

COMMISSION DECISION

C/2008/729 of 27/02/2008

**on support to the operational budget of the Secretariat of the Regional Cooperation Council (RCC) for the period from January 2008 to June 2009
under the IPA-Transition Assistance and Institution Building component for 2008**

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

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

Whereas:

- (1) Regulation (EC) No 1085/2006 lays down the objectives and main principles for pre-accession assistance to candidate and potential candidate countries;
- (2) In accordance with Article 7 of Regulation (EC) No 1085/2006, the assistance should be provided through multi-annual or annual programmes, which can be established by country and by component, or, as appropriate, by group of countries or by theme. These programmes should be drawn up in accordance with the general policy framework referred to in Article 4 of Regulation (EC) No 1085/2006 and the relevant multi-annual indicative planning document referred to in Article 6 of that Regulation;
- (3) The Council established for all candidate and potential candidate countries an Accession Partnership or a European Partnership. The Commission adopted on 29 May 2007 a multi-beneficiary multi-annual indicative planning document 2007/2009 which presents indicative allocations for the main priorities for pre-accession assistance to the countries concerned² and which provides, *inter alia*, that support should be given to the Secretariat of the Regional Cooperation Council;
- (4) At the SEECP Summit in Zagreb on 11 May 2007, the members of the South East Europe Cooperation Process confirmed the endorsement of the Regional Cooperation Council, the appointment of Hidajet Biščević as the first Secretary General of the Regional Cooperation Council and Sarajevo as the seat of the Regional Cooperation Council Secretariat. On 14-15 May 2007, the General Affairs and External Relations Council welcomed the above decisions and “*reconfirmed the European Union’s readiness to remain involved, together with other donors and partners, in the forthcoming implementation of the phased evolution of the Stability Pact into the Regional Cooperation Council (RCC)*”;

¹ OJ L 210, 31.7.2006, p. 82.

² C(2007)2205.

- (5) Therefore, the Community should support the operational budget of the Secretariat of the Regional Cooperation Council for the period from January 2008 to June 2009 under the IPA Transition Assistance and Institution Building Component for 2008;
- (6) This decision meets the requirements of Article 90 of Commission Regulation (EC, Euratom) No 2342/2002 of 23 December 2002 laying down detailed rules for the implementation of Council Regulation No 1605/2002³ (hereafter: “Implementing Rules”) and constitutes thus a financing decision within the meaning of Article 75 of Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities⁴ (hereafter: “Financial Regulation”);
- (7) The measures provided for by this Decision are in accordance with the opinion of the IPA Committee,

HAS DECIDED AS FOLLOWS:

Article 1

The support to the operational budget of the Secretariat of the Regional Cooperation Council for the period from January 2008 to June 2009 under the IPA Transition Assistance and Institution Building Component for 2008, as set out in the Annex, is hereby adopted.

This programme shall be implemented through an operating grant.

Article 2

The maximum amount of Community contribution shall be **EUR 1.5 million**, to be financed through Article 22.02.07.01 – regional and horizontal programmes of the General Budget of the European Communities for 2008.

Done in Brussels, [...]

For the Commission

[...]

Member of the Commission

³ OJ L 357, 31.12.2002, p. 1 Regulation as last amended by Regulation (EC, Euratom) No 748/2007 (OJ L111 of 28.4.2007, p.13)

⁴ OJ L 248, 16.9.2002, p.1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p.1).

**ANNEX: PROGRAMME ON SUPPORT TO THE OPERATIONAL BUDGET OF
THE SECRETARIAT OF THE REGIONAL COOPERATION COUNCIL
(RCC) FOR THE PERIOD FROM JANUARY 2008 TO JUNE 2009**

1. IDENTIFICATION

Beneficiaries	Albania, Bosnia and Herzegovina, Croatia, the former Yugoslav Republic of Macedonia, Montenegro, Serbia including Kosovo (as defined by UNSCR 1244)
Programme	Support to the operational budget of the Secretariat of the Regional Cooperation Council (RCC) for the period from January 2008 to June 2009
CRIS number	2008/019-735
Year	2008
Cost	€1.5 million
Implementing Authority	EUROPEAN COMMISSION on behalf of Albania, Bosnia and Herzegovina, Croatia, the former Yugoslav Republic of Macedonia, Montenegro, Serbia including Kosovo (as defined by UNSCR 1244)
Final dates for contracting	30 June 2008
Final dates for execution	30 June 2009
Sector Code	91010
Budget lines	22.02.07.01 Regional and Horizontal Programmes
Programming Task Manager	Unit D3 Regional Programmes, DG Enlargement
Implementation Task Manager	Unit D3 Regional Programmes, DG Enlargement

2. PRIORITY AXES / (MEASURES) / PROJECTS

Priority axis 06: Horizontal and Regional Support
Measure 36: Political Criteria

The Regional Cooperation Council (RCC) is a regionally-owned cooperation structure located in Sarajevo and co-financed in the first three years by the countries of the region, the European Commission and other interested donors. In the course of 2008, the Stability Pact is being phased out and its activities are gradually being handed over to the RCC. The European

Community will continue to support regional cooperation efforts through to the co-financing of the RCC.

2.a Priority axis 06 – Measure 36

European Community assistance to regional cooperation has been provided mainly through support to the Stability Pact for South Eastern Europe and its Special Coordinator. By focusing on regional cooperation, the Stability Pact primarily complements the EU Stabilisation and Association Process (SAp) with the Western Balkans. The “Thessaloniki Agenda” endorsed by the Thessaloniki EU-Western Balkans Summit in June 2003 further highlighted the complementary role of the Stability Pact with the Stabilisation and Association Process, and specifically called on the Stability Pact to explore ways to fully develop the regional cooperation element of the Stabilisation and Association Process.

At the Regional Table of the Stability Pact that took place in Belgrade on 29-30 May 2006, the countries of the region and members of the South East Europe Cooperation Process (SEECP) agreed to take ownership of a new, more regionally-owned co-operation framework that would assume the responsibilities of the Stability Pact by early 2008.

A year later, at the SEECP Summit in Zagreb on 11 May 2007, SEECP members confirmed the endorsement of the Regional Cooperation Council (RCC), the appointment of Hidajet Bišćević as the first Secretary General of the RCC and Sarajevo as the seat of the RCC Secretariat. Financial commitments were also made to the effect that the operational budget of the RCC Secretariat would be co-financed in the first three years by the countries of the region, the European Commission and other interested donors.

On 14-15 May 2007, the General Affairs and External Relations Council welcomed the above decisions and *“reconfirmed the European Union’s readiness to remain involved, together with other donors and partners, in the forthcoming implementation of the phased evolution of the Stability Pact into the Regional Cooperation Council (RCC)”*. The Council also *“congratulated the newly appointed Secretary General of the RCC, Mr Hidajet Bišćević, and the city of Sarajevo on its selection as the seat for the RCC Secretariat”* and *“called upon the Special Coordinator for the Stability Pact, the new Secretary General and the incoming Bulgarian SEECP Chairmanship to ensure a smooth and timely final hand-over to the new structures, envisaged for February 2008”*.

Since then, Mr Bišćević has been working closely with the Special Coordinator of the Stability Pact and Bulgarian SEECP Chairmanship to ensure that the new regional set-up is fully functional by early 2008. On 14 September 2007, a Host Country Agreement was signed between Bosnia and Herzegovina and the other SEECP members and is in the process of ratification, thus giving legal personality to the RCC Secretariat in Bosnia and Herzegovina and allowing for its establishment in Sarajevo. A preliminary budget and organisational chart have been agreed. A Headquarters Agreement has been negotiated with the Belgian authorities for the establishment of a Liaison Office in Brussels.

The transition from the Stability Pact to the RCC is a gradual process aiming to ensure that the legacy of the Stability Pact is properly safeguarded and maintain a close relationship to the European integration process. During 2007, the activities of the Stability Pact were streamlined. The handover of the Stability Pact activities to the RCC Secretariat is foreseen to take place during the first half of 2008. The appointment of Dr Busek as Special

Coordinator of the Stability Pact has been extended for a final six months until 30 June 2008, by the end of which period the Stability Pact will be phased out.

The wider objective of this proposal is to contribute to the overall EU policy in South-Eastern Europe by complementing the Stabilisation and Association process.

The immediate objective is to provide a maximum of €1.5 million towards the operational budget of the RCC Secretariat for the period from January 2008 to June 2009.

The Community contribution to the RCC Secretariat is foreseen in the Multi-Beneficiary Multi-annual Indicative Planning Document for 2007-2009.

2.b Description of projects

This programme will be implemented by means of an operating grant on the basis of Article 168.1 (f) of the Implementing Rules to the Financial Regulation, which provides for the award of direct grants *“for actions with specific characteristics that require a particular type of body on account of its technical competence, its high degree of specialisation or its administrative power, on condition that the actions concerned do not fall within the scope of a call for proposals”*.

The grant contract to be signed with the RCC Secretariat will specify the mandate and modalities for the implementation of this contribution as well as the mechanisms of control put in place. The budget will be executed in accordance with the conditions of the grant contract. An external auditor will also be contracted by the Secretariat to audit its financial statements of the period covered by this grant.

2.c Overview of past and ongoing assistance and donor coordination

The EC has supported the Special Coordinator of the Stability Pact and his office since its creation in 1999. EC assistance to the Stability Pact over the years and up to 30 June 2008 has amounted to over €17 million, partly through CFSP Joint Actions, partly through Commission Decisions adopted on the basis of the Council Regulation (EC) N° 1080/2000.¹ Even though 2008 is the first year of activities of the RCC Secretariat, the Commission has supported the establishment of the RCC Secretariat through targeted funding provided to the Special Coordinator of the Stability Pact.

2.d Conditions

The main assumption relating to this Financing Proposal is that the RCC Secretariat is fully functional by early 2008. Should there be considerable delays, the EC contribution will be reduced pro rata or be extended beyond June 2009.

¹ OJ L 122 of 24.5.2000, p. 27. Regulation as amended by Regulation (EC) No 2098/2003 (OJ L 316, 29.11.2003, p. 1) and repealed by Regulation (EC) No 1717/2006 (OJ L 327, 24.11.2006, p.1) except for Article 1a of Regulation 1080/2000.

2.e Benchmarks

	N	N + 1 (cumulative)	N+2 (cumulative)
Contracts (number)	1	1	1
Contracting Rate (%)	100%	100%	100%

3. BUDGET (AMOUNTS IN EUR)

3.1. Indicative budget table

	EU – IPA assistance				Total national co-financing * (indicative)		Contributions by other donors		Total (IPA plus National Co-financing plus contributions by other donors)	
	Institution Building	Investment	Total (IB and INV) in EUR	Total in %	EUR	(%)	EUR	(%)	EUR	(%)
Priority axis 06	Horizontal and Regional Support									
Measure 36	Political Criteria									
Support to the RCC budget for 2008	1,500,000	€0	1,500,000	33%	€1,500,000	33%	1,500,000	33%	4,500,000	100%
TOTAL	1,500,000	€0	1,500,000	33%	€1,500,000	33%	1,500,000	33%	4,500,000	100%

* public and private national and/or international contributions

3.2 Principle of Co-Financing applying to the projects funded under the programme

The total operational budget of the RCC Secretariat for the period from January 2008 to June 2009 amounts to €4.5 million. The total EC contribution for this period is €1.5 million, corresponding to one third of the operational RCC budget for the same period. The EC contribution to the RCC Secretariat under this Financing Proposal, i.e. €1.5 million, has been calculated in relation to the total eligible expenditure and will be disbursed according to the provisions of the grant contract to be concluded between the Commission and the RCC Secretariat.

The other donors to the operational budget of the RCC Secretariat (and their percentage contributions of the approved budget) are the countries of the region with a total of €1.5 million (33%) and other interested donors, such as Austria, the Czech Republic, Finland, France, Germany, Ireland, Italy, Norway, Slovenia, Sweden Switzerland and the United States, with a total of €1.5 (33%). The contributions have been agreed for the first three operational years of the RCC Secretariat, i.e. for the period 2008-2010.

4. IMPLEMENTATION ARRANGEMENTS

4.1 Method of implementation

The programme will be implemented on a centralised basis by the European Commission in accordance with Article 53a of the Financial Regulation² and the corresponding provisions of the Implementing Rules³.

4.2 General rules for procurement and grant award procedures

Procurement shall follow the provisions of Part Two, Title IV of the Financial Regulation and Part Two, Title III, Chapter 3 of its Implementing Rules as well as the rules and procedures for service, supply and works contracts financed from the general budget of the European Communities for the purposes of cooperation with third countries adopted by the Commission on 24 May 2007 (C(2007)2034).

Grant award procedures shall follow the provisions of Part One, Title VI of the Financial Regulation and Part One, Title VI of its Implementing Rules.

The Commission shall also use the procedural guidelines and standard templates and models facilitating the application of the above rules provided for in the “Practical Guide to contract procedures for EC external actions” (“Practical Guide”) as published on the EuropeAid website⁴ at the date of the initiation of the procurement or grant award procedure.

5. MONITORING AND EVALUATION

5.1 Monitoring

The Commission may undertake any actions it deems necessary to monitor the programmes concerned.

5.2 Evaluation

Programmes shall be subject to ex ante evaluations, as well as interim and, where relevant, ex post evaluations in accordance with Articles 57 and 82 of IPA Implementing Regulation⁵, with the aim of improving the quality, effectiveness and consistency of the assistance from Community funds and the strategy and implementation of the programmes.

The results of ex ante and interim evaluation shall be taken into account in the programming and implementation cycle.

The Commission may also carry out strategic evaluations.

² OJ L 248, 16.9.2002, p.1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p.1).

³ OJ L 357, 31.12.2002, p. 1 Regulation as last amended by Regulation (EC, Euratom) No 748/2007 (OJ L111 of 28.4.2007, p.13).

⁴ http://ec.europa.eu/europeaid/work/procedures/implementation/practical_guide/index_en.htm

⁵ Commission Regulation (EC) No 718/2007 of 12 June 2007 (OJ L 170, 29.6.2007, p. 1).

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 Delegation in the Beneficiary Country.

In order to ensure the efficient protection of the financial interests of the Community, 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) 2185/96⁶.

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

7. 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 indicative nature⁷, 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.

⁶ OJ L 292; 15.11.1996; p. 2

⁷ 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.