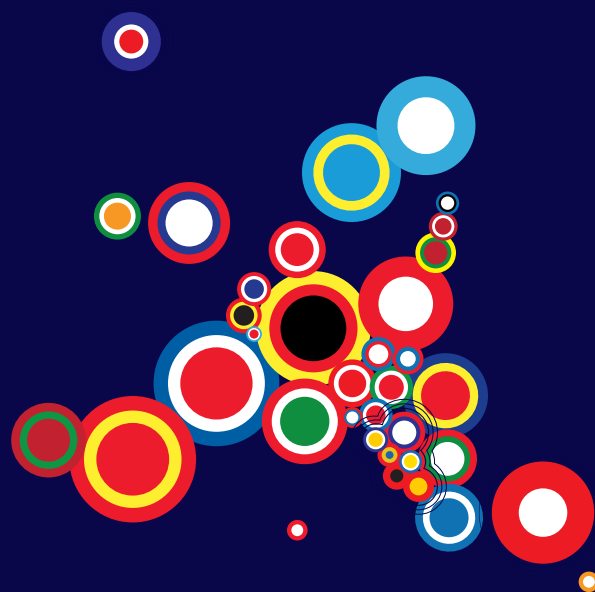




INSTRUMENT FOR PRE-ACCESSION ASSISTANCE (IPA II) 2014-2020

THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA EU Integration Facility



Action Summary

The objective of this EU Integration Facility (EUIF) is to assist the national administration to efficiently manage pre-accession funds and effectively manage the process of EU integration.

The purpose of this EUIF is to assist the beneficiary country in the overall development towards EU Accession, by supporting the civil and public administration through the Stabilisation and Association process until accession. There is a need to further develop tools and mechanisms to meet the necessary structural changes that have to be introduced in terms of meeting the obligations of the Stabilisation and Association Agreement, the Copenhagen criteria and future EU membership.

Action Identification	
Programme Title	Annual Action Programme for the former Yugoslav Republic of Macedonia for 2014
Action Title	EU Integration Facility
Action Reference	IPA 2014/037-701
Sector Information	
ELARG Sectors	<ul style="list-style-type: none"> • Democracy and governance
DAC Sector	998
Budget	
Total cost (VAT excluded) ¹	EUR 8,000,000
EU contribution	EUR 8,000,000
Management and Implementation	
Method of implementation	Direct management
<i>Direct management:</i> EU Delegation in charge	EU Delegation to the former Yugoslav Republic of Macedonia
Implementation responsibilities	N/A
Location	
Zone benefiting from the action	The former Yugoslav Republic of Macedonia - Nationwide activities
Specific implementation area(s)	Country-wide
Timeline	
Deadline for conclusion of the Financing Agreement	2015 (n+1)
Contracting deadline	d+3
End of operational implementation period	d+6

1. RATIONALE

The 2000 Feira European Council confirmed that the future of the Western Balkan countries is in the European Union. The path towards EU membership for the former Yugoslav Republic of Macedonia

¹ The total action cost should be net of VAT and/or of other taxes. Should this not be the case, clearly indicate the amount of VAT and the reasons why it is considered eligible.

was confirmed by the 2003 Thessaloniki Agenda, the 2004 entry into force of Stabilisation and Association Agreement, candidate status since 2005, and European Commission recommendations since 2009 to open negotiations as well as in relation to passage to the second stage of the Stabilisation and Association Agreement.

Due to political crises in recent years, and with no progress in the United Nations-facilitated discussions on the name issue, there has been uneven progress and even deterioration in some key reform areas. In order to obtain full membership in the EU, the country must meet all conditions deriving from the Stabilisation and Association process and the Copenhagen criteria, and ensure the stability of democratic institutions. That requires support for the national administration and different actors in the country (such as ministries, agencies, public institutions, local administration, non-state actors, etc.) in their efforts to strategically and effectively manage the EU integration process, mitigate risks which might jeopardise the EU future of the country and ensure proper utilisation of the available pre-accession assistance.

The main motivation for the creation of this EU Integration Facility (EUIF) is to promote long-term and strategic investment as regards preparations for adoption, implementation and enforcement of the EU *acquis*, empowering non-state actors through dialogue, further developing democratic institutions, strengthening the independent status of key institutions, setting up a proper system for sound financial management of EU funds by supporting and enhancing structures for coordination, programming, project development, management, implementation, training, monitoring, evaluation, control and audit of EU funds and ensuring proper information and visibility of the EU agenda and financial assistance.

With the sector-based approach to programming of IPA II assistance, a large number of horizontal accession-related activities will need to be covered, in terms of specific and urgent needs. Since this needs to be done in a highly strategic and justified manner, the EUIF would address these issues and others deriving from the annual Progress Reports, ensuring complementarity of actions and avoiding any overlap of assistance.

PROBLEM AND STAKEHOLDER ANALYSIS

The pre-accession process is lengthy and requires excellent EU expertise on the ground, involving a well-prepared civil and public administration, and exchange of know-how from EU Member States to strengthen the existing or establish new administrative structures and management systems, in line with EU *acquis* requirements. Even though the EU provides continued financial support, a gap exists between the aspirations and the current administrative capacity and institutional framework. This facility would allow targeting of the needs of the administration at central and local level, and would build the knowledge and capacity that are currently missing. Improving the National Plans and documents linked with *acquis* alignment, training and translation is essential. The EUIF would be the tool to facilitate such ad-hoc, yet strategic support, not covered under the various sector support programmes.

As indicated in the 2013 Enlargement Strategy conclusions, "the country has reached a high level of alignment relative to where it is in the accession process and has made further progress in improving its ability to take on the obligations of membership." With further steps still to be taken in the accession process and an ever-changing *acquis*, the need for further alignment remains and the priority is to enforce implementation of the existing legal and policy framework, also in those areas which would not be directly covered with the relevant IPA II sectors.

The Facility would provide the necessary tools to tackle key issues, adapting to new developments. This facility could address needs in terms of eventual screening and analytical examination of the *acquis*, should such needs arise. In light of the High Level Accession Dialogue (HLAD) and future negotiation discussions, this EUI Facility would also help the authorities to respond to emerging *acquis* and operational tasks, and urgent political needs that might arise, in a more flexible way.

While the EU agenda is a strategic priority for the Government, there is a need to overcome deep divisions on the political scene, to improve dialogue also with non-governmental actors, and to

demonstrate the need for joint national policies in the interest of the country and its citizens. In line with the separation of executive, legislative and judiciary powers, strengthening the role of the independent institutions and agencies and non-state actors involved in the EU *acquis*, including parliament, would also be a possible area for support under this EU Integration Facility, based on the relevance of the requests and the needs.

EUIF also provides for unspecified institution-building support relating to the Stabilisation and Association process, the National Programme for the Adoption of the *acquis*, the annual Progress Reports and Enlargement Strategy, the indicative Country Strategy Paper and other relevant strategic documents, and it allows for more flexibility and demand driven support.

In response to the limited progress indicated in the past Progress Reports in relation to the capacity to coordinate EU structural instruments, the need to continue assisting the institutions in analysing, identifying, planning, programming, implementing, monitoring, evaluating, controlling and auditing of EU funds, remains pivotal to the overall accession process. This type of support would enable the national administration to better manage EU integration and pre-accession assistance in different areas better and more efficiently. Some of the major challenges that the administration is currently facing is the lack of mature projects, backlogs in procurement, timely contracting and spending of programmed IPA I funds, which will have a spill-over effect on IPA II programmes. Support to the relevant structures of the Decentralised Implementation System (DIS) is essential and remains urgent. Building the necessary capacity for improving strategic planning, project cycle management, project preparation, carrying out a proper needs assessment, developing mature sector programmes and project pipeline for investment and institutional/capacity building activities would remain priorities in the coming period and will eventually contribute to the improvement of the past track record with high de-commitments of IPA 2007-2013 programmes.

In addition to the need for full utilisation of the existing Management Information System (MIS), necessary improvements in the IT and other equipment for the established national structures have been identified. It has been a burden for the national authorities to respond to the heavy requirements concerning IPA implementation, in terms of adequate IT support and other equipment. In addition to the limited national resources used for upgrade and maintenance of such systems, improvements in the management and control systems are still needed, in order to ensure continuation of operations and sound financial management of EU funds. Systematic support for monitoring, evaluation, control and audit policies is essential in order to avoid repetition of shortcomings, interruption of payments and irregularities and fraud. Also, in terms of building the capacity for indirect management of EU funds by the beneficiary country (decentralised system with *ex ante* and/or *ex post* approvals), the need to support the relevant structures such as the National IPA Coordinator (NIPAC), the National Authorising Officer (NAO), the National Fund (NF), the Central Financing Department (CFCD), the IPARD Paying Agency, the EUI Facility will support the necessary gap assessments, gap-plugging analysis, needs assessments, training and development, in order for the IPA mechanism to function better. In addition, support to the overall IPA Operating Structure is needed in order to further develop the system in terms of the IPA II rules and decrease the *ex ante* controls from 100% to 0% in due time. The preparation and implementation of such Road Maps and/or Action Plans can be foreseen under this EUI Facility.

Covering all aspects of the accreditation criteria involves paying specific attention to the control environment, planning and risk management, control activities, monitoring and evaluation activities, as well as communication i.e. information exchange among all actors. Communication, information and visibility is essential to the EU integration process and in that respect, EUIF could also support improving promotion of EU-funded or EU-related activities, encouraging debate, raising awareness, improving the understanding of the EU policies and processes and showing results and impacts of IPA assistance on the ground. Thus, actions supporting the National IPA Communication and Information Strategy and Actions Plans could be foreseen. Regular and relevant information sharing would improve the aid effectiveness and achieve more transparent EU aid, in line with the International Aid Transparency Initiative (IATI) and the EU Transparency Guarantee (EUTG). Information on EU assistance needs to be regularly published and made available for the wider public. In order to achieve greater absorption, information on how to access IPA funds should also be made available in a

common format that meets the needs of the European Commission, the Government and all non-governmental stakeholders.

The EUIF is a direct response to horizontal needs that might arise in the period 2014-2020. Eligible applicants for these funds would be the line Ministries, agencies, associations and other bodies and non-state actors on central and local level, and their staff directly involved in the EU accession process and IPA management and implementation.

Projects supported under this programme will be selected through an inclusive and transparent process, following the specific EU Integration Programme Guidelines with precise selection criteria and strategic assessment per area.

RELEVANCE WITH THE IPA II STRATEGY PAPER AND OTHER KEY REFERENCES

The Democracy and Governance sector of the **Indicative Country Strategy Paper** states that the EU accession-related assistance will support further transposition, alignment and implementation of the EU *acquis*. Support will also be extended to institutions and independent agencies, involved in the EU *acquis*, including institutions such as the parliament. Support will further be provided to strengthen the administrative capacity of institutions involved in the planning, preparation and implementation of EU assistance. Finally, support will be given for the programming, identification, formulation, monitoring and evaluation of EU assistance.

The Stabilisation and Association Agreement (SAA) states that the overall objectives of EU assistance in the form of institution-building and investment shall contribute to democratic, economic and institutional reforms. In this respect, financial assistance under this programme could cover all areas of harmonisation of legislation and cooperation policies of the SAA, if justified properly and in line with the needs assessment.

The **National Programme for the Adoption of the Acquis (NPAA)** identifies a series of measures, on short and medium term, to be taken as regards the political, economic and policy criteria for membership of the European Union. The implementation of the EU accession agenda by the Government is reflected in the NPAA where all legislative amendments, short and mid-term measures for institutional strengthening are identified, broken down by *acquis* chapters. Capacity strengthening of the administration is stated as a priority in the NPAA in order to be able to efficiently, effectively and correctly implement the *acquis* and meet the obligations of EU membership. In particular, the current NPAA identifies public governance, the rule of law and fundamental rights, economic development, agriculture, transport, environment and employment and social policy as major areas of intervention, being in line with the Accession Partnership and the key findings of the 2014 Progress Report.

Chapter 22 of the **2014 Progress Report** indicated limited progress in the area of regional policy and coordination of structural instruments. Since all regional policies will be addressed under the competitiveness sector, and the medium term expenditure framework will be tackled under the Public Financial Management sub-sector under Democracy and Governance, the other horizontal and cross-cutting issues linked to coordination and implementation of EU funds and structural instruments would be tackled under this EUI Facility and would allow preparations in those areas to advance.

The **Pre-accession Economic Programme (PEP)** and future economic governance reporting cycle, providing measures for fulfilment of the economic Copenhagen criteria is also linked to this EUIF.

Smart, Sustainable and Inclusive Growth are the three priorities of **Europe 2020 and the SEE 2020 Agenda**. The EUIF could, by helping the administration to better manage the EU integration process and implementation of EU assistance, contribute indirectly to the implementation of Europe 2020 and SEE 2020.

SECTOR APPROACH ASSESSMENT

The sector-based approach (SBA) is relatively new for the country and there is much that needs to be done in order to have a government-led development approach. The situation is even more complex since the structural SBA conditions are relevant beyond individual sectors, which adds to the complexity of the initial design of the exercise. This is a changing environment that must be properly addressed by/with the national authorities on a horizontal level.

Reflecting on the main framework conditions, there are many shortcomings that must be addressed in a more horizontal way, including:

- Lack of clear link between national strategy and sector strategies;
- Weak integration of sector priorities and national budget process;
- Lack of sector budgeting and medium term expenditure framework;
- Uneven integration of donor funds into national strategic planning and budgeting;
- Lack of consultation and coordination mechanisms;
- Weak institutional and administrative capacity;
- Absence of a proper performance monitoring and evaluation framework;
- Lack of appropriate control mechanisms.

Since IPA II builds on the sector-based approach, this Facility can provide assistance on a more strategic and horizontal level to fulfil the necessary sector framework conditions, taking into account that many of the essential elements for full-fledged SBA are not yet met. Nonetheless, and taking into account the current capacities of the administration, the introduction of SBA requires greater coordination, dedication and sensitization of all relevant stakeholders in the policy-making process. Besides showing the necessary political will for the EU integration process, the Government needs to ensure the highest political commitment and leadership for the sector approach, and have the following conditions in place: country ownership, transparent and multi-annual budget framework, long-term individual sector strategies, sector stakeholder coordination systems, harmonised procedures for reporting, financial management and procurement. The strategic choice of future priorities for IPA assistance must be based on a needs assessment, and not only on the readiness of a single sector to take on the sector-based approach. Before entering into full-fledged sector-based support, Road Maps should be prepared for this transition period, with specific entry point benchmarks. The EUIF could provide horizontal and sector assistance to facilitate this and similar tasks.

LESSONS LEARNED AND LINK TO PREVIOUS FINANCIAL ASSISTANCE

Following the lessons learned from the two previous financial perspectives and instruments (CARDS 2002-2006 and IPA 2007-2013), and the evolution of EU policies, the beneficiary country requires a substantial amount of horizontal and development support in order to make progress on accession criteria during the current financial perspective (2014-2020).

Experience between 2007-2013 showed that national programming capacities were not yet sufficiently developed. This programme is therefore essential to help with appropriate project preparation and to ensure tender dossier preparation according to EU rules and regulations. A special allocation reserved for support for programming, preparation of project pipelines and prepared projects is an excellent tool to quickly react to urgent and unforeseen needs for EU assistance and to contributed to the image and visibility of EU assistance in the country. It is also sometimes useful to have ad-hoc evaluations or audits on the spot in order to get clarification on certain issues or to secure high quality standards in programme implementation. To this end, the unallocated envelope and the project preparation facility (PPF) during the period 2007-2013 proved to be a good tool for supporting project development under IPA. Experience shows that many unforeseen actions, that require EU assistance can emerge in the course of procurement preparation and at the end of an implementation period. Problems can appear when projects suffer long start-up periods.

In general, it is important to strengthen public administration capacities at all levels in order to ensure sustainability of activities and to enhance full ownership of institutions through their stronger

participation along the project cycle. The PPFs programmed under the Transition Assistance and Institution Building Component (TAIB) in 2007, 2008 and 2009 were extensively used and by April 2014, a total of 66 additional projects had been financed, in a total amount of EUR 6.5 million. Around 68% of this amount was used for short-term assistance in various project/programme cycle management activities which led to higher quality and timely delivery of project/procurement documents. The high number of contracts from the PPF, with an average contract amount of EUR 150,000.00, has created a big backlog in the national administration, predominantly in the CFCD.

In addition to the many requests for tender preparations, in recent years, the amount of ad-hoc *acquis*-related requests has increased, in part due to the framework of the Public Administration Reform High Level Working Group and the High Level Accession Dialogue Around 11% of the PPF funds were used to support Decentralised Implementation System (DIS) institutions in addition to the previously programmed assistance. This included assistance for different DIS gap-plugging and gap assessments, the Management Information System, Result Oriented Monitoring (ROM), interim evaluation, training, audit and *ex post* control-related activities. There is still a need to further increase the effective functioning of the monitoring system and the administration must ensure a systematic approach to monitoring and performance assessment. Special attention should be paid to the definition of results, targets and indicators which qualitatively influence the monitoring and evaluation activities which issued valid recommendations for programming cycles.

The fact that there was no common national IPA Information and Communication Strategy and Action Plan for the period 2007-2013 affected the visibility of EU assistance and policies conducted by the national authorities. Improvements and stronger collaboration is needed and for that purpose, supporting unified activities in this area at the level of NIPAC is necessary and can be supported under the EUIF during the period 2014-2020.

Experience also shows that strong commitment from senior management and the political level, as well as various final beneficiaries, remains crucial for the overall implementation of project activities and for the current system to function effectively.

The 2007 and 2008 PPF allocations were centrally managed and considered as a general technical assistance, i.e. contingency reserve. The EU Delegation had the possibility to intervene, to support IPA implementation and other needs that were not foreseen during the programming period. This long-standing practice should be maintained under IPA II 2014-2020, in order to allow some flexibility in the management of programmes.

2. INTERVENTION LOGIC

LOGICAL FRAMEWORK MATRIX

OVERALL OBJECTIVE	OBJECTIVELY VERIFIABLE INDICATORS (OVI)	SOURCES OF VERIFICATION	
Assist the administration to effectively and efficiently manage the EU integration process and EU pre-accession assistance.	<ul style="list-style-type: none"> - Absorption of EU funds; - Accelerated rate of addressing key findings from the <i>acquis</i> chapters and the SAP; - Time for negotiation reduced. 	<ul style="list-style-type: none"> - On annual basis - Commission's Progress Report - Commission / HLAD benchmarking Government's National Programme for the Adoption of the Acquis (NPAA) - Annual IPA Implementation Report – NIPAC Office - Joint Monitoring Committee reports - Sector Monitoring Committee reports - NAO Statement of Assurance - National Fund financial records 	
SPECIFIC OBJECTIVE	OBJECTIVELY VERIFIABLE INDICATORS (OVI)	SOURCES OF VERIFICATION	ASSUMPTIONS
<p>Strengthen the capacity of the administration and other actors to:</p> <ul style="list-style-type: none"> - achieve progress with the alignment, implementation and enforcement of the <i>acquis</i>; - achieve progress in the accession preparation process - increase the effectiveness, efficiency and impact of EU-financed projects; - improve absorption of programmed EU funds; - improve information and communication on EU issues; - improve strategic planning and sector based approach; - increase the administrative and technical capacity of the administration on central and local level; - Reinforce the independence of the relevant institutions; 	<ul style="list-style-type: none"> - Positive assessment by the Commission through progress reported in the EU Progress Report and the SAA; - Acceleration of progress within ministries/institutions towards meeting the requirements of the <i>acquis</i> and Structural and Cohesion Funds strategy - % Decrease in the number of <i>ex ante</i> controls. - % Increase in utilisation of EU funds; - % Increased visibility of EU Integration process and EU funds. 	<ul style="list-style-type: none"> - Commission's Progress Report - Commission / HLAD benchmarking - Government's NPAA - Annual IPA Implementation Report – NIPAC Office - JMC reports - SMC reports - SAA reports - NAO Statement of Assurance - NF financial records - Info & Comm campaigns - Central Finance and Contracts Department report to NIPAC, NAO, EU Delegation 	<ul style="list-style-type: none"> - EU integration remains a government priority.
RESULTS	OBJECTIVELY VERIFIABLE INDICATORS (OVI)	SOURCES OF VERIFICATION	ASSUMPTIONS

<p>Result 1: Appropriate administrative structures, capacities and management systems deriving i.a. from the Acquis communautaire requirements are in place for number of areas</p> <p>Result 2: Efficient and effective programming, management and implementation of pre-accession assistance</p>	<ul style="list-style-type: none"> - Number of project proposals prepared and submitted to NIPAC - Number of project proposals accepted/rejected by the EU Delegation - Number of terms of reference developed - Specific identified tasks have been completed with the help of Member States' experts or Technical Assistance 	<ul style="list-style-type: none"> - EUI Facility Guide monitoring table filled in on quarterly basis; - NIPAC Report from the identification and selection phase submitted twice a year, linked to the calls for ideas; - CFCF Report on contracting following the Procurement Plan; - Quarterly Report on contracting and commitment of the envelope to the EUI Facility ; - Sector Benchmark Roadmap implementation Report; - Sectoral Monitoring and Joint IPA Monitoring Report; - SPO monitoring report to CFCF and NIPAC; - CFCF monitoring report to NIPAC, NAO, EU Delegation; - NIPAC Monitoring Report to EU Delegation; - Governmental Reports, - Minutes of SPO meetings; - Media reports; - Mission consultants reports, workshops, outputs, etc. 	<ul style="list-style-type: none"> - EU integration remains a government priority - The relevant strategic documents are updated; - The NPAA, Enlargement Strategy and Progress Reports and HLAD provide adequate guidance for programming activities; - National Sector Strategies Developed; - Sector Benchmarks Roadmap Developed; - Indirect management (DIS) continues to be applied, including considerations for ex-ante wavier.
<p>ACTIVITIES</p>	<p>MEANS</p>	<p>OVERALL COST</p>	<p>ASSUMPTIONS</p>
<p>Activity 1: Reinforcement of the administrative capacity. Activity 2: PCM related activities</p>	<p><i>Interalia TA/Twinning/Twinning Light/Service contracts/FWC/ grant.</i></p>	<p>EUR 8 million</p>	

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ADDITIONAL DESCRIPTION

The aim of this EUI Facility is to increase the know-how, effectiveness and impact of the national administrations involved in the preparation, management, implementation, monitoring and audit of EU funds and to increase efficiency and swift response to emerging priorities linked to the EU Integration process.

This programme would focus mainly on technical support and capacity building related to the EU Accession process. It will enable the effectiveness and impact of projects financed through EU pre-accession under IPA through improved absorption of programmed EU funds combined with an increased efficiency during their implementation. Hence, the EUIF shall provide flexible support to the national authorities aimed at addressing specific needs identified in the course of the implementation of IPA, support the start-up of the future negotiations process and preparing projects pipeline for future funding, also with a view to reinforce the institutional capacity for the management of IPA funds. This Programme may also be used in ad-hoc circumstances where EU assistance is required and/or suggested.

The EUI Facility would be managed by the EU Delegation. The NIPAC will participate in the programming and needs assessment's carried on the ground, as well as selection of project actions. The EUIF would be implemented in a transparent way, following the creation of separate EUIF Guidelines. These Guidelines shall ensure a transparent procedure when approving the requests for use of funds from the EUIF and shall be built on combining the current Programming Guides and the existing accredited national procedure for approval of requests for use of funds PPF funds under IPA I. Due to the nature of this programme the activities financed will be mostly demand driven. A substantial part of activities should however be identified during the early stage in the programming cycle, on the basis of initial requests received from potential beneficiaries. During project implementation, beneficiaries may also request to benefit from this facility with sound justification. Projects linked to results area 2 will be chosen on an ad hoc basis, when the need arises in consultation with the NIPAC office. This will be adequately reflected in the EUIF guidelines.

The end beneficiaries of this EUI Facility are the public and civil administration/associations/agencies on central and local level, independent national institutions.

The following results are expected to be achieved:

Result 1: Appropriate administrative structures, capacities and management systems deriving i.a. from the Acquis communautaire requirements are in place for number of areas

Result 2: Efficient and effective programming, management and implementation of pre-accession assistance

The above mentioned results would be achieved, inter alia, with the following activities:

An envelope for as yet unspecified institution building actions (twinning, twinning light, technical assistance, service, and grants) would be established in the framework of the EU Integration Programme, consisting of:

Activity 1: Reinforcement of the administrative capacity

Activity 2: PCM related activities

These activities would contribute to the above mentioned Results 1 and 2, by addressing, among others, the following type of actions:

- Support SEA in NPAA revision and preparations in the area of the EU *acquis*;
- Support the translation, alignment, enforcement and implementation of *acquis* priorities;

- Support the accession process and ad-hoc interventions deriving from the Stabilisation and Association process;
- Support measures related to urgent political needs;
- Reinforce the independence of relevant institutions;
- Support the institutions and NIPAC in defining needs assessment, strategic planning and/or programming;
- Support the beneficiary country in designing effective strategic plans in different sector areas, often followed by the more detailed investment strategies;
- Support the administration in fulfilling the criteria for sector based approach and the relevant sector and policy benchmarks;
- Enhance the stakeholder cooperation and communication in IPA programming and implementation;
- Advise on drafting the Action, Sector and Multi-Operational Programmes and related annexes;
- Feasibility studies, economic and cost benefit analysis, detailed designs preparation, market research, environmental impact assessments;
- Short-term technical assistance for activities linked to assessment of applications under grant schemes and tender evaluations;
- Action (project) preparatory and start-up activities support;
- Audit, control and monitoring activities;
- Thematic /sector/ programme / project evaluations;
- Indicators, monitoring and performance assessment activities;
- Project cycle management, preparatory and start-up action, providing expert assistance in drafting the ToRs and technical specifications for the implementation of the IPA-funded projects;
- Build necessary capacities and systems related to further training and information dissemination;
- Support DIS structures and institutions for efficient management of EU funds and increased utilisation of EU funds;
- Support to NIPAC, NAO, NF, CFCD, IPARD PA, AA and other relevant IPA structures in efficient implementing DIS with ex-post control;
- Implementation of IPA and EU Visibility and Transparency, Information and Communication actions, etc.

A contingency programme reserve would be maintained, for additional programme related priorities, activities, quantities and expenditures that are currently unforeseeable and can arise in the course of the IPA II implementation, resulted by unfavourable or emergency situations which could not be foreseen at the stage of the planning.

The risk associate to this action document is linked to the political decision in the beneficiary country regarding the EU integration agenda.

Assumptions:

- EU integration remains a government priority - Continued commitment to the EU accession process;
- Commitment from national authorities in the process;
 - National Sector Strategies developed;
 - The relevant strategic documents are updated;
 - Sector Benchmarks Roadmap developed;
 - Indirect management (DIS) continues to be applied;
- The NPAA, Enlargement Strategy and Progress Reports and the High Level Accession Dialogue provide adequate guidance for programming activities;
- 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.

Preconditions:

- The main precondition for the successful implementation of the EU Integration Facility is continuous commitment to EU accession and provision of sufficient resources to support management of EU programmes/actions.
- The beneficiary institutions are bound to provide the project partner with adequate staff and other resources to operate effectively.
- Projects to be implemented through TA, twinning or twinning light require the full commitment and participation of the senior management of the beneficiary institutions. In addition to providing the twinning partner with adequate staff and other resources to operate effectively, senior management must be fully involved in the development and implementation of policies and institutional change required to deliver project results;
- The training under the individual activities will be carried out on national training premises (for ex. EU/IPA Training and Support Facility), with possible use of the existing IPA trainers in the national administration;
- In areas where there is evident expertise with the final beneficiary, the training will be delivered by civil servants, as part of their job description, without any compensation and/or with the assistance of key/short term experts.

3. IMPLEMENTATION ARRANGEMENTS

ROLES AND RESPONSIBILITIES

The EU Integration Facility would allow preparing adequately for IPA II implementation and ensuring further strengthening of the institutions and administrative capacity for the full application of the Acquis and would consequently improve the effectiveness of the country and its performance in terms of readiness for EU accession. It would by all means assist and improve the capacities of the responsible institutions to manage the current pre-accession and future EU structural and cohesion funds.

The EUIF would be managed under direct management, by the EU Delegation in the former Yugoslav Republic of Macedonia, in close cooperation with the NIPAC office. In order to have clear guidance in who can apply for support under this programme a separate EUIF Guide is being developed to facilitate more strategically the needs assessment and the selection process of actions to be financed.

The programming of EUIF is responsibility of the EU Delegation and the NIPAC office-Programming Unit and the monitoring of the implementation would be the responsibility of the both the EU Delegation and the NIPAC office – Monitoring and evaluation Unit.

Referring to the draft EUIF Guide, the NIPAC and the EU Delegation will launch an open expression of interest with ready project proposals for financing. The launching of the calls for expression of interest would be done jointly with the NIPAC in line with the relevant EUIF Guide, in order to ensure proper utilisation of these funds. The actions proposed to be financed under the EUIF will be subject to prior approval of NIPAC and the EU Delegation.

IMPLEMENTATION METHOD(S) AND TYPE(S) OF FINANCING

The project will be implemented through direct management.

The EUIF will consist of funds covering the financing technical assistance (services/Framework Contract), twinning, twinning light projects, grants in accordance with the European Commission's

PRAG and the EUIF Guidelines. Supplies and works can be approved in highly exceptional and well justified cases. There would be 100% co-financing by the EU, in the amount of EUR 8 million.

Under this EUIF the financial appropriation foreseen for different type of actions should be larger, especially if linked with Progress Report and EU funds management issues. This would be more specifically addressed in the EUIF Guide, with all relevant annexes included.

4. PERFORMANCE MEASUREMENT

METHODOLOGY FOR MONITORING (AND EVALUATION)

The project will be monitored according to standard procedures established in the IPA II Implementing Regulation and the Common Implementing Regulation², in addition to the regular discussions that would take place during the IPA and the Sectoral Monitoring Committees.

Action monitoring and evaluation will be based on periodic assessment on the delivery of specific results and towards achievement of the specific and general objectives of the EUI Facility.

Full implementation of the revised Monitoring Strategies by NIPAC and the Commission has to be ensured, as well as more pragmatic follow-up of the recommendations from the ROM, self-evaluations, desk reviews and interim evaluations put in place.

All actions may be audited by the Commission and the Court of Auditors, in line with EU procedures.

² 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 actions, Official Journal of the EU, L 77/95, 15.03.2014

INDICATOR MEASUREMENT

Indicator	Description	Baseline (2010)	Last (2014)	Milestone 2017	Target 2020	Source of information
<i>CSP indicator(s) – if applicable</i>	<i>n/a</i>					
<i>Action output indicator 1</i>	Number of project proposals prepared and financed by this EUI Facility	0	0	18	22	EUIF Monitoring sheet, Annual/Sectoral IPA Implementation Report
<i>Action output indicator 2</i>	Number of feasibility and/or sector studies prepared	0	0	8	11	EUIF Monitoring sheet, Annual/Sectoral IPA Implementation Report
<i>Action output indicator 3</i>	Sector based approach Framework/sector policy benchmarking in place and monitoring	0	0	Partial	Full	Sector/Policy Benchmarking reports Sector Road Maps monitored

5. CROSS-CUTTING ISSUES

ENVIRONMENT AND CLIMATE CHANGE (AND IF RELEVANT DISASTER RESILIENCE)

The European Union has a longstanding commitment to address environmental concerns in its assistance programmes (as part as a wider commitment to sustainable development). Key references include Art. 6 of the Treaty and the Cardiff process which foresees the systematic consideration of environmental aspects into EU development cooperation and in other policies (hence very important for the *acquis*). The support will include activities for the beneficiary to improve its internal performance vis-à-vis environmental aspects.

ENGAGEMENT WITH CIVIL SOCIETY (AND IF RELEVANT OTHER NON-STATE STAKEHOLDERS)

The consultation and communication processes will constitute important aspects of the experience and knowledge exchange established with the EU Member States and non-state actors as a result of the project. The generated experience will advance the inclusiveness of the national consultation platform, and will improve the transparency and clarity of the national communication strategy with regards to the negotiation process (both with regards to the participating institutions and structures and the general public). As indicated under the activities, the process of submitting request for project support would also refer to the process of raising public awareness, increasing transparency and a comprehensive dissemination of results.

EQUAL OPPORTUNITIES AND GENDER MAINSTREAMING

Equal opportunities and participation of men and women would be mainstreamed in the project preparation, training participation and publicity materials. The different project implementation structures will ensure the observance of the principles of equal opportunities and non-discrimination. Equal gender opportunities will be fully respected in the composition of the Steering Committee and where necessary. The training activities may include a specific component to train municipal and ministerial staff in the implementation of the Government Gender Strategy, while reference will be made to the EU Programme of Action for the mainstreaming of gender equality in community development cooperation (2001-2006).

MINORITIES AND VULNERABLE GROUPS

Accelerated approximation of the national legislation with EU laws, along with the obligation for full harmonisation until accession date, will further ... (missing word) the legislative, strengthen the role ? of administrative and judicial authorities, full and correct implementation of the Ohrid Framework Agreement and improve the *Acquis* adoption, implementation and enforcement data, indirectly leading to overall improved stability, respect of minorities, vulnerable groups and good governance. In an EU context, reference is made to the "Race Directive" of 2000 (2000/43/EC of 29 June), which has an important impact on employment (incl. vocational training, working conditions, social protection etc.) and is also a crucial aspect of the *acquis*. The beneficiary will be assisted to improve its internal performance vis-à-vis minorities or other vulnerable groups. Activities under this project would help shaping a well-functioning and stable public administration built on an efficient, all inclusive and impartial civil service.

6. SUSTAINABILITY

The short-term assistance activities supported through this EUI Facility will produce results on the short run since all relevant structures are in place and the support provided would increase the capacities to meet the challenges ahead of the administration. Financial sustainability will be ensured with the national co-financing and additional budget allocations to support the planned increase of institutional and human capacities in order to implement IPA II Programmes.

As indicated in article 18 of the Regulation (EC) No. 236/2014 of 11 March 2014 laying down the Common rules and procedures for Implementation of the Union's Instruments for financing External action and in order to enhance partner countries' ownership of their development processes and the sustainability of external aid, and in line with international aid effectiveness commitments entered into by the Union and partner countries, the Union should promote, where appropriate in light of the nature of the action concerned, the use of partner countries' own institutions, systems and procedures. Thus, before implementing the unallocated envelope for reinforcement of the administrative capacity, there would be a thorough pre-assessment of the received project proposals, ensuring proper coordination with all relevant stakeholders, following the EUIF Guide.

7. COMMUNICATION AND VISIBILITY

All requirements to ensure the visibility of EU financing will be fulfilled in accordance with Regulation (EU) No. 236/2014³, Regulation (EU) No 231/2014⁴, the IPA II Implementing Regulation, the National IPA Communication Strategy and IPA Communication Practical Guidelines drafted by NIPAC relevant under DIS.

In order to ensure the visibility towards the citizens of the beneficiary country and the EU citizens of the EU assistance, there should be, where appropriate, targeted communication and information by adequate means. This would entail greater transparency and visibility of the actions, better information sharing and ensure accountability on all sides.

During the implementation of the EUI Facility the necessary measures will be taken to ensure the visibility of the EU financing or co-financing. Such measures must be in accordance with the applicable rules on the visibility of external action laid down and published by the Commission. The Project must observe the latest Communication and Visibility Manual for EU External Actions concerning acknowledgement of EU financing of the different actions (http://ec.europa.eu/europeaid/work/visibility/index_en.htm).

Particular attention should be given to ensuring the sustainability and dissemination of project results. The visibility issues must be addressed in all types of communications, written correspondence and preparation of deliverables (brochures, posters, new letters pamphlets and other type of promotion material). All the deliverables to be published / issued will respect and comply with visibility guidelines.

³ 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

⁴ Regulation (EU) No. 231/2014 of the European Parliament and of the Council of 11 March 2014 establishing an Instrument for Pre-accession Assistance (IPA II)