

EN

EN

EN

**ANNEX: National programme for Croatia under the IPA Transition Assistance
and Institution Building Component for 2011 – Part 1**

1. IDENTIFICATION

Beneficiary	Croatia
CRIS number	IPA/2010/22-637
Year	2011
Cost	EUR 330 000 ¹
Implementing Authority	European Commission. The implementation of this programme will be cross-delegated from DG Enlargement (ELARG) to DG Taxation and Customs Union (TAXUD).
Final date for concluding the Financing Agreements	31 December 2012
Final date for contracting	2 years following the date of conclusion of the Financing Agreement. No deadline for audit and evaluation projects covered by this Financing Agreement, as referred to in Article 166(2) of the Financial Regulation. These dates apply also to the national co-financing.
Final dates for execution	2 years following the end date for contracting. These dates apply also to the national co-financing.
Sector Code	15111
Budget line concerned	22.020100: national programmes (component Transition Assistance and Institution Building) for Candidate Countries.
Programming Task Manager	DG ELARG.B1
Implementation Task Manager	DG TAXUD

2. PRIORITY AXES / PROJECTS

2.a Priority axes

¹ A total of EUR 39 959 128 is available under IPA 2011 Component I for Croatia. The major part of this sum will be allocated in another Financing Decision at a later stage in 2011. The present Financing Decision amounting to EUR 330 000 should be adopted already at the beginning of 2011 to allow for the rapid connection of the Croatian Customs Administration (CCA) to the Common Communication Network and Common System Interface (CCN/CSI) of the European Union.

This programme consists in one project, "Connecting the Croatian Customs Administration (CCA) to the Common Communication Network and Common System Interface (CCN/CSI)", which contributes to the 3rd priority axis "Ability to assume the obligations of membership", in the area of the customs union, of the Multi-Annual Indicative Planning Document (MIPD) 2009-2011 for Croatia.

This single-project programme, under the IPA 2011 national programme "Part 1", is needed to allow for the connection of the Croatian Customs Administration (CCA) to the Common Communication Network and Common System Interface (CCN/CSI) of the European Union already in the first quarter of 2011.

The "Part 2" of the IPA 2011 national programme will be adopted at a later stage in 2011 and will be based on the revised MIPD 2011-13.

2.b Description of projects grouped per priority axis

This programme consists in one project: "Connecting the Croatian Customs Administration (CCA) to the Common Communication Network and Common System Interface (CCN/CSI)".

The objective of this project is to facilitate customs and transit procedures between Croatia and the EU via interconnectivity of Croatia's information technology (IT) systems with the EU IT systems in the area of CCN/CSI, to enable the exchange of information between the EU and EU Member States immediately upon accession.

The purpose of this project is to implement Croatia's connection to the CCN/CSI network to enable testing and operations of several IT systems required for the accession of Croatia to the Common Transit Convention or the European Union, such as the New Computerized Transit System (NCTS), the national Integrated Tariff Management System (ITMS), the Excise Movement Control System (ECMS) and the VAT Information Exchange System (VIES).

The activities foreseen consist in the deployment of the network connections and configuration of the CCN/CSI gateways and will be implemented by DG TAXUD of the European Commission on the basis of a cross-delegation from DG ELARG:

- DG TAXUD will use its current specific contracts, or will set up dedicated specific contracts, under its framework contracts TAXUD 2006/CC/079 and 2006/CC/082 or under new framework contracts available at the time of implementation, to acquire the CCN/CSI telecommunication lines and the related support and maintenance services;
- DG TAXUD's contractors will deploy the network connections and CCN/CSI hardware/software (i.e. the CCN/CSI gateways, security devices, etc.);
- Access to the helpdesk and technical support will be granted for authorised users;
- CCN training will be organised at DG TAXUD's contractors premises or at the Commission's premises;
- The CCN/CSI hardware/software and telecommunications line will be operated and maintained for three years.

It is envisaged that the two following contracts will be concluded in the 1st quarter of 2011 for a total of EUR 330 000:

- Specific Contract under Framework Contract TAXUD/CC/082 (Equant Belgium) or under a new framework contract, and/or Request For Action under an existing Specific Contract issued under the framework contract;
- Specific Contract under Framework Contract TAXUD/CC/079 (Atos Origin-IBM consortium) or under a new framework contract, and/or Request For Action under an existing Specific Contract issued under the framework contract.

2.c Overview of past and on going assistance (EU / International Financial Institutions / Bilateral and national assistance) including lessons learned and donor co-ordination

This project builds on the following projects implemented under Phare:

- Phare 2005 "Interoperability of IT Systems with the EU Customs Systems" implemented in the course of 2007 – 2009;
- Phare 2005 "VIES Mandatory Developments" implemented in the course of 2007 – 2009;
- Phare 2006 "Integration of the Croatian Customs Information Systems with the EU Customs Information Systems" implemented in the course of 2008 – 2010. Through this project a "local" CCN/CSI has been established without connection to either CCN/CSI network or the DG TAXUD IT systems;
- Phare 2006 "VIES enhancements and VES development" implemented in the course of 2008 – 2010.

Taking into account the experience in contracting the initial stage of CCN/CSI for Croatia in the aforementioned Phare 2006 project, the European Commission decided to implement this project through a direct sub-delegation to DG TAXUD. This will simplify the contractual relations between the manager of the CCN/CSI system (the European Commission/DG TAXUD) and the two companies implementing the CCN/CSI, providing the same final value to Croatia, namely a functional CCN/CSI connection to EU IT systems.

2.d Conditions

This project requires a close collaboration and coordination between the national CCN site representatives, DG TAXUD and its contractors. Indeed, to achieve the set up of the CCN/CSI site within the agreed initial planning (by the latest at the end of the 1st quarter of 2011) the national administration will be responsible to:

- appoint a dedicated CCN team (i.e. a CCN Project Manager and a CCN Technical Manager);
- identify the technical and administrative point of contact who will coordinate the activities;

- define the technical and organisational framework and set up the appropriate housing condition of the CCN infrastructure.

2.e Benchmarks

This section shows the indicative benchmarks for the contracting of funds.

	2011	2012 (cumulative)	2013 (cumulative)
	EU	EU	EU
Specific Contract and/or Request For Action under a Framework Contract	2	2	2
Contracting Rate (%)	100%	100%	100%

2.f Roadmap for the decentralisation of the management of EU funds without *ex ante* controls by the European Commission

Croatia was conferred management powers for the decentralised management of IPA Component I with *ex ante* controls by a Commission Decision of 28 October 2008. The Croatian authorities submitted in December 2009 a roadmap for the decentralisation of the management of IPA funds without *ex ante* controls by the European Commission. They envisage moving to full decentralisation in the course of 2011.

3. BUDGET (AMOUNTS IN EUR)

3.1. Indicative budget table

Centralised management	Institution Building (IB)					Investment (INV)					Total (IB + INV)	Total IPA EU contribution	
	Total expenditure	IPA EU contribution		National contribution		Total expenditure	IPA EU contribution		National contribution				
	EUR (a)=(b)+(c)	EUR (b)	% ⁽¹⁾	EUR (c)	% ⁽¹⁾	EUR (d)=(e)+(f)	EUR (e)	% ⁽¹⁾	EUR (f)	% ⁽¹⁾	EUR (g)=(a)+(d)	EUR (h)=(b)+(e)	% ⁽²⁾
Priority axis "Ability to assume the obligations of membership"	330 000	330 000	100	0	0	0	0	0	0	0	330 000	330 000	100
Project: "Connecting the Croatian Customs Administration (CCA) to the Common Communication Network and Common System Interface (CCN/CSI)"	330 000	330 000	100	0	0	0	0	0	0	0	330 000	330 000	100
TOTAL	330 000	330 000	100	0	0	0	0	0	0	0	330 000	330 000	100

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

Priority axis rows only. Expressed in % of the grand total of column (h). It indicates the relative weight of the priority with reference to the total IPA EU contribution of the entire FP.

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

The EU contribution represents 100% of the total budget allocated to this programme, as allowed by article 67.3 of IPA Implementing Regulation²: "*In the event of centralised or joint management, the Commission shall decide the rate of the Community contribution, which may amount to 100% of the eligible expenditure*".

4. IMPLEMENTATION ARRANGEMENTS

4.1. Method of implementation

The programme will be implemented on a centralised basis by the European Commission in accordance with Article 53a of the Financial Regulation³ and the corresponding provisions of the Implementing Rules, as it consists in activities to be carried out by DG TAXUD to allow for the connection of the Croatian Customs Administration (CCA) to the Common Communication Network and Common System Interface (CCN/CSI) of the European Union.

The implementation of the programme will therefore be cross-delegated from DG ELARG to DG TAXUD.

4.2. General rules for procurement and grant award procedures

Procurement shall follow the provisions of Part One, Title V of the Financial Regulation and Part One, Title V 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 on DG Budget (BUDG) website at the date of the initiation of the procurement procedure.

5. MONITORING AND EVALUATION

5.1. Monitoring

The Commission may undertake any actions it deems necessary to monitor the programmes concerned.

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 Community 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.

² Regulation 718/2007 (OJ L 170, 29.6.2007, p. 23).

³ Regulation 1605/2002 (OJ L 248, 16.9.2002, p.1).

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 European 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) 2185/96⁴.

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 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 adjustments in the implementation of this programme affecting elements listed under Article 90 of the Implementing Rules to the Financial Regulation, which are of an indicative nature⁵, 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.

⁴ OJ L 292; 15.11.1996; p. 2.

⁵ 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.