



Brussels, 17.12.2014  
C(2014) 9841 final

**COMMISSION IMPLEMENTING DECISION**

**of 17.12.2014**

**adopting a Country Action Programme for the former Yugoslav Republic of Macedonia  
for the year 2014**

## COMMISSION IMPLEMENTING DECISION

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### adopting a Country Action Programme for the former Yugoslav Republic of Macedonia for the year 2014

THE EUROPEAN COMMISSION,

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

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 for the implementation of the Union's instruments for financing external action<sup>1</sup> and in particular Article 2(1) thereof,

Having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union<sup>2</sup> and repealing Council Regulation (EC, Euratom) No 1605/2002 and in particular Article 84(2) thereof,

Whereas:

- (1) Regulation (EU) No 231/2014<sup>3</sup> lays down the objectives and main principles for pre-accession assistance to beneficiaries listed in Annex I to that Regulation.
- (2) 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.
- (3) The Council established an Accession Partnership or a European Partnership for all beneficiaries listed in Annex I to Regulation (EU) No 231/2014. The Commission adopted an indicative strategy paper for the former Yugoslav Republic of Macedonia for 2014 - 2020 on 19 August 2014 which provides indicative allocations for the sectors.<sup>4</sup>
- (4) Considering the proposals for action submitted by the beneficiaries concerned, the Country Action Programme for the former Yugoslav Republic of Macedonia for 2014 aims at providing assistance for actions in the following sectors: democracy and governance, rule of law and fundamental rights, competitiveness and innovation.
- (5) It is necessary to adopt a financing decision, the detailed rules of which are set out in Article 94 of Commission Delegated Regulation (EU) No 1268/2012.<sup>5</sup>

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<sup>1</sup> OJ L 77, 15.03.2014, p. 95

<sup>2</sup> OJ L 298, 26.10.2012, p.1

<sup>3</sup> 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).

<sup>4</sup> C(2014) 5861 final

<sup>5</sup> Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union (OJ L 362, 31.12.2012, p. 1).

- (6) The Commission should acknowledge and accept the contribution from other donors pursuant to Article 21(2)(b) of Regulation (EU, Euratom) No 966/2012, subject to the signature of the relevant agreement, and should decide on the use of such contribution.
- (7) The Commission should be able to entrust budget-implementation tasks under indirect management to the IPA II beneficiary specified in this Decision, subject to the conclusion of a Financing Agreement. In accordance with Article 60(1) and (2) of Regulation (EU, Euratom) No 966/2012 and first subparagraph of Article 14(3) of the Commission Implementing Regulation (EU) No 447/2014<sup>6</sup>, the authorising officer responsible needs to ensure that the entrusted entity guarantees a level of protection of the financial interests of the Union equivalent to that required under Regulation (EU, Euratom) No 966/2012 when the Commission manages Union funds.

The entrusted entity is currently undergoing a complementary assessment of its systems and procedures. In anticipation of the results of this review, the authorising officer responsible deems that, based on the entity's positive assessment under Council Regulation (EC, Euratom) No 1605/2002<sup>7</sup> and Commission Regulation (EC) No 718/2007<sup>8</sup> and the entity's present compliance with the requirements of points (a) to (d) of Article 60 (2) of the Regulation (EU, Euratom) No 966/2012, budget implementation tasks can be entrusted to this entity. In accordance with Article 60(1)(c) of Regulation (EC, Euratom) No 966/2012, the authorising officer responsible needs to ensure that measures are taken to supervise and support the implementation of the entrusted tasks. A description of these measures and the entrusted tasks are laid down in the Annex to the Decision.

- (8) The Commission should be able to entrust budget-implementation tasks under indirect management to the entities identified in this Decision, subject to the conclusion of a delegation agreement. In accordance with Article 60(1) and (2) of Regulation (EU, Euratom) No 966/2012, 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.

The World Bank and United Nations Development Programme (UNDP) are currently undergoing the assessment under Regulation (EU, Euratom) No 966/2012. In anticipation of the results of this review, the authorising officer responsible deems that, based on the entities' positive assessment under Regulation (EU, Euratom) No 1605/2002 and on the long-standing and problem-free cooperation with them, budget-implementation tasks can be entrusted to these entities.

- (9) The maximum contribution of the European Union set by this Decision should cover any possible claims for interest due for late payment on the basis of Article 92 of Regulation (EU, Euratom) No 966/2012 and Article 111(4) of Delegated Regulation (EU) No 1268/2012.

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<sup>6</sup> Commission Implementing Regulation (EU) No 447/2014 of 2 May 2014 on the specific rules for implementing Regulation (EU) No 231/2014 of the European Parliament and of the Council establishing an Instrument for Pre-accession assistance (IPA II)

<sup>7</sup> Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities (OJ L 248, 16.9.2002, p.1).

<sup>8</sup> Commission Regulation (EC) No 718/2007 of 12 June 2007 implementing Council Regulation (EC) No 1085/2006 establishing an instrument for pre-accession assistance (IPA) (OJ L 170, 29.6.2007, p.1).

- (10) Pursuant to Article 94(4) of the Rules of Application, the Commission should define changes to this Decision which are not substantial in order to ensure that any such changes can be adopted by the authorising officer responsible
- (11) The action programme or measures 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 231/2014.,

HAS DECIDED AS FOLLOWS:

#### *Article 1*

##### *Adoption of the programme/measure*

The Country Action Programme for the year 2014 under the Instrument for Pre-accession Assistance (IPA II) as set out in the Annex, is hereby approved.

#### *Article 2*

##### *Financial contribution*

The maximum amount of the European Union contribution for the implementation of the programme referred to in Article 1 is set at EUR 52,717,811.25.

EUR 34,717,811.25 shall be financed from the budget line 22.02.01.01 of the general budget of the EU for year 2014

EUR 18,000,000.00 shall be financed from the budget line 22.02.01.02 of the general budget of the EU for year 2014

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

#### *Article 3*

##### *Implementation modalities*

This programme shall be implemented by *direct and indirect management*.

The budget implementation tasks under indirect management may be entrusted to the entities identified in the Annex subject to the conclusion of the relevant agreements.

A Financing Agreement shall be concluded between the Commission and the Government of the former Yugoslav Republic of Macedonia in conformity with the Framework Agreement to be concluded between the same parties.

#### *Article 4*

##### *Non-substantial changes*

The following changes shall not be considered substantial provided that they do not significantly affect the nature and objectives of the actions:

- (a) increases 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, 17.12.2014

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

## ANNEX 1

### IPA II 2014 ANNUAL PROGRAMME FOR THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA

#### 1 IDENTIFICATION

<b>Beneficiary</b>	The former Yugoslav Republic of Macedonia
<b>CRIS/ABAC Commitment references</b>	2014/037-701 2014/037-706
<b>Total cost</b>	EUR 40,665,414.67 EUR 21,176,471.00
<b>EU Contribution</b>	EUR 34,717,811.25 EUR 18,000,000.00
<b>Budget lines</b>	22.02 01 01 22.02 01 02
<b>Management Mode/ Entrusted entities</b>	<ol style="list-style-type: none"> <li>1. Direct management by the European Commission for Action 1</li> <li>2. Indirect management with the former Yugoslav Republic of Macedonia for Actions 3 and 4.  The Operating Structure responsible for the execution of these actions is the Central Financing and Contracting Department in the Ministry of Finance (CFCD) upon Conferral of Management Powers.  In case of Action 2 “Participation in Union Programmes”, implementation will consist in the payment of the IPA part of the financial contribution to the programmes by the National Fund.</li> <li>3. Indirect management by the entrusted entities listed below: The World Bank (with fall back option UNDP) for Action 6.</li> </ol>
<b>Final date for concluding <u>Financing Agreements</u> with the IPA II beneficiary</b>	At the latest by 31 December 2015
<b>Final date for concluding <u>delegation agreements</u> under indirect management</b>	At the latest by 31 December 2015
<b>Final date for concluding <u>procurement and grant</u></b>	3 years following the date of conclusion of the Financing Agreement,

<b><u>contracts</u></b>	with the exception of the cases listed under Article 189(2) Financial Regulation
<b>Final date for operational implementation</b>	6 years following the date of conclusion of the Financing Agreement.
<b>Final date for implementing the Financing Agreement</b> (date by which this programme should be de-committed and closed)	12 years following the conclusion of the Financing Agreement.
<b>Programming Unit</b>	DG Enlargement, Unit B2 "the former Yugoslav Republic of Macedonia"
<b>Implementing Unit/ EU Delegation</b>	EU Delegation to the former Yugoslav Republic of Macedonia

## 2 DESCRIPTION OF THE ACTION PROGRAMME

### 2.1 SECTORS SELECTED UNDER THIS ACTION PROGRAMME

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

With the aim of concentrating IPA II financial assistance on limited number of key priorities, the proposed Annual Action Programme covers three sectors identified in the indicative country strategy paper for 2014-2020 (CSP): democracy and governance; rule of law and fundamental rights; competitiveness and innovation.

The **democracy and governance** sector will be addressed through two actions, EU Integration Facility and Participation in Union Programmes. Sector selection has been agreed upon with the national authorities on the basis of the priorities set in the CSP for the former Yugoslav Republic of Macedonia. The key objective is building up capacity for further developing the sector approach in selected sectors, preparing project pipelines, supporting EU *acquis* alignment, and financing studies and other short-term assistance.

The sector **rule of law and fundamental rights** will be addressed through three actions: "Support for Justice Sector", "Home Affairs: Implementation of business continuity and disaster recovery system" and "Home Affairs: Further development of the capacities for crime scene investigation". Financial assistance will contribute to improving the independence, efficiency, accountability, professionalism and competence of the judiciary and prosecution with a view to ensuring a more accessible justice system, more efficient and fair criminal investigation, prosecution and trial and more efficient and effective criminal system. Assistance will further focus on the fight against organised crime, through improved capacities for forensic expertise. Furthermore, the establishment of Business Continuity and Disaster recovery centre will be supported as a follow-up of a project started under IPA I.

Finally, the sector **competitiveness and innovation** will be addressed through one action in the area of local and regional competitiveness. The main objective of the action in this sector is to improve economic competitiveness of the country's regions and municipalities and to stimulate job creation. The action will focus on enhancing local competitiveness and integrated local development including through unlocking economic potential in the tourism sector.

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

The country has been implementing IPA financial assistance under decentralised management (DIS) since 2009. It has been repeatedly recognised that national authorities need to uphold their efforts with respect to addressing systemic problems and increasing the absorption of IPA funds under DIS at all levels, in order to tackle the procurement backlog accumulated under IPA I. Past experience in implementing EU funded projects across all sectors has shown the need for improving the quality of project management through enhanced capacity building and improved coordination of project activities with relevant stakeholders. Assistance needs to be sequenced appropriately and the quality of project outputs needs to improve to achieve greater impact and visibility.

Further efforts will be needed to strengthen coordination and coherence amongst the key stakeholders and donors to ensure an efficient framework for sector support. Lack of stakeholder consultation and coordination mechanisms at the national administration level has been recognised as one of the weaknesses of implementing the sector wide approach in



the country. A comprehensive donor coordination platform will need to be fully established despite relatively small number of donors active in the country. There is a need for greater transparency and information sharing to ensure that sector policy priorities are addressed effectively and in a coordinated manner with all relevant donors.

***List of Actions foreseen under the selected Sectors/Priorities:***

***Sector 1: Democracy and Governance***

INDIRECT MANAGEMENT WITH THE IPA II beneficiary		OTHER IMPLEMENTATION ARRANGEMENTS (DIRECT MANAGEMENT BY EU DELEGATION)	
n/a		1. EU Integration Facility	EUR 8,000,000. 00
2. Participation in the Union Programmes	EUR 6,717,811.25	n/a	
TOTAL	EUR 6,717,811.25	TOTAL	EUR 8,000,000. 00

***Sector 2: Rule of Law and Fundamental Rights***

INDIRECT MANAGEMENT WITH THE IPA II beneficiary		OTHER IMPLEMENTATION ARRANGEMENTS	
3. Justice Sector Support	EUR 13,000,000.00	n/a	
4. Home Affairs: Implementation of business continuity and disaster recovery system-phase 2	EUR 5,950,000.00	n/a	
5. Home Affairs: Further development of the capacities for crime scene investigation	EUR 1,050,000.00	n/a	
TOTAL	EUR 20,000,000.00	TOTAL	EUR 0.00

***Sector 6: Competitiveness and Innovation***

INDIRECT MANAGEMENT	OTHER IMPLEMENTATION
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WITH THE IPA II beneficiary		ARRANGEMENTS (INDIRECT MANAGEMENT DELEGATION AGREEMENT)	
n/a		6. Local and Regional Competitiveness	EUR 18,000,000
TOTAL	EUR 0.00	TOTAL	EUR 18,000,000

## 2.2 DESCRIPTION AND IMPLEMENTATION OF THE ACTIONS

<b>SECTOR 1</b>	<i>Democracy and Governance</i>	<i>EUR 14,717,811.25</i>
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<b>Action 1</b>	<i>EU Integration Facility</i>	<i>EUR 8,000,000.00</i>
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### *(1) Description of the Action, objective, expected results and key performance indicators*

The main objective of this Action is to strengthen technical and administrative capacity of the administration in relation to the European integration process and to support effective and efficient management and absorption of EU pre-accession funds. The track record of financial assistance implementation in the country shows that further improvements are needed. One of the major challenges that the administration is facing is lack of mature projects, backlogs in procurement, timely contracting and utilisation of programmed IPA funds. Building the necessary capacity to improve strategic planning, project cycle management, project preparation, carrying out proper needs assessment, ensuring reliable statistics, developing mature sector programmes and project pipeline for investment and institutional/capacity building activities remain a priority.

This action will help addressing these system weaknesses by providing small scale technical assistance on preparation, implementation and monitoring of the projects programmed under the IPA National Programmes with a view to maximising the use of pre-accession funds and to improve its effectiveness and impact. The Action is designed to provide flexible support to small scale capacity building projects that cannot be channelled through alternative instruments, such as TAIEX.

The assistance under this action should result in improved alignment with and enforcement of the *acquis* and in more efficient and effective programming and implementation of pre-accession financial assistance. Achievement of this result will be measured mainly against the following key performance indicators: progress in terms of percentage of committed funds; improved capacity of the administration to programme and implement financial assistance; gradual introduction of the sector based approach.

### *(2) Assumptions and conditions*

EU integration remains a government priority - continuous commitment of the beneficiary to EU accession and provision of sufficient resources to support management of EU programmes/actions. It is further essential that national authorities remain committed to establishing a full-fledged sector approach to IPA II assistance. This entails in particular

drawing up relevant National Sector Strategies; development and regular update of relevant strategic documents such as sector oriented actions and sector planning documents; development of sector benchmarks roadmap.

**(3) Implementation arrangements of the actions:** Direct management by the EU Delegation

**(4) Essential elements of the action (for direct management)**

The objective of the European Integration Facility is to provide flexible support to the national authorities by addressing specific needs identified in the course of alignment with and enforcement of the *acquis*, implementation of IPA I and IPA II assistance, preparing projects pipeline for future funding, also with a view to reinforce the institutional capacity for the management of IPA funds and sector based approach. The expected results are:

- Appropriate administrative structures, capacities and management systems deriving i.a. from the *acquis communautaire* are in place for number of areas;
- Efficient and effective programming, management and implementation and monitoring of pre-accession assistance.

Depending on the needs related to the EU integration process, the Action will be implemented through a number of Twinning/Twinning light/service/framework/grant contracts as well as direct agreements where the need for a rapid response of the Commission to non-programmable events is such that the duration of the procedure to amend this decision would frustrate the purpose of such response. Supply and works contracts may be considered in highly exceptional cases. Activities financed under this Action will be mostly demand driven. The type of contracts cannot be determined at this stage due to the flexibility of this Action, allowing for direct and fast interventions.

a) The **global** budgetary envelope reserved for procurement and grants: EUR 8 million

b) The indicative number and type of contract award procedures: specific contracts under Framework contracts, services, twinning, grants, direct grants. Indicative number of contracts: not greater than 45.

c) Indicative timeframe for launching the procurement (twinning, grant, direct award) procedures: is Q2 2015.

<b>Action 2</b>	<i>Participation in Union Programmes</i>	<b>EUR 6,717,811.25</b>
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**(1) Description of the Action, objective, expected results and key performance indicators**

The Indicative Country Strategy Paper stipulates that financial assistance can be provided through co-financing the country’s participation in relevant Union Programmes and Agencies.

The objective of this action is to co-finance the costs of the "entry-tickets" which the beneficiary has to pay for the participation in Union Programmes and Agencies, and, by those means, to facilitate the progressive transfer of know-how and the strengthening of capacities of the relevant administrative bodies benefiting from the participation in Union Programmes and Agencies.

The following results are foreseen:

- Enhanced participation of the former Yugoslav Republic of Macedonia in Union Programmes, including increased exchanges with EU Member States;
- Strengthened ownership and responsibility of the former Yugoslav Republic of Macedonia (including in financial terms) for participation in Union Programmes;
- Entry-ticket for participation in EU Programmes paid and contracts signed.

New Union Programmes for 2014-2020 shall be gradually open for the participation of the Western Balkan countries. The beneficiary country has expressed its interest in participating inter alia in the following programmes:

- Horizon 2020
- COSME (Programme for competitiveness of enterprises and SMEs)
- Europe for Citizens
- Culture – Creative Europe
- Media – Creative Europe
- Customs
- Fiscalis
- Civil Protection Mechanism
- Erasmus plus
- Erasmus plus extended actions
- Progress
- LIFE (Instrument for the environment and climate action)
- Justice , Fundamental Rights and Citizenship
- Health for Growth Programme
- Consumer programme
- Programme for Employment and Social Innovation (EaSI)
- GMES (European Earth monitoring programme)

Participation in other Union Programmes will be determined at a later stage.

The participation of the former Yugoslav Republic of Macedonia in Union Programmes shall follow the specific terms and conditions set out for each such a programme in the International Agreement to be concluded by the European Commission and the country, in accordance with the agreements establishing the general principles for participation in Union Programmes.

## ***(2) Assumptions and conditions***

EU integration remains a government priority - Continuous commitment of the beneficiary to EU accession and provision of sufficient resources to support management of EU programmes/actions. The Accession Partnership, NPAA, Enlargement Strategy and Progress Reports provide adequate guidance for programming activities. Availability and motivation of appropriate staff for cooperation and involvement is essential.

***(3) Implementation arrangements of the actions:*** indirect management with the beneficiary country

***Short description of the tasks entrusted to the entity***

The participation of the former Yugoslav Republic of Macedonia in Union Programmes shall follow the specific terms and conditions set out for each such a programme in the International Agreement to be concluded by the European Commission and the former Yugoslav Republic of Macedonia.

<b>SECTOR 2</b>	<b><i>Rule of Law and Fundamental Rights</i></b>	<b><i>EUR 20,000,000.00</i></b>
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Action 3	<i>Justice Sector Programme</i>	<i>EUR 13,000,000.00</i>
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***(1) Description of the Action, objective, expected results and key performance indicators***

The Action derives from the Sector Planning Document for the justice sub-sector, which has been prepared to provide multi-annual strategic framework for prioritisation and proper sequencing of interventions. Assistance under this action will contribute to the improvement of administration of justice and to a more effective planning and implementation of justice sector reforms. More specifically, the action will contribute to improving the independence, efficiency, accountability, professionalism and competence of the judiciary and prosecution, ensure a more accessible justice system, more efficient and fair criminal investigation and prosecution, a more efficient and effective criminal system. Against this background, the results to be achieved under this Action are the following:

- Improved mechanisms for designing, implementing and monitoring justice sector reforms, strengthened capacities of all justice sector stakeholders in strategic planning and operational EU law implementation; enhanced access to legal aid, improved administrative and misdemeanour law and practice.
- Improved judiciary governance system, ethical and disciplinary framework, performance management and professional training system, improved courts administration, more consistent and accessible practice of courts.
- Improved E-justice system, information and communication technologies infrastructure (ICT), inter-connection of the Ministry of Justice, Judicial Council, Council of Public Prosecutors, Public Prosecutor's Offices, courts and other justice sector actors, upgraded E-services, databases and statistics for greater access to justice and higher quality policy making.
- Improved prosecution governance system, performance management and professional training systems, administration and its management at Public Prosecutor's Offices, fair and effective implementation of the new Criminal Procedure Law.
- Improved prison management, detention conditions and reduced reoffending through policy, legislative, institutional and ICT changes in the penitentiary and probation systems and focus on rehabilitation and re-socialisation, increased internal and external oversight mechanisms, enhanced partnerships with civil society organisations.

Results will be measured against objectively verifiable indicators:

- Degree of implementation of the national justice sector reform policies at the end of Action implementation.
- Level of satisfaction with the state of administration of justice by way of user satisfaction surveys at the end of Action implementation.
- Assessment of the progress in administration of justice by European Union, other international organisations and NGOs in their reviews and rankings at the end of Action implementation.

***(2) Assumptions and conditions***

- The EU integration process remains a government priority - Continued commitment to the EU Accession process.
- Commitment from national authorities to the justice reform process.
- Justice sector planning document updated.
- Sufficient level of implementation of IPA Programmes.
- Availability and motivation of appropriate staff for cooperation and involvement.
- Low turnover of staff in the IPA structures.
- National co-financing available.
- Commitment for gradual implementation of the sector based approach conditions;
- Continuous commitment to EU accession and provision of sufficient resources to support management of EU programmes/actions.

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 arrangements of the action:*** indirect management by the beneficiary country

***Short description of the tasks entrusted to the entity***

The accredited structure will be responsible for management, procurement and implementation of the Action in line with the procedures in place. Until full ex-post control, the EU Delegation will provide ex-ante control on all procurement/twinning/grant files. It is the role of the Senior Programming Officer in the Ministry of Justice and the Contracting Authority to ensure proper procurement sequencing and implementation of this Action.

Action 4	<i>Home Affairs: Implementation of business continuity and disaster recovery system-phase 2</i>	EUR 5,950,000.00
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***(1) Description of the Action, objective, expected results and key performance indicators***

The Action will support the establishment of disaster recovery and business continuity data centre as part of the critical infrastructure protection at the national and EU levels. Critical infrastructure is an asset or system which is essential for the maintenance of vital societal functions. The direct beneficiary of this action, the Ministry of Interior, has developed the

information system for border control intended to be able to be integrated into the Schengen Information System in the future when conditions are met. This border control information system is treated as part of the critical infrastructure for which an adequate level of protection must be ensured. Key elements of the system protection include separate back-up system, incident management system, physical protection of back-up data and emergency plans.

Main expected results of the action are the following:

- The business continuity and disaster recovery system is fully functional.
- Measures taken to reduce the effects of system disruptions implemented.
- Contingency strategies developed.
- An information system contingency plan developed.
- Trained personnel at the Ministry of Interior.

Results will be measured against the following key performance indicators:

- Trained personnel at the Ministry of Interior.
- Information systems developed and installed for border control, fully compatible with Schengen Information System.
- Number of employees trained.
- Response time of the emergency response units.
- Level of security of data for border control (qualitative assessment).
- Degree of alignment with *acquis*.

***(2) Assumptions and conditions***

There is a high political commitment to the EU integration process, allowing for implementation of all Schengen rules and standards; professional and political commitment; national budget resources available; presence of qualified personnel.

***(3) Implementation arrangements of the action:*** indirect management by the beneficiary country

***Short description of the tasks entrusted to the entity***

The accredited structure will be responsible for management, procurement and implementation of the foreseen procurements in line with the accredited procedures. Until full ex-post, the Delegation will provide ex-ante control on procurement/Twinning/grant files.

It is the role of the Senior Programming Officer in the Ministry of Interior and the Contracting Authority to ensure proper procurement sequencing and implementation of this Action document. Full involvement and support of/by the relevant technical units in project document preparation and implementation will be needed.

Action 5	<i>Further development of the capacities for crime scene investigation</i>	<i>EUR 1,050,000.00</i>
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***(1) Description of the Action, objective, expected results and key performance indicators***

The main objective of the action – which is a follow up to previous assistance provided under IPA 2009 programme – is to develop a good quality system for managing technical aspects, quality and administrative procedures for crime scene investigation units with a view to establishing common practice and protocols. The forensic process at the crime scene includes reviewing initial actions at the scene of the incident, developing a scene investigation strategy, evidence recovery, interpretation of findings, decisions on further examinations and storage of exhibits. In order to fulfil these tasks, the Forensic Department should have appropriate human capacities and equipment, in accordance with the existing EU practice. In addition, the accreditation of the existing laboratories is one of the strategic priorities of the Ministry of Interior and basic preconditions for accreditation must be in place.

Main expected results of the action are the following:

- Analysis of the organisation structure of the Forensic Department including crime scene investigation units and recommendations for a new organisational structure conducted.
- Needs assessment in the Forensic Department prepared.
- Analysis of the IT system used by the Forensic Department done.
- Long-term strategy for Forensic Department development and implementation action plan prepared.
- Curricula for Training of Trainers on implementation of standard operative procedures for Forensic department staff developed.
- Trainings by the selected trainers delivered.

Results will be measured against objectively verifiable indicators such as revision of the Forensic Department structure prepared; needs analysis for IT system adopted; strategy for Forensic Department development and implementation action plan adopted; number of trainings delivered; percentage of relevant staff trained.

Results will be measured against the following key performance indicators:

- Strategy and Action plan for the Forensic Department development adopted.
- Number of staff trained.
- Average duration of criminal investigations and number of investigations initiated.

## ***(2) Assumptions and conditions***

High political commitment to the EU integration process; political commitment for improved criminal investigation and forensic processes; efficient procedure for implementation of recommendations; commitment of senior officials and experts in all services of the Ministry of Interior involved in project implementation; adequate training of staff; necessary time limits are respected pursuant to the EU legal regulatory framework.

***(3) Implementation arrangements of the action:*** indirect management by the beneficiary country

## ***Short description of the tasks entrusted to the entity***

The accredited structure will be responsible for management, procurement and implementation of the foreseen procurements in line with the accredited procedures. Until full ex-post, the Delegation will provide ex-ante control on all procurement/Twinning/grant files.



It is the role of the Senior Programming Officer in the Ministry of Interior and the Contracting Authority to ensure proper procurement sequencing and implementation of this Action document. Full involvement and support of/by the relevant technical units in project document preparation and implementation will be needed.

<b>SECTOR 6</b>	<b><i>Competitiveness and Innovation</i></b>	<b><i>EUR 18,000,000.00</i></b>
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Action 6	<i>Local and Regional Competitiveness</i>	<i>EUR 18,000,000.00</i>
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***(1) Description of the Action, objective, expected results and key performance indicators***

The main objective of the action is to increase competitiveness at local and regional level by supporting municipalities in their integrated local development efforts with a view to stimulating local job creation. The action aspires to address regional economic disparities in the country which are a limiting factor to overall economic development. The action will provide investments in relevant segments including infrastructure, tourist activities, while ensuring direct link with its respective industries and SMEs. Additional support and training will be provided at the local level to municipalities, relevant stakeholders and regional civil initiatives (NGOs) active in the sector. At the national level, support will be provided to planning and implementing bodies that are responsible for local governance, competitiveness and development agenda.

The main expected results of the action are the following: administration is enabled to effectively develop and implement policies and strategies to increase competitiveness and stimulate integrated local development and job creation; public infrastructure is improved to create new private sector investment opportunities; to upgrade and promote of business products and public and private services, including those related to the tourism sector.

The results of the action will be measured against a set of key performance indicators:

- Percentage of collected municipal revenues tax.
- Number of employments created in targeted economic destinations.
- Number of new private sector investments linked or triggered by the action.
- Percentage of actions envisaged in the existing National Tourism Development Strategy implemented.
- Number of regional tourism offices, including tourism information centres set up.

***(2) Assumptions and conditions***

Strong political will and commitment among the stakeholders and national institutions, in particular adequate support from the National Economic Council and Committee for Tourism will need to be guaranteed. Transparent and inclusive consultation process should be put into place for decision making within this action, and in particular related to public investments financed under this action.

Commitment and ownership of final beneficiaries under this action will need to be ensured and continuously demonstrated. Successful implementation of this action will also depend on good cooperation between national and regional institutions and final beneficiaries. Final

beneficiaries will need to secure necessary material and human resources for effective implementation of the action.

***Entity entrusted with budget implementation tasks***

Following a Call for expression of interest, the World Bank was selected on basis of proposed methodology and assessment of technical, administrative and financial capacity to carry out this action. If negotiations with the above-mentioned entrusted entity fail, this action may be implemented in indirect management with UNDP as a fall-back option.

***Short description of the tasks entrusted to the entity***

The World Bank (or UNDP as fall back option) will carry out the following budget implementation tasks in order to maximize local and regional competitiveness: capacity building and support to public administration bodies at all levels (national, regional, local); implementation of public infrastructure investments; capacity building and support to private sector, civil society and educational institutions.

The World Bank (or UNDP as fall back option) will be responsible for the overall administration of all the activities required to implement the Action, among others, preparation, implementation and conclusion of grant and procurement contracts, and management of corresponding expenditures. The entrusted entity will participate in coordination meetings and other jointly organised common activities with the Commission.

### 3 BUDGET

#### 3.1 INDICATIVE BUDGET TABLE - COUNTRY ACTION PROGRAMME FOR THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA

Indirect Management with the IPA II beneficiary				Other implementation arrangements					
	EU Contribution	IPA II beneficiary Co-financing	Total expenditure		EU Contribution	IPA II beneficiary Co-financing	Total expenditure	Management mode	Total EU contribution
Objective 1	<b>Sector 1 Democracy and Governance</b>			<b>Sector 1 Democracy and Governance</b>					14,717,811.25
	Action 1 EU Integration Facility			Action 1 EU Integration Facility	8,000,000.00	0.00	8,000,000.00	Direct	
	Action 2 Participation in Union Programmes	6,717,811.25	2,604,603.42	9,322,414.67	Action 2 Participation in Union Programmes				
	<b>Sector 2 Rule of Law and Fundamental Rights</b>				<b>Sector 2 Rule of Law and Fundamental Rights</b>				20,000,000.00

	Action 3 Justice Sector Programme	13,000,000.00	2,293,000.00	15,293,000.00	Action 3 Justice Sector Programme				Indirect with beneficiary country	
	Action 4 Home Affairs: Implementation of business continuity and disaster recovery system-phase 2	5,950,000.00	1,050,000.00	7,000,000.00	Action 4 Home Affairs: Implementation of business continuity and disaster recovery system-phase 2				Indirect with beneficiary country	
	Action 5 Further development of the capacities for crime scene investigation	1,050,000.00	0	1,050,000.00	Action 5 Further development of the capacities for crime scene investigation				Indirect with beneficiary country	
Objective 2	<b>Sector 6 Competitiveness and Innovation</b>				<b>Sector 6 Competitiveness and Innovation</b>					18,000,000.00
	Action 6 Local and Regional Competitiveness				Action 6 Local and Regional Competitiveness	18,000,000.00	3,176,471.00	21,176,471.00	Indirect with International Organisations	
	<b>TOTAL</b>	<b>26,717,811.25</b>	<b>5,947,603.42</b>	<b>32,665,414.67</b>		<b>26,000,000.00</b>	<b>3,176,471.00</b>	<b>29,176,471.00</b>		<b>52,717,811.25</b>

#### **4 IMPLEMENTATION MODALITIES AND GENERAL RULES FOR PROCUREMENT AND GRANT AWARD PROCEDURES**

##### **DIRECT MANAGEMENT:**

Part of this programme shall be implemented by direct management by the European Union Delegation in accordance with article 58(1)(a) of the Financial Regulation and the corresponding provisions of its Rules of Application.

Procurement shall follow the provisions of Part Two, Title IV Chapter 3 of the Financial Regulation No 966/2012 and Part Two, Title II, Chapter 3 of its Rules of Application.

Grant award procedures shall follow the provisions of Part Two Title IV Chapter 4 of the Financial Regulation No 966/2012 and Part Two Title II Chapter 4 of its Rules of Application.

Under the Financial Regulation, Parts One and Three of the Financial Regulation and its Rules of Application shall apply to external actions except as otherwise provided in Part Two, Title IV.

The Commission may also use services and supplies under its Framework Contracts concluded following Part One of the Financial Regulation.

##### Twining:

Twining projects shall be set up in the form of a grant agreement, whereby the selected Member State administrations agree to provide the requested public sector expertise against the reimbursement of the expenses thus incurred.

The contract may in particular provide for the long-term secondment of an official assigned to provide full-time advice to the administration of the IPA II beneficiary as resident twinning advisor.

The twinning grant agreement shall be established in accordance with relevant provisions of Part Two Title IV Chapter 4 of the Financial Regulation and Part Two Title II Chapter 4 of its Rules of Application. Parts One and Three of the Financial Regulation and its Rules of Application shall apply to external actions except as otherwise provided in Part Two, Title IV.

##### **INDIRECT MANAGEMENT:**

Part of this programme shall be implemented by indirect management by the former Yugoslav Republic of Macedonia in accordance with Article 58(1)(c) of the Financial Regulation and the corresponding provisions of its Rules of Application.

Part of this programme shall be implemented by indirect management with entrusted entities other than the IPA II beneficiary in accordance with Article 58(1)(c) of the Financial Regulation and the corresponding provisions of its Rules of Application.

The general rules for procurement and grant award procedures shall be defined in the Financing Agreement and the relevant delegation agreements between the Commission and the entrusted entity implementing such action.

## **5 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 Country Strategy Paper.

In the specific context of indirect management by IPA II beneficiaries, National IPA Co-ordinators (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 Delegation; d) joint monitoring by DG Enlargement 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.