



Brussels, 29.11.2018
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COMMISSION IMPLEMENTING DECISION

of 29.11.2018

adopting a Multi-country Action Programme for Connectivity for the years 2018-2019

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THE EUROPEAN COMMISSION,

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

Having regard to Regulation (EU) No 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union¹, and in particular Article 110 thereof,

Having regard to Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014 laying down common rules and procedures of the implementation of the Union's instruments for financing external action² and in particular Article 2(1) thereof,

Whereas:

- (1) In order to ensure the implementation of the Multi-country Action Programme for Connectivity for the years 2018-2019, it is necessary to adopt a multiannual³ financing Decision, which constitutes the multiannual work programme, for 2018-2019. Article 110 of Regulation (EU) 2018/1046 establishes detailed rules on financing Decisions.
- (2) The envisaged assistance is deemed to follow the conditions and procedures set out by the restrictive measures adopted pursuant to Article 215 TFEU⁴.
- (3) Regulation (EU) No 231/2014⁵ lays down the objectives and main principles for pre-accession assistance to beneficiaries listed in Annex I to that Regulation.
- (4) In accordance with Article 7 of Regulation (EU) No 231/2014 the assistance should be implemented through annual or multi-annual, country-specific or multi-country programmes. These programmes should be drawn up in accordance with the framework for assistance referred to in Article 4 of Regulation (EU) No 231/2014 and the relevant country or multi-country indicative strategy papers referred to in Article 6 of that Regulation.
- (5) The Council established an Accession Partnership or a European Partnership for all beneficiaries listed in Annex I of Regulation (EU) No 231/2014. The Commission adopted an indicative Multi-country Strategy Paper for 2014 – 2020 on 30 June 2014

¹ Regulation (EU) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union and amending Regulation (EC) No 2012/2002, Regulations (EU) No 1296/2013, (EU) 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014 of the European Parliament and of the Council and Decision No 541/2014/EU of the European Parliament and of the Council and repealing Regulation (EU, Euratom) No 966/2012, OJ L-193/1.

² OJ L 77, 15.03.2014, p. 95.

³ Multiannual financing Decision shall always constitute a multiannual action programme.

⁴ www.sanctionsmap.eu Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

⁵ Regulation (EU) No 231/2014 of the European Parliament and of the Council of 11 March 2014 establishing an Instrument for Pre-accession Assistance (OJ L 77, 15.03.2014, p. 11).

which provides indicative allocations for the priorities for multi-country pre-accession assistance.⁶

- (6) Considering the proposals for action submitted by the beneficiaries concerned, the Multi-country Action Programme for Connectivity for the years 2018-2019 aims at providing assistance in the regional and territorial cooperation sector for actions in the following priority: regional investment support.
- (7) Pursuant to Article 4(7) of Regulation (EU) 236/2014, indirect management is to be used for the implementation of the programme.
- (8) The Commission should be able to entrust budget-implementation tasks under indirect management to the entities indicated in this Decision, subject to the conclusion of a delegation or contribution agreement. In accordance with Article 154(3) and (4) of Regulation (EU) 2018/1046, the authorising officer responsible needs to ensure that these entities guarantee a level of protection of the financial interests of the Union equivalent to that required when the Commission manages Union funds. To this end, such entities and persons have been subject to an assessment of their systems and procedures in accordance with Article 154(4).
- (9) It is necessary to allow for the payment of interest due for late payment on the basis of Article 116(5) of Regulation (EU) 2018/1046.
- (10) The action programme provided for by this Decision are in accordance with the opinion of the IPA II Committee set up by Article 13 of Regulation (EU) No 231/2014⁷,

HAS DECIDED AS FOLLOWS:

Article 1

The programme

The Multi-country Action Programme for Connectivity for the years 2018-2019 under the Instrument for Pre-accession Assistance (IPA II) as set out in the Annex, is hereby approved.

Article 2

Union contribution

The maximum amount of the European Union contribution for the implementation of the programme for 2018 and 2019 is set at EUR 207 255 727⁸ shall be financed from the appropriations entered in the following line of the general budget of the Union:

EUR 172 180 000 from the budget line 22.020401 for year 2018.

EUR 35 075 727 from the budget line 22.020401 for year 2019.

⁶ Regulation (EU) No 231/2014 of the European Parliament and of the Council of 11 March 2014 establishing an Instrument for Pre-accession Assistance (OJ L 77, 15.03.2014, p. 11).

⁷ The Member States have declared, recalling the Council Conclusions of 18 February 2018, that the adoption of this programme does not prejudice the position of each individual Member State on the status of Kosovo*, which will be decided in accordance with their national practice and international law.

⁸ This amount must include the appropriations corresponding to assigned revenue, if they are available at the time the financing decision is adopted.

* This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

The financial contributions referred to in the first sub-paragraph may also cover interest due for late payment.

The implementation of part of this Decision is subject to the availability of the appropriations provided for in the draft general budget of the Union for 2019 as adopted by the budgetary authority.

Article 3

Methods of implementation and entrusted entities or persons

The implementation of the actions carried out by way of indirect management, as set out in the Annex, may be entrusted to the entities or persons referred to or selected in accordance with the criteria laid down in the Annex.

Article 4

Flexibility clause

The following changes shall not be considered substantial, within the meaning of Article 110(5) of Regulation (EU) 2018/1046, provided that they do not significantly affect the nature and objectives of the actions:

- a) increases⁹ or decreases for not more than 20% of the maximum contribution set in the first paragraph of Article 2, and not exceeding EUR 10 million;
- b) cumulated reassignments of funds between specific actions not exceeding 20% of the maximum contribution set in the first paragraph of Article 2;
- c) extensions of the implementation and closure period;
- d) within the limits of 20% referred to in points (a) and (b) above, up to 5% of the contribution referred to in the first paragraph of Article 2 of this financing Decision may serve to finance actions which were not foreseeable at the time the present financing Decision was adopted, provided that those actions are necessary to implement the objectives and the results set out in the programme.

The authorising officer responsible may adopt such non-substantial changes in accordance with the principles of sound financial management and proportionality.

Done at Brussels, 29.11.2018

*For the Commission,
Johannes HAHN
Member of the Commission*

⁹ These changes can come from external assigned revenue made available after the adoption of the financing Decision.

ANNEX

to the COMMISSION IMPLEMENTING DECISION adopting a Multi-country Action Programme for Connectivity for the years 2018-2019

Multi-annual Work Programme
This document constitutes the multi-annual work programme in the sense of
Article 110(2) of the Financial Regulation (Regulation (EU) 2018/1046)

1 IDENTIFICATION

Beneficiary	Albania, Bosnia and Herzegovina, the former Yugoslav Republic of Macedonia, Kosovo*, Montenegro, Serbia
Basic act: Total cost EU contribution: CRIS/ABAC commitment references, EU Contribution and budget line	Instrument for Pre-accession assistance (IPA-II) EUR 1 165 178 368 EUR 207 255 727 of which: 2018/040-818 EUR 172 180 000 from 22.020401 2019/041-590 EUR 35 075 727 from 22.020401 22.020401 – Multi-country programmes, regional integration and territorial cooperation Estimations for year 2019 are subject to the availability of appropriations for the respective financial years following the adoption of the relevant annual budget or as provided for in the system of provisional twelfths.
Method of implementation	Indirect management with: European Bank for Reconstruction and Development (EBRD); and European Investment Bank (EIB); through Contribution Arrangements for the Action "Co-financing of Connectivity Projects in the Western Balkans 2018-2019, EBRD, EIB and Kreditanstalt für Wiederaufbau (KfW) as lead (International Financial Institutions (IFIs)
Final date for contracting including the conclusion of delegation/contribution agreements	For the budgetary commitment of 2018 at the latest by 31 December 2019 For the budgetary commitment of 2019 at the latest by 31 December 2020
Indicative operational implementation period	108 months from the adoption of this Financing Decision.

* This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

2 DESCRIPTION OF THE ACTION PROGRAMME

2.1 SECTORS SELECTED UNDER THIS ACTION PROGRAMME

- Rationale for the selection of the specific priorities under this programme:

This Multi-country Action Programme for Connectivity is designed to respond to priority needs as identified in the Multi-country Indicative Strategy paper 2014-2020 (as revised in 2018 and hereinafter referred to as Strategy Paper)¹.

The Strategy Paper establishes support for economic, social and territorial development as one of its main objectives. In order to promote a comprehensive approach to the **economic development** of the region by stimulating key long-term drivers of growth, the strategy paper refers to the targets set by the regional strategy South East Europe 2020.

In that perspective, the Strategy Paper identifies **as a priority 'investing in improved transport and energy interconnections** within the region and with the European Union (EU)'.

The programme will be implemented in line with the priorities identified in the strategy paper but also in line with relevant EU policies, such as the Trans-European Transport Network (TEN-T) guidelines² and the European Energy Security Strategy³, which encourages the development of energy interconnections between candidate countries, potential candidates and the EU.

The programme is also in line with the EU macro-regional strategies for the Adriatic-Ionian region (EUSAIR) and for the Danube region (EUSDR) – wherein several IPA II beneficiaries participate – which have connectivity as one of the key priorities for cooperation between Western Balkans and EU Member States.

As pointed out in the Strategy Paper, the overall investment needs cannot be covered by public funds alone and require therefore blending of government funding, grants from the Instrument for Pre-Accession Assistance (IPA), loan financing and private capital. In addition to action undertaken at central level, regional level support is needed to enable and speed up investments in core projects which are relevant not only for the IPA II beneficiary where the investment takes place, but for the entire region and/or the interconnection to the Union. The **Western Balkans Investment Framework** (WBIF) demonstrated its value as a unique instrument for donor coordination and blending grants and loans. It has proven to be a successful forum for cooperation among all the stakeholders and a platform where the Western Balkan alongside the EU, the IFIs and bilateral donors can identify, prepare and implement priority socio-economic investments through the pooling of expertise and financial resources. As stipulated throughout the Strategy Paper, the WBIF will remain the main instrument for regional infrastructure investment support. This has also been confirmed and reinforced in the Western Balkan Strategy of February 2018.

In accordance with the strategy paper, this programme will deliver assistance via a regional action that falls under heading 3 "**Regional investment support**" of the strategy paper. The funding of the transport projects should be in compliance with State aid rules.

¹ C(2014)4293, 30.06.2014

² https://ec.europa.eu/transport/themes/infrastructure/ten-t-guidelines_en

³ <https://ec.europa.eu/energy/en/topics/energy-strategy-and-energy-union/energy-security-strategy>

In February 2018, the Commission adopted a strategy for 'A credible enlargement perspective for and enhanced EU engagement with the Western Balkans'⁴ (the 'Western Balkans Strategy'). Through six flagship initiatives, the Western Balkans Strategy sets out the EU's unprecedented support to the transformation process in the Western Balkans, targeting specific areas of interest for both the EU and the Western Balkans. One of the flagship initiatives supports transport and energy connectivity within the region and with the EU. Increased funding in the fields is also foreseen and it will further enhance the economic integration within the region and with the EU. Better connections in the region will contribute to increased competitiveness, more sustainable economic growth and to the security of supply.

Improving connectivity within the Western Balkans and between the Western Balkans and the EU will reinforce the integration within the region and with the EU, driving forward their European perspective, but will also, by being a key factor for growth and jobs, bring clear benefits for economies and citizens already before accession. This is also the primary objective of the EU macro-regional strategies mentioned above. Concretely, it means focusing investments on establishing and improving transport and energy infrastructure and networks, strengthening the region's backbone of competitiveness.

The implementation of the transport projects should be done in full respect of the relevant environmental acquis such as the Environmental Impact Assessment Directive (EIA)⁵, the Strategic Environment Assessment Directive (SEA)⁶ and Habitats⁷ and Birds⁸ Directives. Particular attention should also be paid on cumulative impacts at an early stage. Areas of high environmental values concerns, protected areas or Natura 2000 sites (or potential ones) should be avoided, whenever possible.

The Western Balkans have made the connectivity agenda one of its highest priorities, with a special emphasis on the preparation and financing of concrete regional infrastructure investment projects, but also on the implementation of technical standards and connectivity reform measures such as aligning and simplifying border crossing procedures, road safety and maintenance schemes, unbundling and third party access.

- Overview of past and on-going EU, other donors' and/or IPA II beneficiary's actions in the relevant sectors:

Under the connectivity agenda, the EU provided the first EUR 200 000 000 at the Western Balkans Summit in Vienna in August 2015 for ten priority projects, out of which eight from the Multi country IPA allocation. This first financing was known as Round "zero". The 2016 follow-up – the Round 1 – included EUR 145 500 000 for connectivity projects in the transport and/or energy sector. Out of this figure, EUR 97 200 000 were allocated to three rail projects, while around EUR 46 000 000 were reserved for four transport projects from Bosnia and Herzegovina which were technically screened positively, but were in the end not approved due to lack of a transport strategy. The 2017 connectivity package under Round 2 was endorsed at the Trieste Summit in July 2017 for a total grant size of EUR 144 500 000, leveraging EUR 450 300 000 total investments. From the Trieste package, the Commission

⁴ COM(2018) 65 final, 06.02.2018.

⁵ <http://ec.europa.eu/environment/eia/eia-legalcontext.htm>

⁶ <http://ec.europa.eu/environment/eia/sea-legalcontext.htm>

⁷ http://ec.europa.eu/environment/nature/legislation/habitatsdirective/index_en.htm

⁸ http://ec.europa.eu/environment/nature/legislation/birdsdirective/index_en.htm

Decision on Connectivity for the year 2017-2018 provided grant support to projects for a budget of EUR 104 870 000 (allocated between 2017 and 2018). In addition, one energy connectivity project in Serbia was endorsed for financing by the bilateral IPA envelope, grant size EUR 49 600 000 leveraging EUR 85 500 000 total investment.

In May 2018, the fourth connectivity agenda package under Round 3 was introduced to the participants of the Western Balkans Summits first in Sofia in May and later in London in July 2018. More than EUR 190 000 000 in EU grant will support 11 transport infrastructure development projects (9 investment projects and 2 technical assistance grants). In addition to the projects presented in the package in Sofia and London, three previously endorsed will be also supported by this action.

The programme is in line with previous WBIF financing of infrastructure projects in the Western Balkans, namely technical assistance (preparatory studies), further expanded since 2015 to co-financing of investments (construction). The WBIF continues to serve as a platform for exchanging analysis on investment needs as well as the framework for blending grants with loans, thus achieving significant leverage of the scarce public funds. It is confirmed as the appropriate mechanism to link national strategies to regional and macro-regional strategies and to provide technical assistance to projects on the lists established by the "National Investment Committees" (NICs) in order to bring them to maturity and to make them "bankable". Starting with the 2015-2016 co-financing, the WBIF evolved its previous financial assistance, and included co-financing of construction, which proved to be a positive evolution of EU's assistance to the Western Balkans. Co-financing actions already exist in the bilateral IPA programmes, supporting the IPA II beneficiaries on meeting the targets set in the bilateral IPA programmes. In a coherent approach, co-financing is now streamlined for regional IPA funds too.

The Commission recognised the need to improve coordination and implementation of infrastructure projects in the Western Balkans, and has obtained consensus in the WBIF Steering Committee on the new WBIF methodology and co-financing, inclusive of approval of the IFIs, the IPA II beneficiaries, and the donor countries.

The new methodology and co-financing strengthen the ownership principle, with "National IPA Coordinators" (NIPACs) responsible for prioritization of projects via the NICs and Single Project Pipelines (SPPs), and in the future responsible for sending in applications for co-financing. At the same time, the new methodology tries to keep the procedures at the minimum level of complexity as possible, and taking into account EU Blending and External Cooperation Platform (EUBEC) recommendations. Coupled with ensured transparency of WBIF structures the new methodology enables continuity of projects from the WBIF pipeline.

In line with the Strategy Paper, and in order to increase the impact of the EU's financial support, co-financing via the Multi-country IPA is, therefore, concentrating on the areas where regional investments are most needed to meet accession criteria and tailored to take into account the capacities of the IPA II beneficiaries to meet these needs. Assistance under regional programmes is directed towards areas where similar or joint efforts by several IPA II beneficiaries are needed, and where energy and transport investments will produce a positive connectivity impact in several IPA II beneficiaries.

The existing regional structures; the South East Europe Transport Observatory (SEETO) and Energy Community (EnC), support the investments, in particular by setting up and

implementing accompanying reform measures and preparation of infrastructure projects, as well as overall transposition and implementation of the EU *acquis*.

The Joint Assistance to Support Projects in European Regions (JASPERS) offers support to the IPA II beneficiaries to develop, manage and review the quality of their infrastructure projects, making them eligible for IPA funding.

In the framework of the WBIF, the Infrastructure Project Facilities (IPFs) complement JASPERS in supporting the beneficiaries in the preparation of project documentation (feasibility studies, preliminary and detailed design, environmental impact assessment, tender dossiers, etc.).

The Commission also has a special Connectivity technical assistance facility, the CONNECTA, which is currently operational and its objective is to complement the IPFs and further speed up the project preparation in this area.

When implementing the action, it will be guaranteed that there is no overlap, but complementarity with the existing instruments and with bilateral IPA programmes. This is ensured by the participation of geographical units in the Directorate-General for Neighbourhood and Enlargement Negotiations (DG NEAR) and EU Delegations in the screening process of all WBIF applications. Also, the Commission is systematically communicating and informing the geographical units and EU Delegations through a dedicated WBIF network and regular meetings and/or video conferences.

Given the fact that public funds are scarce, there is a clear need to concentrate investments, as well as policy and regulatory efforts, on key corridors and interconnectors. By injecting substantial additional funds, this action shall boost progress on these connectivity priorities.

2.2 DESCRIPTION AND IMPLEMENTATION OF THE ACTIONS

The envisaged assistance to the Multi-country Action Programme for Connectivity for the years 2018-2019 is deemed to follow the conditions and procedures set out by the restrictive measures adopted pursuant to Article 215 TFEU⁹.

PRIORITY 3	Regional investment support	<i>EUR 207 255 727</i>
Action 1	<i>Co-financing of Connectivity Projects in the Western Balkans 2018-2019</i>	<i>EUR 207 255 727</i>

(1) Description of the action, objective, expected results and key performance indicators

- Description of the action and objectives

The action will support the development of infrastructure in the Western Balkans by financing a share of the investment costs in connectivity projects (transport and energy). 2018 is the fourth year in which IPA funds will be made available to support the development of infrastructure not only through technical assistance aimed at project

⁹ https://eeas.europa.eu/headquarters/headquarters-homepage/8442/consolidated-list-sanctions_en

preparation, but most importantly through the financing of a share of the actual investment costs. This decision was a crucial step by the Commission towards supporting the Western Balkans to cope with the lack of fiscal space and favour economic development as a response to the continuous stagnation of the economies.

Around EUR 100 000 000 - 150 000 000 per year of regional IPA II funds have been earmarked for co-financing connectivity projects for the period 2015-2020. The **Western Balkans Investment Framework** has been identified as the most suitable instrument to implement these funds and to ensure efficient fund allocation. Introduced in 2009 as a regional tool for EU enlargement, the WBIF supports socio-economic development and EU accession across the Western Balkans through the provision of financing and technical assistance for strategic investments.

The WBIF is a joint facility, which pools resources from various sources, namely from IPA and bilateral donors; IFIs, and the governments of the Western Balkans. Grant resources are pooled together into a joint fund and are used to support operations for which loans are provided by the partner IFIs. The WBIF blends grants and loans through the Joint Grant and Joint Lending Facilities to provide financing and technical assistance to strategic investments. The EUR 441 000 000 European Western Balkans Joint Fund (EWBJF) pools most donor funds. Grant funds worth EUR 772 000 000 have been allocated for WBIF operations resulting in potential loans of EUR 10 400 000 000.

The WBIF increases the region's capacity to finance crucial infrastructure and priority investments, in line with accession priorities, and enhances overall coordination of assistance. It also maximises the impact of grant financing by using it to leverage lending by IFIs on priority strategic investments as they are identified by the Western Balkans.

The WBIF is governed by a Steering Committee (SC) and a Project Financiers' Group (PFG). The Steering Committee is the highest decision making body and provides strategic guidance on the operations of the WBIF; it approves grant operations and takes final decisions related to the project selection. The Project Financiers' Group is responsible for screening and assessing grant support requests, which it later submits to the Steering Committee for approval. Both bodies are composed of representatives of the Commission (permanent co-chair), the IFIs, bilateral donors and the IPA II beneficiaries.

Selection and approval of priority investment projects within the WBIF:

In order to achieve an increased transparency on investment needs and the national investment priorities, the IPA II beneficiaries have established NICs (or equivalent structures). The composition of the NICs can vary, but broadly speaking they are composed of relevant line ministries, other central non-ministerial institutions, bilateral donors, the European Commission and the IFIs (as observers). The role of the NICs is to support the preparation of a single project pipeline in each IPA II beneficiary. This project pipeline should include all priority investments irrespectively of the source of finance and its purpose is to help increase ownership at the central level and transparency in the way projects are selected, but also lead to better coordination of resources. The NICs define and manage the prioritised Single Project Pipelines in all IPA II beneficiaries.

Twice a year, a call for proposals is launched by the WBIF Steering Committee leading to proposals from these single project pipelines. Following a consultation process that takes place within the framework of the NICs, selected priority investment projects which are suitable/ eligible to receive co-financing are submitted by the IPA II

beneficiaries to the Project Financier's Group, where they are subsequently assessed and further developed at technical level. The assessment is carried out by the Commission and the IFIs and includes the verification of a series of eligibility criteria. Once the PFG has positively assessed the projects, an indicative list of investment projects is established; which serves as basis for programming the allocation of IPA funds into the facility. Only positively assessed projects are included in the Financing Decision and are then submitted to the WBIF Steering Committee for approval. As member of the Steering Committee the Commission confirms the projects covered by the Financing Decision for financing except where certain conditions spelled out in the Financing Decisions under point "Assumptions and Conditions" are not met by the relevant IPA II beneficiary (e.g. national/sector strategy was not put in place).

Implementation:

This action will be implemented under indirect management through the signature of a contribution arrangement between the Commission, and the European Bank for Reconstruction and Development (EBRD) and the European Investment Bank (EIB), as WBIF's European Western Balkans Joint Fund (Joint Fund) Managers. The individual projects will subsequently be implemented by the lead IFIs participating in the WBIF and in the implementation of action 1 of this programme. The General Conditions of the Joint Fund, to which the Commission and the IFIs have formally adhered to, entrusts these IFIs with the tasks necessary to manage the implementation of the projects assigned to them by the WBIF Steering Committee.

The grant funds (Commission and bilateral donors) are pooled in a Joint Fund and are managed by the EBRD and the EIB, as Joint Fund Managers. The grant funds are then disbursed to the lead IFIs, responsible for the management of the implementation of the individual projects. The lead IFIs sign agreements with the IPA II beneficiaries for the grant from the Joint Fund. They also sign separate loan agreements. The IPA II beneficiaries add their contribution and start with the implementation of the investment project. This means carrying out procurement award procedures for the total project amount; signing procurement contracts with final contractors and implementing the contracts under the supervision and responsibility of the respective lead IFI.

Contracting for action 1 is foreseen to take place in Q2 2019.

Objective:

The overall objective of the action is to contribute to the sustainable socio-economic development and competitiveness of the Western Balkans and to improve connectivity within the Western Balkans and between Western Balkans and the EU.

The specific objective of the action is to improve connectivity within the Western Balkans and between Western Balkans and the EU.

The action will contribute to the more cost-efficient movement of goods and services in the Western Balkans, as well as between the region and the European Union. This will increase the region's competitiveness and job creation potential. It will also lead to better neighbourly relations. It is equally expected that this action will contribute to the gross domestic product (GDP) growth and have a positive effect on the human development index.

Transport Projects:

Once completed, the core network corridors will provide quality transport services for citizens and businesses with seamless integration within the region, as well as between

the region and the EU. The priority projects will help remove bottlenecks, promote interoperability, and build missing cross-border connections.

- Expected results and key performance indicators

Completion of the connectivity projects benefiting from co-financing of the EU.

Key performance indicators:

- Implementation of the indicative extension of the TEN-T core network into the Western Balkans;
- Number of transport infrastructures completed (roads, railways, etc.);
- Value of trade in goods and services (EUR million).

Projects proposed for financing under this Financing Decision:

The projects proposed for financing have been submitted to the WBIF under the second and third round of the call for proposals procedure. This list of projects is however only indicative.

The funds under this action will equally be used to cover the administrative fees for the Joint Fund Managers (2% of the total EU grant contribution, max. EUR 4 145 115).

To be noted that the figures on the estimated total investment costs in the first 10 projects of the below table do not include the implementation fees (they are, however, included in the total EU contribution).

Figures on total investment, loan amount and other sources of financing are also indicative.

Investment Projects:

1) WB-IG03-ALB-TRA-01 Albania Extension of TEN-T Core Network: Reconstruction of Durrës Port, Quays 1 & 2
This investment project will reconstruct Quays 1 and 2 on the Western Terminal of the Port of Durrës – one of the four existing terminals of the largest seaport in Albania. The main products handled by the Port of Durrës are general cargo, cereals, containers, ferries, and minerals. The Port currently handles 78% of the country’s maritime exchange in tonnage and 75% of all trade.
The project complements a 2016 connectivity agenda investment aimed at rehabilitating the railway link between Tirana and Durrës. When both projects are complete, an important, multimodal transportation core network corridor section will be in place, strengthening Albania’s connections with Croatia and Italy. In addition, they will provide Kosovo and the former Yugoslav Republic of Macedonia – Albania’s landlocked neighbours – with access to maritime transport routes.
Estimated total investment: EUR 62 450 000 Lead IFI: EBRD Loan: EUR 25 000 000 Grant from IPA II EUR 27 050 000 Other sources of financing: EUR 9 300 000 Grant percentage: 43% Previous IPA grant: EUR 1 100 000

2) WB-IG02-BIH-TRA-06 | Bosnia and Herzegovina | Mediterranean Corridor: Bosnia and Herzegovina – Croatia CVc Road Interconnection, Tarčin – Ivan Subsection I

This investment project will construct approximately 4.9 km of new motorway on a subsection of the Mediterranean Core Network (Corridor Vc) in Bosnia and Herzegovina. It is the fifth pledge made by the EU on the same Corridor since 2015, with the aim of connecting Bosnia and Herzegovina to Hungary and Croatia and thus to the Adriatic Sea. With a total length of approximately 335 km, Bosnia and Herzegovina contains the longest section of Corridor Vc. 35% is already built or under construction, with three sections currently in works: Svilaj – Odžak (with EU co-financing); Drivuša – Klopče; and Klopče – Pečuj (Donja Gračanica).

The segment to be funded under this project will improve connections between Sarajevo and Mostar via the Sarajevo South (Tarčin) – Mostar North motorway. It will decrease travel time between the two cities as well as offer better and safer access routes to larger urban areas for the citizens living in the rural areas surrounding the proposed development.

Estimated total investment: EUR 58 700 000	Lead IFI: EIB	Loan: EUR 40 420 000
Grant from IPA II: EUR 11 780 000	Other sources of financing: EUR 6 500 000	
Grant percentage: 20%		

3) WB-IG02-BIH-TRA-07 | Bosnia and Herzegovina | Mediterranean Corridor: Bosnia and Herzegovina – Croatia CVc Road Interconnection, Tarčin – Ivan Subsection II

This investment project will construct a 2 km-long section of motorway, including a 1.76 km-long twin tunnel, on a subsection of the Mediterranean Core Network (Corridor Vc) in Bosnia and Herzegovina. It is the sixth pledge made by the EU on the same Corridor since 2015, with the aim of connecting Bosnia and Herzegovina to Hungary and Croatia and thus to the Adriatic Sea. With a total length of approximately 335 km, Bosnia and Herzegovina contains the longest section of Corridor Vc. 35% is already built or under construction, with three sections currently in works: Svilaj – Odžak (with EU co-financing); Drivuša – Klopče; and Klopče – Pečuj (Donja Gračanica). The new subsection will connect to a 4.9 km-long new motorway segment, which will be built as part of another EU-funded project.

The segment to be funded under this project will improve connections between Sarajevo and Mostar via the Sarajevo South (Tarčin) – Mostar North motorway. It will decrease travel times between the two cities as well as offer better and safer access routes to larger urban areas for the citizens living in the rural areas surrounding the proposed development.

Investment: EUR 48 620 000	Lead IFI: EBRD	Loan: EUR 36 820 000	Grant from IPA II: EUR 11 480 000
Other sources of financing: EUR 320 000		Grant percentage: 24%	

4) WB-IG03-BIH-TRA-06 | Bosnia and Herzegovina | Mediterranean Corridor: Bosnia and Herzegovina – Croatia CVc Road Interconnection, Buna – Počitelj Subsection

This investment project will build approximately 7.2 km of new motorway on a subsection of the Mediterranean Core Network (Corridor Vc) in Bosnia and Herzegovina. It is the seventh pledge made by the EU on this Corridor since 2015, with the aim of connecting Bosnia and Herzegovina to Hungary and Croatia and thus to the

Adriatic Sea. With a total length of approximately 335 km, Bosnia and Herzegovina contains the longest section of Corridor Vc. 35% is already built or under construction, with three sections currently in works: Svilaj – Odžak (with EU co-financing); Drivuša – Klopče; and Klopče – Pečuj (Donja Gračanica). The new section will shorten the distance and improve overall traffic conditions between Mostar and Croatia, as part of the larger motorway section between Mostar North and Bijača border crossing point with Croatia.

Estimated total investment: EUR 44 660 000 | Lead IFI: EBRD | Loan: EUR 31 000 000 | Grant from IPA II: EUR 8 800 000 | Other sources of financing: EUR 4 860 000 | Grant percentage: 20%

5) WB-IG03-MKD-TRA-02 | the former Yugoslav Republic of Macedonia | Orient/East-Med Corridor: The former Yugoslav Republic of Macedonia – Bulgaria CVIII Road Interconnection, Kriva Palanka – Deve Bair Section

This investment project will rehabilitate and reconstruct a 13.2 km-long motorway on a section of the Orient/East-Med Core Network (Corridor VIII) in the former Yugoslav Republic of Macedonia, from the town of Kriva Palanka to the Deve Bair border crossing point into Bulgaria. Travel conditions on the existing road are poor, with a maximum speed of 50 km/h along most of its length, inappropriate drainage and rest areas, as well as several sharp curves. The proposed works include both rehabilitation and reconstruction, expanding the road to add a third lane, including on three existing bridges. This will allow for more efficient and safer driving for the people living along the Kriva Palanka – Deve Bair route as well as for those transiting to and from Bulgaria.

Corridor VIII connects Tirana, Durrës, and Vlorë in Albania to Skopje in the former Yugoslav Republic of Macedonia, and then both countries to Bulgaria, via the border crossing point in Deve Bair.

Estimated total investment: EUR 13 620 000 | Lead IFI: EBRD | Loan: EUR 9 680 000 | Grant from IPA II: EUR 2 570 000 (including TA) | Other sources of financing: EUR 1 370 000 | Grant percentage: 19%

6) WB-IG03-MKD-TRA-03 | the former Yugoslav Republic of Macedonia | Orient/East-Med Corridor: The former Yugoslav Republic of Macedonia – Albania CVIII Road Interconnection, Bukojčani – Kičevo Subsection

This investment project will build a 12.9 km-long motorway on a section of the Orient/East-Med Core Network (Corridor VIII) in the former Yugoslav Republic of Macedonia, between the village of Bukojčani and the town of Kičevo. This subsection is part of a larger, 42 km motorway planned between Gostivar and Kičevo. The two towns are now connected by a road which was built almost 40 years ago and which has undergone little rehabilitation in recent years. It consists of a single carriageway with two two-way lanes, and goes through both flat and mountainous terrain of up to 1,200 meters. The travel speed is limited to 40-70 km/h on most of the route and the road cannot safely meet existing and future traffic demand.

The new motorway will be built on a new alignment, which would allow for travel speeds of 100-120 km/h, as well as limit the traffic impact on the rural settlements and on the environment along the current route.

Corridor VIII connects Tirana, Durrës, and Vlorë in Albania to Skopje in the former Yugoslav Republic of Macedonia, and then both countries to Bulgaria, via the border

crossing point in Deve Bair. The Gostivar – Kičevo segment is one of the key sections, located on the route to Albania.

Estimated total investment: EUR 105 150 000	Lead IFI: EBRD	Loan: EUR 79 200 000
Grant from IPA II: EUR 19 950 000	Other sources of financing: EUR 6 000 000	
Grant percentage: 19%		

7) WB-IG03-MNE-TRA-01 | Montenegro | Mediterranean Corridor: Montenegro – Croatia – Albania R1 Road Interconnection, Budva Bypass

This investment project will build an 8.5 km-long priority bypass around Budva, a 2,500-year-old Montenegrin town on the Adriatic coast. The road along the Montenegrin coast was built in the 1960s and goes through Budva. Over the past 50 years, traffic volumes have significantly increased while the town has also expanded. International transit has intensified, particularly from/to Croatia and Albania. As a result, the road suffers from heavy congestion, with severe disruptions during the summer months when traffic reaches more than 30,000 vehicles/day. Given the difficult terrain and present urban development, which do not allow for the existing road to be expanded to accommodate current and future demand, constructing the present bypass is imperative.

The Budva bypass is part of an EU driven initiative to develop a modern transport route along the extension of the Mediterranean Core Network Corridor in the Western Balkans. Also known as the Adriatic–Ionian Expressway or the Blue Highway, the new development will create a seamless route from Trieste in Italy to Greece, while branching out to Slovenia, Croatia, Montenegro, and Albania. Integrating Bosnia and Herzegovina is also being considered.

Estimated total investment: EUR 187 390 000	Lead IFI: KfW	Loan: EUR 30 000 000 (KfW), EUR 71 300 000 (Second IFI loan/PPP)
Own contribution: EUR 29 000 000	Grant from IPA II: EUR 41 150 000	
Grant percentage: 22%	Other sources of financing: EUR 15 940 000	

8) WB-IG03-MNE-TRA-02 | Montenegro | Orient/East-Med Corridor: Montenegro - Serbia R4 Rail Interconnection, Bar – Vrbnica Section

This investment project will rehabilitate four steel bridges as well as 20 km of railway track on the Bar – Vrbnica railway route which connects Montenegro with Serbia. It is the second project on the same route to receive financing under the connectivity agenda since 2015. The electrified Bar – Vrbnica route opened to traffic in 1976. While initially designed for 80 trains a day travelling at 75-100 km/hour and accommodating axle loads of 22.5 tonnes, the number of trains has halved in the meantime and both speed and cargo loads have substantially declined. Safety incidents and accidents, as well as interruptions in service have multiplied. This project specifically targets structural and safety improvements on the Lutovo – Bratonožići – Bioče railway section as well as on four steel bridges.

The extension of the Orient/East-Med Corridor into the Western Balkans along Route 4 is approximately 580 km long and runs from Vršac (Serbia/Romania border) to Belgrade (Serbia) and then to Podgorica and Bar (Montenegro). Bar – Vrbnica is the most important section of the Montenegrin rail network, carrying about 20% of all its rail passengers and about 60% of its rail cargo. Rail is important for the Montenegrin economy, accounting for almost 60% of all freight and 10% of its passenger travel. Faced with mounting structural and safety issues in its daily railway operations, the Government of Montenegro has embarked on a major railway rehabilitation

programme, with assistance from the EU, the EIB, the EBRD, and, recently, from the KfW. It has to be noted that IPA grants will not cover the requested trains (electric multiple units) as included in the Grant Application Form of an estimated cost of EUR 13 000 000 (therefore, the overall requested IPA grant has been reduced accordingly).

Estimated total investment: EUR 42 566 000	Lead IFI: KfW	Loan: EUR 18 800 000
Grant from IPA II: EUR 16 266 000	Other sources of financing: EUR 7 500 000	
Grant percentage: 38%		

9) WB-IG03-SRB-TRA-01 | Serbia | Orient/East-Med Corridor: Serbia – Kosovo R7 Road Interconnection, Niš (Merošina) – Pločnik (Beloljin) Section

This investment project will build a 33 km-long half-profile motorway on a section of the Orient/East-Med Core Network (Route 7) in Serbia. It is the first road section of the three comprising the Niš – Merdare – Pristina motorway to receive investment co-financing under the connectivity agenda. The existing road on the Niš (Merošina) – Pločnik (Beloljin) section consists of two lanes on a poor alignment, irregularly maintained. It goes through urban areas, thus posing safety risks to the local pedestrians and causing major delays to transiting vehicles. The proposed investment will result in a highway that bypasses such areas, as well as improves the level of service and traffic safety. The new alignment will also allow for a future expansion to a full motorway profile, once the traffic demand increases.

The Orient/East-Med Corridor in Serbia and Kosovo includes the Niš – Merdare – Pristina E80/R7 road section (approximately 110 km). Strategically linked to Corridors IV and X, this road interconnection is of great importance for freight and passenger transportation in the Western Balkans as it is the region’s shortest route between the Port of Durrës on the Adriatic and South-Eastern and Central Europe, as well as with the Mediterranean and Black Sea countries.

Estimated total investment: EUR 212 600 000	Lead IFI: EIB, EBRD	Loan: EUR 100 000 000 (EIB), EUR 52 300 000 (EBRD)
Serbia co-financing: EUR 10 150 000	Grant from IPA II: EUR 40 600 000	
Other sources of financing: EUR 9 550 000		
Grant percentage: 19%		

Technical Assistance:

10) WB19-BIH-TRA-01 | Bosnia and Herzegovina | Supervision of Works for: Mediterranean Corridor: Bosnia and Herzegovina – Croatia CVc Road Interconnection, Počitelj – Zvirovići Subsection

The longest section of Corridor Vc (335 km) passes through Bosnia and Herzegovina. It connects the country with Hungary and Croatia and thus to the Adriatic Sea. 35% is already built or under construction, with three sections currently in works: Svilaj – Odžak (with EU co-financing); Drivuša – Klopče; and Klopče – Pečuj (Donja Gračanica). The current grant application for technical assistance concerns the supervision services required for building a 11.1 km-long motorway subsection between Počitelj and Zvirovići, including four bridges, one tunnel, local roads, rest areas, and interchanges.

Estimated total investment: EUR 124 200 000*	Lead IFI: EIB	Grant from IPA II: EUR 5 000 000
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11) WB19-KOS-TRA-01 | Kosovo | Tender Documents and Supervision of Works for: Orient/East-Med Corridor: Kosovo – Serbia R7 Road Interconnection, Pristina – Merdare Section

The Orient/East-Med Corridor in Kosovo and Serbia includes the Niš – Merdare – Pristina E80/R7 road section. Strategically linked to Corridors IV and X, this road connection is of great importance for freight and passenger transportation in the Western Balkans as it is the region’s shortest route from Durrës Port on the Adriatic, to South-Eastern and Central Europe as well as to the Black Sea. Both Kosovo and Serbia, with European Union grant support, have started planning for the construction works, including by developing the necessary studies.

Estimated total investment: EUR 136 800 000* | Lead IFI: EBRD, EIB | Grant from IPA II: EUR 4 100 000

* This the total value of the project including other grant / own contribution / loan / TA for project preparation

Project proposal which were endorsed in previous rounds but not yet approved by the Steering Committee (EU Contribution already includes implementation fees for the below 3 projects):

12) WB-IG00-BIH-TRA-02 | Bosnia and Herzegovina | Mediterranean Corridor (R2a) – Bosnia and Herzegovina-Croatia: Road Interconnection (Gradiška)

The extension of the Mediterranean Corridor into the Western Balkans along Route 2a (R2a) spans 239 km, from Okučani in Croatia to Banja Luka and Lašva in Bosnia and Herzegovina. It connects Bosnia and Herzegovina (the Republic of Srpska) to the main transport routes in Croatia leading to the Adriatic ports. The Mediterranean Corridor (R2a) integrates the Western Balkans into the transport flows which link the Iberian Peninsula to the Hungarian – Ukrainian border. Consequently, it accounts for most of the freight and passenger traffic in the Republic of Srpska, Bosnia and Herzegovina.

The present investment project concerns the construction of a border crossing, a cross-border bridge over the River Sava in Gradiška, as well as motorway connections on the Banja Luka – Gradiška section of the Banja Luka – Zagreb motorway at the northern border between Bosnia and Herzegovina and Croatia. The cross-border bridge in Gradiška is the missing link (on the Bosnia and Herzegovina side) on the new motorway commissioned on this route in November 2011.

The new bridge will be built about 3 km to the west of the existing bridge and outside the urban area of Gradiška. It has been designed to accommodate a significant increase in overall traffic, projected to rise from 12,000 vehicles per day today to about 28,450 in 2024. Building the new bridge is expected to reduce border crossing times from 5 to 2 minutes for cars and from 30 to 12 minutes for trucks.

The project is included in the TEN-T Core Network for the Western Balkans.

Estimated total investment: EUR 38 470 000 | Lead EIB | Loan: EUR 10 670 000
Grant from IPA II: EUR 6 998 400 | Other sources of financing: EUR 21 000 000
Grant percentage: 18%

13) WB-IG01-BIH-TRA-03 | Bosnia and Herzegovina | Mediterranean Corridor: Bosnia and Herzegovina – Croatia CVc Road Interconnection III (Johovac interchange - Rudanka interchange)

This investment project concerns the construction of a 6-km motorway on the Svilaj to Dobož section of Corridor Vc, between Interchange Johovac, in Tovira, and Interchange Rudanka in Kostajnica. The proposed development includes the interchanges and a two-lane 1-km long access road in Kostajnica, over the River Bosna, which provides motorway access to existing local transport network.

The project complements three other motorway sections which are to be built by Republic of Srpska Motorways along the Mediterranean Corridor in Bosnia and Herzegovina, as follows: i) Odžak to Podnovlje, 22.3 km; ii) Podnovlje to Johovac, 13.7 km; and iii) Rudanka to Karuše (Dobož bypass), 7.2 km. The project will increase the passenger and freight travel speed from 60 km/h to 100 km/h and 120 km/h.

Thanks to the project, a direct access will be guaranteed to safer and faster transport routes for more than 1 million people who live along the route. In addition, the annual average daily traffic will increase by more than 50%, matched by adequate safety and security conditions. Significant reductions are foreseen in accident rate and in vehicle operating costs.

Estimated total investment: EUR 79 900 000 | Lead EBRD | Loan: EUR 58 900 000 | Grant from IPA II: EUR 228 489 (previous grant from IPA 2017/039-876 EUR 15 050 000, including TA) ¹⁰ | Other sources of financing: EUR 6 000 000 | Grant percentage: 19%

14) WB-IG01-BIH-TRA-04 | Bosnia and Herzegovina | Rhine/Danube Corridor: Bosnia and Herzegovina – Serbia – Croatia Waterway Interconnection (Port of Brčko)

This investment project concerns the first phase of a complex rehabilitation programme planned for Brčko Port on the Sava, including: i) 2.5 km of new harbour crane track and 4.5 km of fully rehabilitated industrial railway track to the Brčko Novo station; ii) 4,500 m² asphalt plateau on the Port premises; iii) 0.9 km of fully rehabilitated access road from the Bijeljinska Cesta to the Port; iv) New port crane with a capacity of 16.0/27.5 tons.

Once executed, the new infrastructure will replace existing facilities which have been in place for more than 50 years, with no major overhaul since commissioning.

At the same time with the execution of the infrastructure improvements included in this project, the Beneficiary intends to plan for two more investments: a) Aquatorium cleaning and maintenance; and b) Infrastructure improvements for the safe transfer of diesel and liquid cargo. These further improvements will contribute to the creation of a multimodal transport corridor connecting Bosnia and Herzegovina to Croatia and Serbia and further to the EU.

Thanks to the project there will be an increase in the cargo volume by more than 25%, i.e. by 100,000 tons/year. In addition, there will be lower operational costs for the Port of Brčko and thus more competitive cargo handling fees for the private sector active in the region.

Estimated total investment: EUR 10 000 000 | Lead EBRD | Loan: EUR 7 000 000 | Grant from IPA II: EUR 3 080 800 | Grant percentage: 31%

¹⁰ COMMISSION IMPLEMENTING DECISION of 29.11.2017 adopting a Multi-country Action Programme for Connectivity for the years 2017-2018

(2) Assumptions and conditions

- Agreement of the IPA II beneficiaries on the priorities to address (e.g. pre-identified projects on the indicative extension of the TEN-T core network) and the methodology (e.g. TEN-T guidelines).
- Sufficient administrative capacity in the IPA II beneficiaries.
- Political commitment to the action and ownership of the action's outputs from IPA II beneficiaries.
- Continued government commitment towards the European path.
- EIA and possibly SEA carried out and completed conforming to the EU *acquis*.
- Governments must identify credible sector strategies and set up NICs, or similar, and establish single project pipelines.
- EIA procedure must be adequately applied conforming to the EU *acquis* before the project implementation.

Failure to comply with the requirements set out above may lead to a recovery of funds under this programme and/or the re-allocation of future funding.

(3) Implementation modalities:

(3)(a) Indirect management

This action may be implemented in indirect management with the European Bank for Reconstruction and Development (EBRD) and the European Investment Bank (EIB) through a Contribution Arrangement under the EWBJF. This implementation entails responsibility for carrying out all the tasks relating to the implementation of the action 1, in particular, the entrusted entities shall be responsible for the contracting, implementation, information and visibility, monitoring and reporting of IPA II activities, and the evaluation thereof whenever relevant, in accordance with the principle of sound financial management, and for ensuring the legality and regularity of the expenditure incurred in the implementation of the programme.

The EBRD and the EIB will be the managers of the Joint Fund. They will be responsible for the same tasks as already identified in the general conditions of the Joint Fund, in particular:

- Managing IPA Funds through the Joint Fund;
- Disbursing funds from the Joint Fund to the lead IFIs;
- Channelling funds recovered from lead IFIs;
- Compiling reports on the Joint Fund;
- Collecting reports from lead IFIs and submitting these reports to Commission/PFG/SC.

A contribution arrangement will be signed between the Commission, and the EBRD and the EIB, as Joint Fund Managers. The individual projects will subsequently be implemented by the lead IFIs participating in the WBIF and in the implementation of action 1 of this programme (EIB, EBRD and KfW). The General Conditions of the Joint Fund, to which the Commission and the IFIs have formally adhered to, entrusts these

IFIs with the tasks necessary to manage the implementation of the projects assigned to them by the WBIF Steering Committee.

The co-financing of major infrastructure projects includes loan(s) signed between the IPA II beneficiary and a lead IFI. The lead IFIs are the EIB, the EBRD and the KfW.

Based on the Contribution Arrangement and the General Conditions of the Joint Fund, the Commission delegates those tasks to the lead IFIs which are necessary to manage the implementation of the grants covering projects assigned to them by the WBIF Steering Committee. These entrusted tasks would typically include:

- Managing the implementation of the projects approved by the Steering Committee under the lead IFIs own rules and procedures;
- Assuming responsibility and accountability for the funds disbursed to them by the Joint Fund managers including recovery;

Providing reporting according to the requirements defined in the General Conditions of the Joint Fund.

The envisaged entities (EBRD, EIB and KfW) have been selected using the following criteria; quality of previous partnership in implementation of infrastructure projects under the WBIF. All the above IFIs have been long standing partners in the inception, realisation and implementation of the WBIF. Over the nine years of operation of the WBIF, the EIB, the EBRD and the KfW have - in partnership with the Commission - successfully prepared and implemented infrastructure projects and demonstrated the capacity to be entrusted with the implementation of the action. The EIB and the EBRD in particular have undertaken the role of the WBIF Joint Fund management, while together with the other IFIs have been participating in the operational and decision making structure of the WBIF and the implementation of Technical Assistance, whose aim has been the preparation of investment projects.

3. INDICATIVE BUDGET TABLE

MULTI-COUNTRY PROGRAMME

		2018				2019			
		EU Contribution	IPA II beneficiary or other third party co-financing*	Total expenditure		EU Contribution	IPA II beneficiary or other third party co-financing*	Total expenditure	Total Financing Decision
Priority 3 Regional investment support					Priority 3 Regional investment support				
Action 1: CO-FINANCING OF CONNECTIVITY PROJECTS IN THE WESTERN BALKANS 2018-2019		172 180 000**	811 604 627	983 784 627	Action 1: CO-FINANCING OF CONNECTIVITY PROJECTS IN THE WESTERN BALKANS 2018-2019	35 075 727 **	146 318 014	181 393 741	
TOTALS 2018		172 180 000	811 604 627	983 784 627	TOTALS 2019	35 075 727	146 318 014	181 393 741	207 255 727

* provided by loans signed by IFIs, national contributions and/or other contributions

** the amount includes the administrative fees for the Joint Fund managers

4 PERFORMANCE MONITORING ARRANGEMENTS

As part of its performance measurement framework, the Commission shall monitor and assess progress towards achievement of the specific objectives set out in the IPA II Regulation on the basis of pre-defined, clear, transparent measurable indicators. The progress reports referred to in Article 4 of the IPA II Regulation shall be taken as a point of reference in the assessment of the results of IPA II assistance.

The Commission will collect performance data (process, output and outcome indicators) from all sources, which will be aggregated and analysed in terms of tracking the progress versus the targets and milestones established for each of the actions of this programme, as well as the Indicative Strategy Paper.

In the specific context of indirect management by IPA II beneficiaries, "National IPA Coordinators" (NIPACs) will collect information on the performance of the actions and programmes (process, output and outcome indicators) and coordinate the collection and production of indicators coming from national sources.

The overall progress will be monitored through the following means: a) Result Orientated Monitoring (ROM) system; b) IPA II Beneficiaries' own monitoring; c) self-monitoring performed by the EU Delegations; d) joint monitoring by the European Commission (DG NEAR) and the IPA II Beneficiaries, whereby the compliance, coherence, effectiveness, efficiency and coordination in implementation of financial assistance will be regularly monitored by an IPA II Monitoring committee, supported by Sectoral Monitoring committees, which will ensure a monitoring process at sector level.

The project specific results and corresponding indicators together with the baseline and expected values are defined in the Grant Application Forms (GAFs). Project level monitoring and evaluation can be carried out based on the information in the relevant GAFs.