-2006 include the figures for the Regional Programme and the Interim Civilian Administrations (UNMIK, OHR and the Stability Pact). CARDS 2004-2006 includes EUR 15 million, EUR 15 million and EUR 11.9 million respectively for Cross-Border Cooperation. The CARDS 2006 also includes Information and Communication as well as Audit, Monitoring and Evaluation. The Phare figures include those allocated to Multi-beneficiary programmes as well as finance facilities with the IFIs. The IPA figures for 2007, 2008 and 2009 include Regional and Horizontal projects, TAIEX, Information and Communication, Audit, Monitoring, Evaluation and Interim Civilian Administrations (UNMIK, OHR, Stability Pact/RCC). Source of figures: CARDS and Phare: Commission Decisions; IPA: MIFF 2011-2013.

has been highlighted to the Commission during consultations as a continuing concern by the authorities of the region. The Donor Coordination Ad Hoc Report ⁴ notes that while donor coordination efforts at external assistance headquarters level have been good in both establishment of joint funds and information sharing, with strong leadership from the European Commission for the latter in recent years. At a country level the picture is mixed, with some external assistance providers being committed and proactive in donor coordination, and others following their own national or business agendas. The conclusions made in the report were that: (i) Management of information is best undertaken by one high-level coordinating body but planning and implementation is best coordinated at sector level; (ii) Even where the systems in place are of an acceptable quality, reluctance exists amongst external aid providers to participate in donor coordination and (iii) the extent to which core values of aid effectiveness are embedded in the culture of the external assistance providers, and to which priority are given within the administration of partner countries, are key factors in the success of external assistance coordination.

Efforts are being made by the Commission to ensure good coordination by in the programming as well as the implementation process by organising regular meetings throughout the year with Beneficiaries, Delegations, EU Member States, International Financial Institutions (IFI), the Regional Cooperation Council and other stakeholders. This process is aimed at ensuring complementarities, avoiding overlaps and enhancing, as far as possible, local ownership of the choices, content and design of the programmes. Special importance should be given to the role of the Regional Cooperation Council in which the European Commission plays an active role, as the interlocutor for the Beneficiaries in particular for the Regional Cooperation Process in the Western Balkans.

The Commission organised a Donor Coordination conference in October 2008 where the Commission and Member States, together with the IFIs and non-EU donors, agreed to an active and affirmative approach concerning the need for enhanced donor coordination. It was agreed that the MIPDs could become a strategic instrument for donor coordination and that the consultation on the 2009-2011 MIPDs will be used as a key tool to determine areas of common interest and possibilities for sector coordination and division of labour. The results and plans for action stemming from these consultations were reported during the last donor conference held in April 2009 in Albania.

2.4. Horizontal issues

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

2.5. Conditions

The commitment of the beneficiaries to make the necessary resources available, to cooperate closely and to share knowledge as well as experiences are essential to the success of the projects included under this programme.

⁴ Donor Coordination Ad Hoc Report, MWH Consortium, 10 December 2008

2.6 Indicative Benchmarks

	2010		2011 (cumulative)	2012(cumulative)
	EU	NF	EU	EU
<u>Number of Addendum to Service Contract</u>				
<u>Cross-Border Institution Building (1)</u>	<u>1</u>		<u>1</u>	<u>1</u>
<u>Number of negotiated procedure for Service Contract</u>				
<u>Systematic Electronic Exchange of Data (1)</u>				
<u>Civil Society Facility (1-2)</u>	<u>4</u>		<u>4</u>	<u>4</u>
<u>Infrastructure Project Facility - Technical Assistance Window (0-1)</u>				
<u>Number of tenders launched</u>				
<u>Civil Society Facility (CSF) (0-1)</u>				
<u>Infrastructure Project Facility - Technical Assistance Window (0-1)</u>	<u>3</u>		<u>4</u>	<u>4</u>
<u>Strengthening European Integration (1)</u>				
<u>INSPIRATION (1)</u>				
<u>Numbers of Framework Contracts</u>				
<u>Strengthening European Integration (5-12)</u>			<u>12</u>	<u>12</u>
<u>Number of calls for proposal</u>				
<u>Regional Initiative for Roma Integration (1)</u>				
<u>Civil Society Facility (CSF) (1)</u>				
<u>Fight against organised crime and corruption: Strengthening the Prosecutors' Network (1)</u>	<u>4</u>		<u>5</u>	<u>5</u>
<u>Erasmus Mundus – Action 2: Partnerships, Lot - Western Balkans (1)</u>				
<u>Youth in Action Programme – Western Balkans Window (1)</u>				
<u>Number of Direct Grants</u>				
<u>Implementation and follow-up of the Small Business Act (SBA) (1)</u>				
<u>Erasmus Mundus Action 1: Western Balkans - Turkey Windows (100)</u>	<u>1</u>		<u>103</u>	<u>103</u>
<u>Strengthening European Integration (1)</u>				
<u>Statistical Cooperation (1)</u>				
<u>Number of Contribution Agreements/Addenda to Contribution Agreements</u>				
<u>SIGMA (1)/(1)</u>				
<u>Civil Society Facility (CSF) (1)</u>				
<u>Regional Cooperation in Criminal Justice: Strengthening capacities in the fight against cybercrime (1)</u>	<u>4</u>		<u>4</u>	<u>5</u>
<u>Western Balkans Regional Strategy on Research and Development for Innovation (1)</u>				
<u>Number of Administration Agreements</u>				
<u>Improving Public Financial Management (1)</u>	<u>1</u>		<u>1</u>	<u>1</u>

<u>Number of Mandates</u>			<u>1</u>	<u>1</u>
<u>Strengthening European Integration (1)</u>				
<u>Contracting Rate (%)</u>	<u>13</u>		<u>99.3</u>	<u>100</u>

3. BUDGET (AMOUNTS IN EUR)

3.1. Indicative budget table

Centralised and joint management	Institution Building (IB)				Investment (INV)				Total (IB + INV)	Total EU contribution			
	Total expenditure	EU contribution		Other contribution*		Total expenditure	EU contribution				Other contribution*		
	EUR (a)=(b)+(c)	EUR (b)	% ⁽¹⁾	EUR (c)	% ⁽¹⁾	EUR (d)=(e)+(f)	EUR (e)	% ⁽¹⁾			EUR (f)	% ⁽¹⁾	
Priority axis 1:	41 463 269	39 500 000	95.27	1 963 269	4.73						41 463 269	39 500 000	47.01
Support for Improvement in Governance and Management (SIGMA)	13 264 000	13 000 000	98.0	264 000	2.0						13 264 000	13 000 000	
Improving Public Financial Management	1 000 000	1 000 000	100								1 000 000	1 000 000	
Cross-Border Institution Building Phase II	1 500 000	1 500 000	100								1 500 000	1 500 000	
Regional Initiative for Roma Integration	3 333 333	3 000 000	90.0	333 333	10.0						3 333 333	3 000 000	
Fight against organised crime and corruption:													
Strengthening the Prosecutors' Network	5 263 158	5 000 000	95.0	263 158	5.0						5 263 158	5 000 000	
Regional Cooperation in Criminal Justice:													
Strengthening capacities in the fight against cybercrime	2 777 778	2 500 000	90.0	277 778	10.0						2 777 778	2 500 000	
Civil Society Facility (CSF)	12 825 000	12 000 000	93.57	825 000	6.43						12 825 000	12 000 000	
INSPIRATION	1 500 000	1 500 000	100								1 500 000	1 500 000	

Priority axis 2:	38 837 000	38 422 000	98.90	415 000	1.10					38 837 000	38 422 000	45.73
Small Business Act in the Western Balkans	340 000	300 000	88.24	40 000	11.76					340 000	300 000	
Infrastructure Project Facility – Technical Assistance Window	15 122 000	15 122 000	100							15 122 000	15 122 000	
Erasmus Mundus Action 1: Western Balkans – Turkey Windows	8 000 000	8 000 000	100							8 000 000	8 000 000	
Erasmus Mundus – Action 2: Partnerships, Lot – Western Balkans	12 000 000	12 000 000	100							12 000 000	12 000 000	
Youth in Action Programme – Western Balkans Window	1 875 000	1 500 000	80.0	375 000	20.0					1 875 000	1 500 000	
Western Balkans Regional Strategy on Research and Development for Innovation	1 500 000	1 500 000	100							1 500 000	1 500 000	
Priority axis 3:	2 411 111	2 300 000	95.39	111 111	4.61					2 411 111	2 300 000	2.74
Systematic Electronic Exchange of Data (SEED)	1 300 000	1 300 000	100							1 300 000	1 300 000	
Statistical Cooperation	1 111 111	1 000 000	90.0	111 111	10.0					1 111 111	1 000 000	
Support Activities	4 022 222	3 800 000	100	222 222	5.52					4 022 222	3 800 000	4.52
Strengthening European Integration	4 022 222	3 800 000	100	222 222	5.52					4 022 222	3 800 000	
TOTAL	86 733 602	84 022 000	96.87	2 711 602	3.13					86 733 602	84 022 000	100

* Other contribution (public and private national and/or international contribution) provided by national counterparts and/or international organisations and/or grant beneficiaries

(1) Expressed as a % of the Total expenditure IB or INV (column (a) or (d)).

(2) Priority axis rows only. Expressed as a % of the grand total of column (h). It indicates the relative weight of the priority with reference to the total EU contribution of the entire Financing Proposal.

3.2. Principle of Co-Financing applying to the projects funded under the programme

The European Union contribution, which represents 96.87% of the total budget allocated to this programme, has been calculated in relation to the **eligible expenditure**, which in the case of centralised management and joint management is based on the **total expenditure**. Parallel co-financing will be used.

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

In the case of grants, final grant beneficiaries should contribute with a minimum of 5% of the eligible expenditure of the project.

4. IMPLEMENTATION ARRANGEMENTS

4.1. Method of implementation

The programme will mainly be implemented by direct centralised management by the European Commission in accordance with Article 53a of the Financial Regulation⁵ and the corresponding provisions of the Implementing Rules⁶, save for the following exceptions:

Project (1) Support for Governance and Management (SIGMA) will be implemented by the European Commission by joint management with the OECD following Article 53d of the Financial Regulation and the corresponding provisions of the Implementing Rules. To this end, the European Commission will sign a Contribution Agreement with the OECD for 24 months in Q4 2010. An addendum to the Contribution Agreement with the OECD extending it for 12 months will be signed in Q2 2012.

Project (2) Improving Public Financial Management in the Western Balkans will be implemented by the European Commission by joint management with the World Bank following Article 53d of the Financial Regulation and the corresponding provisions of the Implementing Rules. To this end, the European Commission will sign an Administration Agreement with the World Bank for 36 months.

Project (6) Regional Cooperation in Criminal Justice: Strengthening capacities in the fight against cybercrime will be implemented by the European Commission by joint management with Council of Europe following Article 53d of the Financial Regulation and the corresponding provisions of the Implementing Rules. To this end, the European Commission will sign a Contribution Agreement with the Council of Europe in Q4 2010 for 24 months.

Project (7) Civil Society Facility (CSF) will be partly implemented by the European Commission by joint management with UNICEF following Article 53d of the Financial Regulation and the corresponding provisions of the Implementing Rules. To this end, the European Commission will sign a Contribution Agreement with UNICEF for 24 months.

Projects (10) Erasmus Mundus Action 1: Western Balkans - Turkey Windows; (11) Erasmus Mundus – Action 2: Partnerships, Lot - Western Balkans and (12) Youth in Action Programme – Western Balkans Window will be implemented by indirect centralised management following Article 53a of the Financial Regulation and the corresponding

⁵ Regulation 1605/2002 (OJ L 248, 16.9.2002, p.1)

⁶ Regulation 2342/2002 (OJ L 357, 31.12.2002, p. 1).

provisions of its Implementing Rules. Implementation tasks are delegated under Article 54 (2) (a) of the Financial Regulation to the Education, Audiovisual and Culture Executive Agency, which was created by Commission Decision 2005/56/EC of 14 January 2005. The mandate of the agency was extended by Commission Decision 2007/114/EC of 8 February 2007.

Project (13) Western Balkans Regional Strategy on Research and Development for Innovation will be implemented by joint management with an International Organisation or International Organisation(s) following Article 53d of the Financial Regulation and the corresponding provisions of the Implementing Rules. To this end, the European Commission will sign a Contribution Agreement for 24 months in Q2 2010 with either all the International Donors concerned (World Bank, OECD and UNESCO) or with one representing the others to develop the strategy jointly.

Project (15) Strengthening European Integration will partly be implemented by indirect centralised management following Article 53a of the Financial Regulation and the corresponding provisions of the Implementing Rules of the Financial Regulation. Implementation tasks are delegated under Article 54 (2) (b) of the Financial Regulation to the EIF.

Implementation of project (8) Implementation and follow-up of the Small Business Act will be cross sub-delegated from DG Enlargement to DG Enterprise.

Implementation of project (16) Statistical Cooperation will be cross sub-delegated from DG Enlargement to DG Eurostat.

For joint management all international organisations shall have been subject of the 4-pillar assessment according to Article 53d of the Financial Regulation.

4.2. General rules for procurement and grant award procedures

Procurement shall follow the provisions of Part Two, Title IV of the Financial Regulation and Part Two, Title III, Chapter 3 of its Implementing Rules as well as 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 adopted by the Commission on 24 May 2007 (C(2007)2034).

Grant award procedures shall follow the provisions of Part One, Title VI of the Financial Regulation and Part One, Title VI of its Implementing Rules.

The Commission shall also use the procedural guidelines and standard templates and models facilitating the application of the above rules provided for in the "Practical Guide to contract procedures for EU external actions" ("Practical Guide") as published on the EuropeAid website⁷ at the date of the initiation of the procurement or grant award procedure.

For cross subdelegated programmes, AOSDs can use their own templates and guidelines, as long as these are in line with the provisions of Part Two Title IV of the Financial Regulation.

As regards activities under joint management, the general rules for procurement and grant award procedures shall be defined in the Contribution Agreement between the Commission and the organisation implementing such activities.

⁷ current address:
http://ec.europa.eu/europeaid/work/procedures/implementation/practical_guide/index_en.htm

5. MONITORING AND EVALUATION

5.1. Monitoring

The Commission may undertake any actions it deems necessary to monitor the programmes concerned. These actions may be carried out jointly with the international organisation(s) concerned by this programme.

5.2. Evaluation

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

The results of ex ante and interim evaluation shall be taken into account in the programming and implementation cycle.

The Commission may also carry out strategic evaluations.

6. AUDIT, FINANCIAL CONTROL AND ANTI-FRAUD MEASURES

The accounts and operations of all parties involved in the implementation of this programme, as well as all contracts and agreements implementing this programme, are subject to, on the one hand, the supervision and financial control by the Commission (including the European Anti-Fraud Office), which may carry out checks at its discretion, either by itself or through an outside auditor and, on the other hand, audits by the European Court of Auditors. This includes measures such as ex-ante verification of tendering and contracting carried out by the Delegation in the Beneficiary Country.

In order to ensure the efficient protection of the financial interests of the Union, the Commission (including the European Anti-Fraud Office) may conduct on-the-spot checks and inspections in accordance with the procedures foreseen in Council Regulation (EC, Euratom) 2185/96⁸.

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

7. NON SUBSTANTIAL REALLOCATION OF FUNDS

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

⁸ OJ L 292; 15.11.1996; p. 2

that they do not affect the nature and objectives of the programme. The IPA Committee shall be informed of the above reallocation of funds.

8. LIMITED ADJUSTMENTS IN THE IMPLEMENTATION OF THE PROGRAMME

Limited changes in the implementation of this programme affecting essential elements listed under Article 90 of the Implementing Rules to the Financial Regulation, which are of an indicative nature⁹, may be undertaken by the authorising officer by delegation (AOD), or by the authorising officer by sub-delegation (AOSD), in line with the delegation of powers conferred upon him by the AOD, in accordance with the principles of sound financial management without an amending financing decision being necessary.

⁹ These essential elements of an indicative nature are, for grants, the indicative amount of the call for proposals and, for procurement, the indicative number and type of contracts envisaged and the indicative time frame for launching the procurement procedures.

