



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

REPUBLIC OF SERBIA

SUPPORT TO THE PARTICIPATION IN UNION
PROGRAMMES

Action summary

The proposed Action represents a continuation of Serbian participation in the Union programmes by co-financing the costs of the "entry-tickets" through IPA II funds which Serbia must pay in areas for which International Agreements have been signed.

Serbia's participation in a broad range of Union programmes enabled citizens, institutions, civil society and the private sector to become acquainted with EU values, policies in different fields, legal regulations and their implementation, to gain experience from EU countries related to methods and rules by which the EU functions.

Lessons learned during this process shall facilitate Serbia's preparation to become member state and for using other EU financial instruments in the future. Ultimately, this Action shall strengthen Serbia's efforts in meeting the EU accession Agenda.

Action Identification	
Action Programme Title	Annual Action Programme for the Republic of Serbia for the year 2019
Action Title	Support to the participation in Union Programmes
Action ID	IPA 2019/Serbia/ Support to the participation in Union Programmes
Sector Information	
IPA II Sector	Democracy and governance
DAC Sector	43010
Budget	
Total cost	EUR 28,579,562
EU contribution	EUR 15,876,103
Budget line(s)	22.02.01.01.
Management and Implementation	
Management mode	Indirect management
<i>Direct management:</i> EU Delegation <i>Indirect management:</i> National authority or other entrusted entity	Ministry of Finance National Fund
Implementation responsibilities	National Fund is responsible for the reimbursement of the entry ticket and for implementation of this Action
Location	
Zone benefiting from the action	Republic of Serbia
Specific implementation area(s)	N/A
Timeline	
Final date for concluding Financing Agreement(s) with IPA II beneficiary	At the latest by 31 December 2020
Final date for concluding delegation agreements under indirect management, procurement and grant contracts	3 years following the date of conclusion of the Financing Agreement, with the exception of cases listed under Article 114(2) of the Financial Regulation
indicative operational implementation period	6 years following the conclusion of the Financing Agreement
Final date for implementing the Financing Agreement (date by which this programme should be de-committed and closed)	12 years following the conclusion of the Financing Agreement

1. RATIONALE

Participation in Union Programmes represents an opportunity for the Republic of Serbia, to acquaint itself with the European institutions, legislation and their application in practice, with EU policies as well as with the system of values and mechanisms on which the EU is based. Union Programmes are one of the instruments European Union uses to support implementation of necessary reforms and fulfilment of EU accession standards and criteria through strengthening and fostering of cooperation between EU member states and potential and candidate countries.

The Republic of Serbia signed the Framework Agreement on participation in Union Programmes on 22 November, 2005, which came into force on 27 July, 2005, by which the Republic of Serbia became eligible to use the funds available through this instrument. In order to participate in Union Programmes, Serbia has to pay a contribution in the form of an annual fee to the general budget of the EU ("entry tickets"). IPA National Programmes can be used to a certain extent to complement national funds in the form of contribution to "entry tickets".

The Republic of Serbia signed, and is paying entry tickets to the following International Agreements: Erasmus+, Horizon 2020, COSME, Creative Europe programme (Culture sub-programme and MEDIA sub-programme), Customs 2020, Fiscalis 2020, Europe for Citizens, EU Programme for Employment and Social Innovation (EaSI), Health for growth 2014-2020, Civil Protection Mechanism programme and Rights, Equality and Citizenship programme (REC).

In addition to the above mentioned Union programmes Serbia signed the Decision No 1/2018 of the EU-Serbia stabilisation and association council on the participation as an observer in the European Union Agency for Fundamental Rights, on May 2018.

The overall coordination of Union Programmes in Serbia lies within the mandate of the National IPA Coordinator Technical Secretariat (NIPAC TS) whose responsibilities include: programming of IPA assistance to cover parts of entry tickets, reporting to the Government and informing the public about international development assistance including Union Programmes, communication with the EC as the main interlocutor concerning programmes, coordination and organization of the meetings with line ministries.

Individual programmes are coordinated by the responsible line ministries in accordance with EC rules. National Contact Points (NCPs), within the ministries, are responsible for coordination of individual Union programmes in Serbia. They perform different tasks related to the program coordination by organizing info days, trainings for applicants, providing specific programme-related information to potential applicants, advising potential applicants on application preparation, supporting applicants in partner research, seminars, workshops etc.

The following national institutions are nominated NCPs and are responsible for coordination of specific Union Programmes:

Union Programme	National Contact Points
Horizon 2020	Ministry in charge of Education, Science and Technological Development
COSME	Ministry in charge of Economy
Cultura sub-programme	Ministry in charge of Culture
EaSI	Ministry in charge of Labour, Employment, Veteran and Social Affairs
Europe for Citizens	Office in charge for Cooperation with Civil Society Organisations
Customs	Ministry in charge of Finance, Customs Administration
Fiscalis	Ministry in charge of Finance, Tax Administration
Erasmus +	Ministry in charge of Education, Science and Technological Development and Ministry in charge of Youth and Sports
Health for growth 2014-2020	Ministry in charge of Health
Civil Protection Mechanism	Ministry in charge of Interior
MEDIA sub-programme	Ministry in charge of Culture
Rights, Equality and Citizenship programme	Ministry in charge of Labour, Employment, Veteran and Social Affairs

European Union Agency for Fundamental Rights	Ministry in charge of Justice
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In order to improve visibility of particular Union Programmes in Serbia, increase outreach to more potential applicants, support applicants during the application procedure, a few of the Union programmes are coordinated by other structures such as: NGOs (e.g. Foundation Tempus – National Erasmus+ office), internal organisational and coordination structures within Ministries (e.g. the Creative Europe Desk within the Ministry in charge of Culture and the Media Desk within the Serbia Film Centre). Outreach supporting the increase of the participation of members of vulnerable groups in the Union Programmes is particularly encouraged.

EC General Directorates or their Executive Agencies are responsible for the implementation of individual Union Programmes which brings centralization in their management. The latter does not apply to Erasmus +, since it is the only Union Programme whose management is by the Commission delegated to a National Agency in each participating country. Promotion and implementation of the Erasmus + in the Republic of Serbia in the fields of education, training and youth is delegated to the Foundation Tempus.

In order to further encourage and support Serbian participation in Union programmes, reimbursement of entry tickets with the decreasing percentage rate is presented in this Action document, in the budget table in Annex I.

OUTLINE OF IPA II ASSISTANCE

IPA II assistance will provide a share of EU contribution to the Union Programmes entry ticket for 2019 and 2020. The EU contribution to the entry ticket is decided between the beneficiary and the EC, normally before the International Agreement (IA) is signed. The beneficiary participation in the Union Programmes, including payment of the entry ticket, shall follow the specific terms and conditions set out for each programme in the IA.

Based on the 2008 Enlargement Strategy paper it is possible for the candidate countries and potential candidate countries to request co-financing through IPA II of up to 90% of the country contribution to the specific Union Programme in the first year of participation with the following decreasing percentage rate:

1 st year of participation	up to 90%
2 nd year of participation	up to 85%
3 rd year of participation	up to 80%
4 th year of participation	up to 75%
5 th year of participation	up to 70%
6 th year of participation	up to 65%
7 th and following years of participation	up to 60%.

The Serbian Government shall provide not only the national contribution, but also the funds necessary for the payment of the total entry ticket, prior to receiving the partial reimbursement from IPA II.

Serbia has already reserved funds from the state budget for the financing of the annual contribution (entry tickets) for its participation in the Union Programmes for the year 2019 and 2020. IAs for the participation of Serbia in Union Programmes do not include percentages of IPA II reimbursement, but stipulate that the Serbian contribution may be financed under the relevant Union external aid instrument, if Serbia so requested.

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

The continuation of participation of the Republic of Serbia in Union Programmes is reflected and supported by the *Indicative Strategy Paper 2014-2020* (ISP) through continuation of IPA support “to co-finance Serbia's contribution for its participation in the Union programmes, subject to the national prioritisation process among the different programmes”. Setting down the priorities of IPA support, the Strategy Paper defines results / targets expected to be achieved during the defined period, in order to enable Serbia to fulfil accession agenda. In this regard, since each Union Programme is reflecting the ISP sectorial priorities,

Serbia's participation in specific Union Programme will additionally support Serbia's efforts in meeting accession criteria.

Therefore, participation to the Union Programmes such as Fiscalis 2020 will contribute to the fight against tax fraud and revenue collection, which is in line with the IPA priorities for Serbia in the PAR sector. Participation to the Europe for Citizens programme and Creative Europe programme could benefit the achievement of priorities defined within the Rule of Law sector. Serbia's participation to Horizon 2020 programme and COSME programme are in line with the Strategy Paper priorities defined in the Competitiveness sector. Participation to the Erasmus + programme and the programme Employment and Social Innovation (EaSI) is in line with priorities defined in the HRSD sector. Participation to the Civil Protection Mechanism can contribute to the achievement of priorities defined in the environment sector.

The EC Annual Report 2018 acknowledges that Serbia continues to actively participate in EU programmes: Horizon 2020; COSME, Erasmus+ and Creative Europe; Europe for Citizens; Employment and Social Innovation. Serbia became member of the EU Civil Protection Mechanism and was granted position of observer status in the EU Fundamental Rights Agency.

This Action shall contribute to all sectors of the *“Priorities for International Assistance in period 2014-2017 with 2020 projections” (NAD)*, by facilitating the preparation of Serbia's accession to the EU, as well as by enhancing the absorption of funds and implementation efficiency.

The NPAA 2018-2021 also recognises the importance of Serbia's participation to the Union Programmes, reflected in numerous sections through identification of preparatory measures and priorities for the inclusion to the new EU programmes 2014-2020 – COSME, HORIZON 2020, Copernicus, Erasmus +, etc.

Furthermore, the Action is in line with the *EU-Western Balkan “Credible enlargement perspective for and enhanced EU engagement with the Western Balkans”* in such a way that the proposed activities will contribute to the achievement of full compliance with all membership criteria.

LESSONS LEARNED AND LINK TO PREVIOUS FINANCIAL ASSISTANCE

Participation of Serbia to the Union Programmes is of primary importance to Serbia's European efforts. This participation was therefore, encouraged by providing EU funds under National IPA Programmes for 2007 (EUR 2,000,000), 2008 (EUR 5,000,000), 2011 (EUR 6,000,000), 2012 (EUR 4,169,995), 2013 (EUR 6,500,000), 2014 (EUR 6,563,840), 2015 (EUR 12,089,326), 2016 (EUR 10,900,000), 2017 (EUR 11,235,886.928) and 2018 (EUR 11,593,674.78).

Participation and implementation of Union Programmes brings valuable experiences and lessons learned to wide range of stakeholders particularly through: strengthening of their capacities and preparation for using other EU instruments in the future; active participation in the implementation of EU policies; enabling access to available EU funds; intensifying international cooperation and initiating mobility with EU countries. Participation in the Union Programmes is open to SMEs, Universities, research institutions, cultural institutions, CSOs, students and academic staff, etc. Additionally the experience of neighboring countries shows that participation in Union Programmes is an important feature of a successful pre-accession strategy.

The recent experience of Serbia's involvement in Union Programmes shows that Serbian citizens and institutions had access and opportunity to acquaint themselves with the EU standards, different EU policies, successful solutions and experience from EU countries, etc. The participation of Serbia to Union Programmes has contributed to a deeper knowledge and capacity building of many stakeholders when dealing with European issues and projects.

However in order to maximise the benefits that Serbia can draw from the participation in Union Programme; additional trainings and awareness-raising should be envisaged in order to strengthening institutional capacities of programme coordinators and potential beneficiaries; it is necessary to ensure and deliver better access to information for all potential applicants, as well as budget support for partial co-financing of these projects. Furthermore, in order to improve effectiveness and efficiency of Serbia's participation in Union Programmes, potential stakeholders and beneficiaries still lack systematic support in managing and implementing Union Programmes.

In order to adequately address all abovementioned, the on-going EU funded project “Support to participation in Union Programmes” will support relevant national authorities, governmental bodies and adequate administrative structures, as well as potential applicants in efficient and effective management, coordination and implementation of Union Programmes. Designed activities are twofold and are aimed to build capacities of two groups: National Contact Points (NCPs), public administration bodies responsible for management of Union Programmes and on the other side potential Union Programmes beneficiaries and applicants (such as CSOs, SMEs, Institutes, youth, students, public administration agencies, etc.) to timely and adequately address Union Programmes application and implementation requirements. Implementation of this project has started in February 2019.

2. DESCRIPTION AND IMPLEMENTATION ARRANGEMENTS

INTERVENTION LOGIC

General Objective:

- To ensure participation of the Republic of Serbia to the Union Programmes by co-financing the costs of the entry-tickets/participation fees to be paid in areas such as: education, youth, culture, customs, tax, employment, social sector activities and innovation, SMEs, research and innovation, health, civil protection and justice.

Specific objectives:

Specific Objective 1:

- Enhanced participation of the Republic of Serbia to the Union Programmes, including an increased exchanges with EU Member States;

Specific Objective 2:

- Strengthened ownership and responsibility of the Republic of Serbia (including in financial terms) for participation to the Union Programmes.

Outputs:

- Serbia participates to the EU Programmes listed in the section 3 of this document.

Indicators:

- Number of programmes for which an International Agreement has been concluded in 2020
- Serbia's participation rates in the different Union Programmes

IMPLEMENTATION ISSUES

IPA funds of year N co-finance entry tickets / participation fees for year N+1 or in case of front-loading also for years N+1 and N+2 [e.g. participation fees for 2014 are co-financed by IPA 2013; IPA 2014-2020 would co-finance 2015-2021 fees, i.e. the last year of IPA co-financing is falling outside this financial framework].

The participation of the IPA II beneficiary 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 Serbia's ownership and responsibility IPA funding rates shall decrease over the years in real or relative terms.

The Republic of Serbia 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 Serbia.

IPA II reimbursement of entry tickets for the year 2019 and 2020 is presented in the section 3. The Ministry in charge of European integration (MEI), in capacity of NIPAC TS/Body responsible for coordination of programming, monitoring and evaluation (BCPME), will be responsible for overall coordination of the Serbian participation in Union programmes. National institutions/ministries are responsible for the coordination of participation in the individual programmes in accordance with EC rules. The National Fund is responsible for the reimbursement of the entry ticket, in line with the indicative breakdown table and thus for implementation of this Action.

The NIPAC will regularly monitor the participation rates and report on them as well as on co-financing trends in the context of IPA monitoring committees. The IPA II monitoring process is organized and lead by the NIPAC/NIPAC TS. The NIPAC is the main interlocutor between the Serbian Government and the EC regarding strategic planning, co-ordination of programming, monitoring of implementation, evaluation and reporting of the overall IPA assistance and is responsible for ensuring the linkage of IPA assistance to the EU accession process. The NIPAC, together with the National Fund being in charge for the actual administration of payments/reimbursements, will regularly monitor the participation rates and report on them, as well as on the co-financing trends in the context of IPA monitoring committees. The NIPAC monitors the process of programming, preparation and implementation, as well as the sustainability and effects of Actions aiming to improve these processes, timely identify, remedy and alleviate potential issues in the process of programming and implementation of these Actions.

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		TIMELINE	
	EUR	Max EUR	Max %	EUR	%	Launch of procedure	Contract signature
Entry ticket for Erasmus + for 2019 (6 th year of participation)	8,000,000.00	5,200,000.00	65	2,800,000.00	35	N/A	N/A
Entry ticket for REC (Rights, Equality and Citizenship) programme for 2019 (2 th year of participation)	155,427.00	132,112.95	85	23,314.05	15	N/A	N/A
Entry ticket for FRA (Fundamental Rights Agency) for 2018 (1 st year of participation)	45,000.00	40,500.00	90	4,500.00	10	N/A	N/A
Entry ticket for FRA (Fundamental Rights Agency) for 2019 (2 st year of participation)	183,000.00	155,550.00	85	27,450.00	15	N/A	N/A
Part of the entry ticket for Horizon 2020 for 2020 (7 th year of participation) ¹	11,847,671.3	5,269,169.02	/	6 578 502.28	40%	N/A	N/A
Entry ticket for Erasmus + for 2020 (7 th year of participation)	8,000,000.00	4,800,000.00	60	3,200,000.00	40	N/A	N/A
Entry ticket for REC (Rights, Equality and Citizenship)	162,463.00	129,970.4	80	32,492.6	20	N/A	N/A

¹ “According to the International Agreement the entry ticket for the participation in Horizon 2020 in year 2020 is EUR 16,446,255.70. The maximum level of IPA contribution will be in the ratio of 60%, bringing the minimum rate of 40% co-financing by Serbia of the total. It has been agreed that this programme will finance part of the entry ticket only, EUR 11,847,671.3, with a contribution from IPA of EUR 5,269,169.02 and a contribution from the Serbian budget of EUR 6 578 502.28 which represents 40 % of the entire entry ticket. A further IPA contribution that would cover the remaining part of the entry ticket of EUR 4,598,584.40 is sought through an amendment to the IPA 2014 programme. In case further IPA funding is not made available, Serbia will cover this remains part of the entry ticket from its budget outside this programme. “

programme for 2020 (3 rd year of participation)							
Entry ticket for FRA (Fundamental Rights Agency) for 2020 (3 st year of participation)	186,000.00	148,800.00	80	37,200.00	20	N/A	N/A
TOTAL	28,579,561.3	15,876,102.37	/	12,703,458.93	/		

Note: Taking into account that all payments will be made according to the debit notes sent by the EC, amounts provided in the table are indicative and represent the maximum amount of IPA II contribution.