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C(2013) 9468 final

COMMISSION IMPLEMENTING DECISION

of 17.12.2013

**amending Commission Implementing Decision C(2012) 9605 final of 17 December 2012
adopting the Regional Housing Programme (Sarajevo Process) 2nd phase under the IPA
–Transition Assistance and Institution Building Component for the years 2012-2013**

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amending Commission Implementing Decision C(2012) 9605 final of 17 December 2012 adopting the Regional Housing Programme (Sarajevo Process) 2nd phase under the IPA –Transition Assistance and Institution Building Component for the years 2012-2013

THE EUROPEAN COMMISSION,

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

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

Having regard to the 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 European Union and repealing Council Regulation (EC, Euratom) No 1605/2002, (hereinafter referred to as 'Financial Regulation No 966/2012')², in particular Article 84(2) thereof,

Whereas:

- (1) Regulation (EC) No 1085/2006 lays down the objectives and main principles for pre-accession assistance to candidate countries and potential candidate countries.
- (2) The Regional Housing Programme (Sarajevo Process) 2nd phase under the IPA – Transition Assistance and Institution Building Component for the years 2012-2013 was adopted on 17 December 2012 by Commission Decision C(2012) 9605 final. The programme has been amended by Commission Implementing Decision C(2013) 4927 on 25 July 2013.
- (3) The crisis affecting the region has damaged the capacity of the countries in the region to co-finance the action. In order to facilitate the implementation of the programme in the region, alternative sources of funding are required to cover the financial gap. Since funds are available under national IPA programmes and the IPA multi-beneficiary programme, the amount of the Regional Housing Programme is increased by EUR 26 000 000, in order to provide additional support to the regional component of the programme.
- (4) This Decision complies with the conditions laid down in Article 94 of Commission delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of 25 October 2012 on the financial rules applicable to the general budget of the Union (hereinafter referred to as "the Rules of Application").
- (5) 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 the Financial Regulation and Article 111(4) of its Rules of Application.

¹ OJ L 210, 31.7.2006, p. 82.

² OJ L 298, 26.10.2012, p.1.

- (6) The Commission is required to define the term "non-substantial change" in the sense of Article 94(4) of the Rules of Application to ensure that any such changes can be adopted by the authorising officer by delegation, or under his or her responsibility, by sub-delegation (hereinafter referred to as the 'responsible authorising officer').
- (7) The measures provided for in this Decision are in accordance with the opinion of the IPA Committee,

HAS DECIDED AS FOLLOWS:

Article 1

The Annex to Commission Decision C(2012) 9605 final of 17 December 2012 as last amended by Commission Implementing Decision C(2013) 4927 final of 25 July 2013 is hereby replaced by the Annex to this Decision.

Article 2

The maximum amount of European Union contribution shall be:

In the budget year 2012, a maximum amount of **EUR 74 700 000** to be financed through Item 22.020701 of the general budget of the European Union;

In the budget year 2013, a maximum amount of **EUR 55 500 000** to be financed through Item 22.020701 of the general budget of the European Union.

The financial contribution referred to in the above paragraphs shall also cover any possible interests due for late payment.

Article 3

Increases or cumulated changes to allocations of specific actions not exceeding 20 % of the contribution referred to in the first paragraph of Article 2 shall not be considered substantial, provided that they do not significantly affect the nature and objectives of the actions³.

Up to 25 % of such an increase or of a reallocation of the amounts authorised under 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 responsible authorising officer may adopt these non-substantial changes in accordance with the principles of sound financial management and proportionality.

Done at Brussels, 17.12.2013

For the Commission
Štefan FÜLE
Member of the Commission

³ Changes to allocations exceeding EUR 4 million need to be approved by the IPA Committee.



ANNEX 1

Regional Housing Programme (Sarajevo Process) 2nd phase 2012-2013

1 IDENTIFICATION

Beneficiary	Bosnia and Herzegovina, Croatia, Montenegro and Serbia
CRIS decision number	2012/024-133; 2013/024-134
Year	2012, 2013
EU contribution	Total EUR 130 200 000 2012: EUR 74 700 000 2013: EUR 55 500 000
Implementing Authority	Council of Europe Development Bank (CEB) in joint management with the European Commission
Final date for concluding the Financing Agreement	<i>The programme is implemented without Financing Agreements</i>
Final date[s] for contracting	30/11/2013 - for 2012 budget appropriations 30/11/2014 - for 2013 budget appropriations
Final date for execution	30/11/2017 – for 2012 budget appropriations 30/11/2017 – for 2013 budget appropriations
Budget line(s) concerned	22.020701: Regional and Horizontal Programmes
Programming Unit	Unit D3, Regional Cooperation and Programmes, DG Enlargement
Implementation Unit/ EU Delegation	Unit D3, Regional Cooperation and Programmes, DG Enlargement

2 THE PROGRAMME

2.1 PRIORITIES SELECTED UNDER THIS PROGRAMME

The Sarajevo Declaration process, initiated in 2005, aims to find long-lasting solutions for refugees and displaced persons following the 1991-1995 conflicts on the territory of the former Yugoslavia. The process involves four countries: Bosnia and Herzegovina, Croatia, Montenegro and Serbia (the “Partner Countries”).

This programme is an integral part of the Sarajevo Process. The process was in a stalemate until March 2010, when a ministerial meeting was held in Belgrade which brought together the four Partner Countries, the United Nations High Commissioner for Refugees (UNHCR), the EU and the OSCE.

At this meeting, the countries committed themselves to work towards solutions of a number of outstanding issues, including data exchange and statistics, pensions and

con-validation rights, housing and property issues. The principle of an international donor conference to support a comprehensive political agreement between the four Partner Countries was also agreed.

In November 2011, the four Ministers of Foreign Affairs of the Partner Countries signed a Joint Declaration together with a Framework Programme in which it was agreed that a Regional Housing Programme (RHP) should be established. The total budget of this Regional Housing Programme is estimated at around EUR 584 million with a planned duration of 5 years.

A donors' conference aiming at attracting a maximum amount of funds to support the financing of the RHP took place on 24 April 2012 in Sarajevo. At the Conference the EU presented its pledge, EUR 230 million for the entire duration of the programme (5 years), which will reach about half of the necessary amount of EUR 501 million. This pledge is subject to the overall EU budget under the *new financial perspective 2014-2020* and subject to *agreement by the IPA Committee*.

At the conference the international donors pledged an amount of EUR 31 million with another 30 million likely to follow in the next years. The biggest contributions came from the US (EUR 7.5 million for 2012, and with an intention for similar-sized annual contributions over the following years) and from Norway, Switzerland, Germany and Italy with EUR 5 million each for the entire duration of the Programme.

2.2 SECTORS SELECTED UNDER THIS PROGRAMME AND DONOR COORDINATION

The IPA Multi-beneficiary Multi-annual Indicative Planning Document (MIPD) 2011-2013¹ identifies as one of its priorities the completion of the process of reconciliation in the Western Balkans and to ensure non-discrimination and respect for human rights.

This project falls under the chapter 3.1 of the Multi-beneficiary MIPD, Justice and Home Affairs, including fundamental rights and vulnerable groups and touches upon chapter 3.7, Social Development.

The MIPDs 2011 – 2013 of the four Partner Countries equally identify as one of their priorities for IPA assistance the resolution of the protracted situation of the remaining refugees and displaced persons. Therefore, the project also aims to bring added value to other interventions planned as part of the MIPDs for candidates and potential candidates, where refugee issues are essentially dealt with in specific local contexts.

Overview of past and on-going assistance

Regional actions: In previous years, the EU has funded under CARDS and IPA a number of refugee support programmes, usually implemented through NGOs. Recently, the EU has funded from IPA Multi-beneficiary assistance the project "Regional Programme for refugee return and provision of durable solutions for refugees and internally displaced persons (IDPs) in the Western Balkans", which was implemented by the UNHCR. For a cost about EUR 3 million, the project provided direct assistance to a total of 16,688 beneficiaries in the region: 778 refugees were assisted with voluntary repatriation; 861 refugees and IDPs were assisted with local

¹ C(2011) 4179 final of 20.6.2011.

integration, 6,893 refugees received legal counselling; and 8,156 returnees received legal counselling.

In addition it was decided to allocate EUR 7.84 million from IPA 2011 funds to implement a preparatory first phase of the RHP. The first phase is being implemented by the CEB and the UNHCR for a period of 15 months.

Bosnia and Herzegovina: The EU funded since 1996 to date around EUR 403 million for the return of refugees and displaced persons as well as the implementation of Annex VII of the Dayton peace Agreement. Assistance has been used to rehabilitate properties, basic utilities and social infrastructure as well as to implement sustainability measures. Over the period 1996 to 2004 the total number of properties that will have been reconstructed with EU funds is approximately 30,000, ca. 4,500 jobs have been created and approx. 1,128 technical infrastructure projects had been successfully completed.

Croatia: No EU assistance has been provided in recent years as Croatia funded its own national housing programme, which was monitored by the EU for closing Chapter 23. Several previous EU financed projects targeted, however, socio-economic reforms and human rights in the Areas of Special State Concern (former war zones inhabited by refugees, returnees and IDPs).

Montenegro: A project of EUR 2.5 million aimed at identifying durable solutions for IDPs and residents of Konik camp – a major settlement located in Podgorica – was adopted under the IPA 2011 national programme and will include the construction of 90 apartments plus social integration measures. This project was preceded by two smaller projects (EUR 180 000) which provided technical assistance to the authorities in preparation for the IPA project. The continuation of this national project was foreseen within the 2012/2013 national programme. A project to provide comprehensive support to refugees and displaced persons under IPA 2008 (EUR 1.5 million) included providing over 400 IDPs with housing, supporting over 230 income generation schemes and facilitating return of 50 displaced families to Kosovo*.

Serbia: Up until the end of 2003, the EU provided humanitarian assistance throughout Serbia. The assistance included basic support for the residents in collective centres. Since 2004, EUR 60 million have been allocated under CARDS and IPA to mainly support the local integration of refugees. The activities of the funded projects were twofold: (a) providing durable solutions for refugees and IDPs which include housing and income generation activities and (b) provision of legal aid/assistance necessary for the implementation/enforcement of the rights of IDPs and refugees in Serbia. Further funds have been allocated under IPA 2012 national programme in order to support housing solutions for IDPs (not among the beneficiaries of the RHP in Serbia) and complement the projects to be funded under the RHP.

Donor activities: Several donors have been actively involved in dealing with issues relating to refugees and internally displaced persons (IDPs). The European

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

Commission and the UNHCR have been at the forefront and have provided crucial humanitarian assistance over the past twenty years. Since the end of the conflict, several European countries have assisted the countries in the Western Balkans to address the social needs of the displaced and vulnerable population. The Swiss Agency for Development and Cooperation (SDC) and USAID - State Department's Bureau of Population, Refugees and Migration (BPRM) has been working on refugee and IDP-related issues. NGOs such as the Danish Refugee Council (DRC) have been working on providing more durable solutions.

The "Social Housing Programme in Bosnia and Herzegovina" implemented by the Catholic Relief Services (CRS) in cooperation with UN, and jointly financed by the Netherlands, the Bosnia and Herzegovina State-level Government and the CRS, has helped to develop a regulatory and legal framework.

The "Peacebuilding and Inclusive Local Development" (PBILD) UN Joint Programme has worked towards inclusive, peaceful and sustainable development in South Serbia, jointly managed by six specialized UN agencies, including UNHCR and United Nations Human Settlements Programme (UN-Habitat), in co-operation with a number of national partners.

With regard to 'de-institutionalisation' of social care there have been projects and programmes such as "Raising Standards and Self-Reliance" and "Social Innovations Fund" funded by the Department for International Development (DfID) and by Norway. These programmes continue.

In 2009, the UNHCR with INTERSOS (Italian NGO) and the Commissariat for Refugees of the Republic of Serbia worked to provide the necessary assistance to the refugees from closed collective centres and to find solutions for the residents of the remaining collective centres.

Donor Coordination

The European Commission and the CEB will implement the RHP with other international partners, namely the US Government, the UNHCR and the OSCE. In addition several national stakeholders – line Ministries, directorates etc. – will be involved. These institutions and their respective roles will be identified and defined as part of the Technical Assistance component of the programme.

Lessons Learned

In designing this programme, particular note has been taken of the results of previous projects in the region in previous years. Key lessons learned may be summarised as follows:

- Clear ownership status of the available land plots.
- Sufficient financial capacity of the municipalities to provide infrastructure, connections to existing public networks, supervision and in general to comply with their contractual obligations as an investor of the projects.
- Uniform living and quality-technical standards throughout implementation irrespective of the source of funding.
- Proper technical and social monitoring to ensure good quality of the final product.

- Proper legislation of specific individual housing solutions (i.e. prefabricated houses, building materials).
- Different housing solutions for different countries/regions/groups.
- Focus on integration and avoid creating ghetto conditions.
- Ensure transparent selection of beneficiaries.
- Develop integrated return programmes (housing, basic infrastructure and utilities (rehabilitation), provision of civil infrastructure (schools, health care, social security and pensions);
- Project Implementation Unit (PIU) be designed and its capacity adjusted according to the country programmes, reflecting the types of procurement in each country.

2.3 DESCRIPTION

The Regional Housing Programme (Sarajevo Process) 2nd phase 2012-2013 is embedded in the context of the Sarajevo Process.

The action will fully respect the rights of refugees and displaced persons involved and will recognise the mutual obligation of the signatories to cooperate closely and to synchronise their activities so as to find long-lasting housing solutions through either voluntary return and reintegration or local integration.

In accordance to the pledge at the donors' conference that took place on 24 April 2012 in Sarajevo, it is important to **ensure progress for the concrete implementation** in the four Partner Countries.

Overall project objective

The project aims at making a substantial contribution to the satisfactory resolution of the protracted problem of the remaining refugees and displaced persons in the Partner Countries by providing long-lasting, sustainable housing solutions, as part of a comprehensive programme prepared in the context of the Sarajevo process.

Specific project objective

The RHP will consist of four Country Housing Programmes, one in each country, and will assist in total about 27,000 households or 74,000 individuals. The second phase intends to contribute to the overall goal by targeting around 3,400 households.

A designated RHP Fund, managed by the CEB, will provide grants to the four CHPs. The CEB will also stand ready to provide soft loans to the Partner Countries to ensure that sufficient funding for implementing the CHPs is available². For this purpose a RHP Fund Secretariat will be set up at the CEB. As part of the application procedure for these grants and loans, each Partner Country will have to produce Feasibility Reports on its CHP in due course.

Main results expected

The expected results of the RHP are significant. Successful implementation of the programme will result in:

² Complementary measures to secure funding such as holding a second Donor's Conference or introducing national financial contributions could also be considered.

- Improved living conditions for refugees and displaced persons;
- Increased capacity of the authorities in the four Partner Countries to manage public funds according to European standards e.g. for large-scale housing schemes;
- Enhanced regional cooperation and confidence building on the basis of a comprehensive political agreement between the four Partner Countries.

Some more specific results of the project for 2012 and 2013 concern: housing apartments units where construction works has commenced; improved and sustainable living conditions, as well as secured social inclusion, for end-beneficiaries; the implementation of a number of project preparatory and start-up actions; priority lists; training; and the establishment/functionality of the Partner Countries' PIUs, the RHP Secretariat, and the Regional Coordination Forum (RCF).

Main activities and implementation modalities

Activity 1: Financial support which shall take the form of *investment subsidy grants* through the RHP Fund (Trust Mechanism) according to the pledge made at the Donors' Conference in Sarajevo on 24 April 2012.

This activity will be implemented by joint management with the CEB. To this end it is foreseen to sign one Contribution Agreement with CEB, following Article 53d of the Financial Regulation³ and the corresponding provisions of the Implementing Rules⁴, in quarter 3, 2013 for a total amount of EUR 78 950 000 (EUR 49 450 000 and EUR 29 500 000 for 2012 and 2013 allocation respectively). An addendum to the Contribution Agreement will be signed in quarter 1, 2014 for a total amount of EUR 26 000 000 (allocation 2013).

Activity 2: Technical Assistance support which will be managed outside the RHP Fund. It foresees to establish and support the functional running of the four CHPs, including the PIUs, in the four Partner Countries;

Activities 3-5: Support to the CEB for managing the programme and the RHP Fund which refer in particular to:

- Establishment and support the functional running of the RHP Fund (Trust Mechanism) Secretariat;
- Establishment and support the functional running of the RCF; and
- Support the functional running of and participation in the Technical and Steering Committees of the RHP.

Activities 2-5 will be implemented by joint management with the CEB. To this end it is foreseen to sign a Contribution Agreement with CEB, following Article 53d of the Financial Regulation and the corresponding provisions of the Implementing Rules, in quarter 2, 2013 (EUR 25 250 000) for 2012 allocation.

³ 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).

⁴ Commission Regulation (EC, Euratom) No 2342/2002 laying down detailed rules for the implementation of 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 357, 31.12.2002, p. 1).

The project would include the purchase of land and / or existing houses or buildings in order to harbour displaced refugees.

2.4 CROSS-CUTTING ISSUES

- Equal Opportunities and non-discrimination principles will be respected as regarding gender as well as minorities at the programming and implementation stage. Based on the fundamental principles of promoting equality and combating discrimination, participation in the project will be guaranteed on the basis of equal access regardless of sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation. When it comes to involvement during construction, equal opportunities will be provided to industry players from all partner countries under international competition rules, where applicable.
- Environment and climate change: The RHP implementation involving construction should strive to apply the highest technical building standards to maximize energy efficiency, environmental protection and ensure sustainable development. In most cases energy efficiency in the buildings must be enhanced, enriched and the relevant EU Directives have to be implemented. In some of the Partner countries and to a certain extent the issue is covered through the applicable legislation and regulatory framework but this has to be further supplemented in the forthcoming period with the addition of secondary legislation, regulations etc.
- Minorities and vulnerable groups: The needs of the displaced change with their age, gender, education, duration of displacement and living conditions and many other complex aspects of protracted refugee situations. Although it is expected that the resolution of housing needs will have a catalytic effect and enhance the social integration process of the displaced populations, the creation of a framework for prioritising, gathering, analysing and incorporating social information and the conditions for ensuring adequate participation into the design and delivery of individual projects could be beneficial to enhance social integration of the beneficiaries including minorities and vulnerable groups.
- Civil Society/Stakeholders involvement: While significant benefits could flow from the economic effects of the RHP/CHP, there is need to also identify and evaluate the associated potential negative outcomes. The social impact of the RHP/CHP needs to be identified and possibly measured. This process should be managed in such a way that positive externalities are magnified and negative ones minimized. Nevertheless, overall macroeconomic conditions of national economies and state of local economies will significantly affect the magnitude of positive economic and social impacts.

2.5 ASSUMPTIONS AND PRE-CONDITIONS

It is assumed that the international community stays committed to help the region finding appropriate solutions to the protracted problem of the remaining refugees and displaced persons by honouring their pledges to the fund. Furthermore, it is assumed that all four Partner Countries stay committed to completing the Sarajevo Process and provide sufficient resources to set up a coherent mechanism to steer, supervise and control the implementation of their CHP. Regular consultation of all stakeholders and accountability throughout the implementation are preconditions for achieving the expected results.

In addition to providing Technical Assistance to put in place a coherent mechanism of controlling (ex-ante and ex-post), monitoring and surveillance, the EU Delegations in all four Partner Countries will play an important role in the general follow-up of the CHPs.

Important risks do exist that could hamper the successful implementation of the programme, including delays in setting up the appropriate institutional and organisation framework for the CHPs and delays in the actual construction phase for which mitigating actions should be carefully planned.

Furthermore, there may be a risk that the relocated communities are perceived as "privileged" by the pre-existing neighbouring communities and thus conflicts can arise. However, this risk should not be over-estimated; all Partner Countries have been exposed to experience in implementing housing projects for vulnerable refugee/displaced populations, especially on the municipal level.

3 BUDGET

3.1 INDICATIVE BUDGET TABLE

Joint management	Institution Building (IB)				Investment (INV)				Total (IB + INV)	Total IPA EU contribution												
	Total expenditure		IPA EU contribution		Total expenditure		IPA EU contribution			Other contribution (3)(4)												
	EUR (a)=(b)+(c)	EUR (b)	% (1)	EUR (c)	EUR (d)=(e)+(f)	EUR (e)	% (1)	EUR (f)		% (1)	EUR (h)=(b)+(e)	%										
RHP - (Sarajevo Process) - 2 nd phase 2012-2013																						
Appropriations 2012	35 250 000	25 250 000	71.6	10 000 000	109 100 000	49 450 000	45.3	59 650 000	109 100 000	49 450 000	45.3	59 650 000	54.7	144 350 000	74 700 000							
Appropriations 2013	0	0	-	0	109 100 000	55 500 000	50.9	53 600 000	109 100 000	55 500 000	50.9	53 600 000	49.1	109 100 000	55 500 000							
TOTAL	35 250 000	25 250 000	71.6	10 000 000	218 200 000	104 950 000	48.1	113 250 000	218 200 000	104 950 000	48.1	113 250 000	51.9	253 450 000	130 200 000							100

Amounts net of VAT

- (1) Expressed in % of the Total expenditure IB or INV (column (a) or (d)).
 (2) Other contribution provided by other donors (EUR 10 million).
 (3) Other contribution (public and private national and/or international contribution) provided by national counterparts (EUR 33.2 million), other donors (EUR 12.4 million), and financing gap (EUR 67.64 million).
 (4) The Donors' Conference in Sarajevo on 24 April 2012 resulted in total pledges of EUR 261 million. This should be sufficient to cover the programme the first three years. The financing gap per year is EUR 1 million less as it is already covered by IPA contribution for 2011 (EUR 5 million). It will be covered by future pledging from donors and possibly by soft loans from CEB (Calculation based on total figure of EUR 584 million, TA deducted and broken down per year).

3.2 PRINCIPLE OF CO-FINANCING APPLYING TO THE PROGRAMME

The IPA EU contribution, which represents 51.37% of the total budget allocated to this programme, has been calculated in relation to the **eligible expenditure**, which in the case of joint management is based on the **total expenditure**. Parallel co-financing will be used.

When it comes to the Investment (INV) component of the Regional Housing Programme (Sarajevo Process) 2nd phase 2012-2013, the requirements of national co-financing at project level have been complied with (around 13%). Due to its regional character, no national co-financing is planned for the Institution Building (IB) component of the project.

4 IMPLEMENTATION

4.1 MANAGEMENT MODES AND IMPLEMENTATION MODALITIES

The programme will be implemented by the European Commission by joint management with the Council of Europe Development Bank (CEB) following Article 53d of the Financial Regulation and the corresponding provisions of the Implementing Rules. It is justified to implement the programme under joint management as the organisation has been closely involved in the Sarajevo process from the outset, prepared the activities, assessed their feasibility and defined the implementation agreements together with the European Commission.

4.2 GENERAL RULES FOR PROCUREMENT AND GRANT AWARD PROCEDURES

The general rules for procurement and grant award procedures shall be defined in the Contribution Agreement between the Commission and the CEB implementing such activities.

4.3 ENVIRONMENTAL IMPACT ASSESSMENT AND NATURE CONSERVATION

All investments shall be carried out in compliance with the relevant EU environmental legislation.

An appropriate nature conservation assessment shall be made for each project⁵, equivalent to that provided for in Article 6 of the Habitats Directive⁶.

5 MONITORING AND EVALUATION

5.1 MONITORING

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

⁵ Cf. Annex Nature Conservation to the corresponding investment project fiche.

⁶ Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora (OJ L206, 22.7.1992). Directive as last amended by Regulation (EC) No 1882/2003 (OJ L 284, 31.10.2003, p. 1).

5.2 EVALUATION

Programmes shall be subject to ex ante evaluations, as well as interim and/or, ex post evaluations in accordance with Articles 57 and 82 of IPA Implementing Regulation⁷, with the aim of improving the quality, effectiveness and consistency of the assistance from EU funds and the strategy and implementation of the programmes.

The results of evaluations shall be taken into account in the programming and implementation cycle.

The Commission may also carry out strategic evaluations.

6 AUDIT, FINANCIAL CONTROL AND ANTI-FRAUD MEASURES

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

In order to ensure the efficient protection of the financial interests of the European Union, the Commission (including the European Anti-Fraud Office) may conduct on-the-spot checks and inspections in accordance with the procedures foreseen in Council Regulation (EC, Euratom) No 2185/96 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities⁸.

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

7 NON SUBSTANTIAL REALLOCATION OF FUNDS

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

8 LIMITED CHANGES

Limited changes in the implementation of this programme affecting essential elements listed under Article 90 of the Implementing Rules to the Financial Regulation, which are of an

⁷ 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).

⁸ OJ L 292, 15.11.1996, p. 2.

indicative nature⁹, may be undertaken by the authorising officer by delegation (AOD), or by the authorising officer by sub-delegation (AOSD), in line with the delegation of powers conferred upon him by the AOD, in accordance with the principles of sound financial management without an amending financing decision being necessary.

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