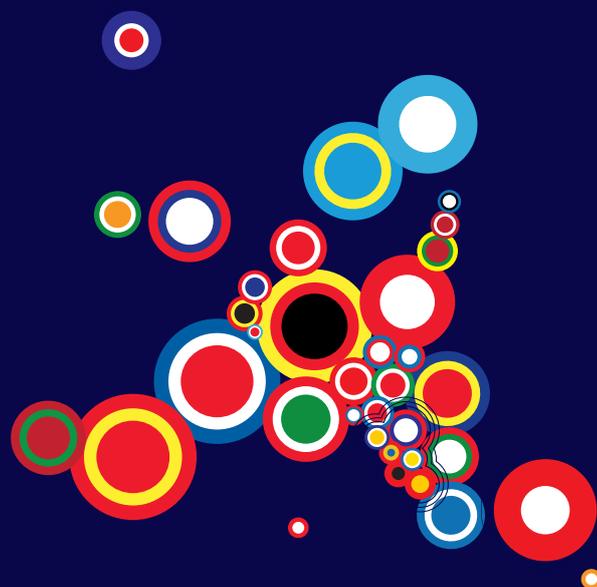




INSTRUMENT FOR PRE-ACCESSION ASSISTANCE (IPA II) 2014-2020

SERBIA

Support to participation in EU Programmes



Action Summary

This Action represents continuation of Serbian participation in EU programmes by co-financing the costs of the "entry-tickets", through IPA 2015 funds, which Serbia must pay in areas for which International Agreements have been signed, such as: education, culture, competitiveness, research, innovation, technological development, etc. This will help Serbia in continuation of participation in selected EU programmes during 2014-2020 period as well as programmes which Serbia is planning to participate.

The Serbia's participation in the broad range of previous Union programmes enabled citizens, institutions, civil society and private sector to acquaint themselves with EU values, policies in different fields, legal regulations and their implementation, to gain experience from EU countries related to methods and rules by which the EU functions. Lessons learned during this process shall facilitate Serbia's preparation to become member state and for using other EU financial instruments in the future. Ultimately this Action shall strengthen Serbia's efforts in meeting the EU accession Agenda.

Action Identification	
Programme Title	Annual Action Programme for Serbia (2015)
Action Title	Support to participation in Union Programmes
Action ID	<i>IPA 2015/038-441/Serbia/EU Programmes</i>
Sector Information	
IPA II Sector	<i>EU Programmes</i>
DAC Sector	<i>43010</i>
Budget	
Total cost	EUR 13 363 725
EU contribution	EUR 12 090 000
Management and Implementation	
Method of implementation	Indirect management for the Result 1 and 2
<i>Indirect management:</i> Responsible Unit or National Authority/Implementing Agency	National Fund Sector of the Ministry of Finance, as the unit responsible for reimbursement of Entry tickets;
Implementation responsibilities	Result 1 and 2: relevant Line Ministries designated as National Contact Points for EU Programmes and Serbian European Integration Office
Location	
Zone benefiting from the action	Republic of Serbia
Specific implementation area(s)	<i>none</i>
Timeline	
Deadline for conclusion of the Financing Agreement	31 December 2016
Contracting deadline	3 years after the signature of the Financing Agreement
End of operational implementation period	6 years after the signature of the Financing Agreement

1. RATIONALE

PROBLEM AND STAKEHOLDER ANALYSIS

EU Programmes are a series of integrated measures adopted by the European Commission with the aim to strengthen co-operation between EU member countries at one side and potential and candidate countries on another in the area of European policies for a specified period of time. They cover a broad range of areas: from environmental protection, energy and transport to the development of entrepreneurship and competitiveness. With the aim of successfully conducting common policies, multi-annual programmes and action plans EU programmes are established to fulfil the aims set out by the EU and its members in particular sectors. For the Republic of Serbia participation in EU Programmes represents an opportunity to make acquaintance with the European institutions, legislation and their application in practice, with EU policies as well as with the system of values and mechanisms on which the EU is based.

The Republic of Serbia signed the Framework Agreement on participation in the EU Programmes on November 22nd, 2005, which came into force on July 27th, 2005, by which the Republic of Serbia became eligible to use the funds available through this instrument. In the period 2007 – 2013 the Republic of Serbia participated in 12 EU programmes¹. In order to establish the legal basis for participation in each individual EU Programme in the period 2014-2020, International Agreement (previously a Memorandum of Understanding) has to be signed between the European Commission and the Republic of Serbia, which sets up the general principles for the participation, including administrative capacities (e.g. financial control, satisfactory number of people dealing with their implementation, financial resources for participation, mechanisms of participation in programme management etc.). In order to participate in the EU Programmes Serbia has to pay a contribution in the form of annual fee to the general budget of the EU (“entry tickets”). IPA National Programmes can be used to a certain extent to complement national funds in a form of co-financing "entry tickets".

In line with the overview of the Union Programmes, the European Commission intended to encourage greater participation by beneficiaries from Member States, candidate country and potential candidate countries in programmes that are open to them. The new 7-years Financial Perspective brings about the opportunity for the Republic of Serbia to participate in new EU Programmes for period 2014-2020, with new modalities, administration and dynamic. A broad range of EU Programmes for Serbia, as a candidate country, are open in meeting EU requirements. Although most of new EU Programmes are the successors of the previous, some changes are introduced. In particular, significant change in the new programmes structure is the mergers of the education and youth programmes in to the Erasmus for all Programmes and of the Competiveness and Innovation Framework Programme (CIP) with the Programme for Research and Innovation (FP7) into Horizon 2020.

In the fields of education, training, youth and sport, new integrated programme **Erasmus+** brings together the Lifelong Learning programme, Youth in Action, Erasmus Mundus and Tempus programme. Aim of the programme is to support efficient use of the potential of Europe’s human and social capital, while confirming the principal of lifelong learning by linking support to formal, non-formal and informal learning throughout the education, training and youth fields. The programme also enhances the opportunities for cooperation and mobility in the fields of higher education and youth. The Republic of Serbia has been successfully participating in the EU education and training cooperation programmes for more than 10 years and demonstrates that the institutions and organizations from this country are able to compete with other programme countries. Previous programmes have been implemented by their focal points, the Foundation Tempus and the NGO “Let’s...” and in line ministries which have been performing all the necessary activities for the current level of participation in EU education and youth programmes. The Ministry in charge of Education, Science and Technological Development and the Ministry in charge of Youth have been participating in the programme implementation and they are responsible for the strategic decisions. International

¹ The Framework Programme for Research and Technological Development (FP7), Progress, Culture, CIP, CIP EIP, Fiscalis, Customs, Safer Internet, Lifelong Learning Programme, Europe for Citizens and two programmes, which were carried out through MB IPA: Tempus/Erasmus Mundus and Youth in Action

Agreement between the European Union and the Republic of Serbia on the participation of Republic of Serbia in Erasmus+ is signed on June 11th 2014.

Horizon 2020² brings together Framework Programme for Research and Technological Development (FP), the Competitiveness and Innovation Framework Programme (CIP) and the European Institute of Innovation and Technology (EIT) with the goal to ensure Europe produces world-class science, removes barriers to innovation and makes it easier for the public and private sectors to work together in delivering innovation. The Ministry in charge of Education, Science and Technological Development is in charge for this programme in Serbia. The International Agreement for the Horizon 2020 was signed on July 01st 2014.

COSME³ is the Programme for the Competitiveness of Enterprises and Small and Medium-Sized enterprises with the goal to strengthen the competitiveness and sustainability of the Unions enterprises and to encourage an entrepreneurial culture and promote creation and growth of SMEs. The Ministry in charge of Economy is in charge for this programme and International Agreement for the participation in COSME programme is expected to be signed early year 2016.

Creative Europe⁴ goal is to support to the culture and creative sector. It brings together the previous Culture, Media and Media Mundus programmes and supports: culture sector initiatives, audio-visual sector initiatives and a cross-sectorial strand. Serbia can participate in the Culture Sub-programme; in the Cross-sectorial Strand of the Programme, with the exception of the Cultural and Creative Sectors Guarantee Facility, as mentioned in article 14 and in accordance with article 8(4) of Regulation (EU) No 1295/2013. For the MEDIA Sub-programme Serbia will need to sign an agreement with the European Commission, following the written confirmation from the responsible Commission services that Serbia meets the conditions set out in Directive 2010/13/EU of the European Parliament and of the Council of 10 March 2010 and in accordance with article 8 of Regulation (EU) No 1295/2013. The International Agreement for the Culture sub-Programme of Creative Europe was signed in June 19th 2014.

Customs 2020 and Fiscalis 2020 are the successor of the Customs 2007-2013 and Fiscalis 2007-2013 programmes in which Serbia has already participated. They were managed by the Ministry in charge of Finance – Tax administration and Customs administration and management of two programmes will remain in 2014 as well. International Agreement for the participation in Customs 2020 and Fiscalis 2020 is expected to be signed during 2015.

Europe for Citizens⁵ is the successor of the previous EfC Programme with the goal to support two areas: European Remembrance and Democratic engagement and civic participation. Serbia has continued to participate in new EfC programme by signing the International Agreement with EC in 2014. Office for Cooperation with Civil Society Organisations is in charge of this programme in Serbia.

EU Programme for Employment and Social Innovation (EaSI)⁶ goal is to promote a high level of quality and sustainable employment, guaranteeing adequate and decent social protection, combating social exclusion and poverty and improving working conditions. It brings together three EU programmes managed separately by the EC between 2007 and 2013: PROGRESS, EURES and Progress Microfinance. Serbia will continue its participation in the EaSI programme. International Agreement with EC is expected to be signed in 2015 The Ministry in charge of Labour, Employment, Veteran and Social Affairs is in charge for this programme in Serbia.

Copernicus and LIFE Programmes are related to the environment, climate change and nature conservation however Serbia's participation in these two programmes is expected to commence at the end of 2015 when all relevant structures and national authorities improve their capacities on the

² EU Research and Innovation Programme established by the Regulation (EU) No 1291/2013 of the European Parliament and the Council of 11 December 2013

³ EU Programme established by the Regulation (EU) No 1288/2013 of the European Parliament and the Council of 11 December 2013

⁴ EU Programme established by the Regulation (EU) No 1295/2013 of the European Parliament and the Council of 11 December 2013

⁵ EU Programme established by the Council Regulation (EU) No 390/2014 of 14 April 2014

⁶ EU Programme established by the Regulation (EU) No 1296/2013 of the European Parliament and of the Council of 11 December 2013

application and use of the environment related financial instruments. Before the full participation in these two programmes the International Agreement with the EC will be signed.

Health 2014-2020⁷ is the third action supporting the objectives of the EU's Health strategy, but the first one Serbia shall participate in. General objectives of the Health Programme concern encouraging innovation in healthcare and increase of the sustainability of health systems, improving the health of the EU citizens and protection of citizens from cross-border health threats. Respective International Agreement for Serbia's participation in Health Programme is planned for signature during year 2015, so that participants from Serbia could also be legally eligible for the calls for funding under this Programme planned for 2015 (and onwards).

In the context of IPA 2014 national package, the Republic of Serbia prepared the Action Document which included the contribution to EU programmes participation in the amount of EUR 6.563.840. The objective was to support the preparation of Serbia's accession and increase the understanding of European Union policies and underpinning values by enhancing Serbian participation in EU Programmes. One of the results was specifically targeted at enabling Serbia's participation in EU programme for which the International Agreements were signed, by providing co-financing of the entry-tickets/participation fees costs to be paid for participation in Union Programmes.

In addition, the national IPA 2014 support to EU programmes will address effectiveness and efficiency of EU programmes in Serbia in order to increase the cost benefit ratio of Serbia's expenditures related to participation in EU programmes, by overcoming shortcomings and bottlenecks identified during the previous EU programmes financial perspective 2007-2013. Some of them are related to capacity issues, of both coordinating institutions and potential applicants, including the weak position of National Contact Points (NCPs) within relevant ministry structures, timely execution of the annual entry ticket for programme, etc.

In order to further encourage and support Serbian participation in EU programmes, reimbursement of entry tickets with the decreasing percentage rate compared to IPA 2014 is applied from the IPA 2015 Action programme contribution as presented in the budget table in Annex I.

The overall coordination of EU Programmes in Serbia lies within the mandate of National IPA Coordinator Technical Secretariat (NIPAC TS) and responsibilities includes: programming of IPA assistance to cover parts of entry tickets, reporting to the Government about international development assistance including EU Programmes, informing the public about international development assistance including EU Programmes, communication with the EC as the main interlocutor concerning programmes, coordination and organization of the meetings with line ministries.

Following the EC rules individual programmes are coordinated by the responsible line ministries. NCPs, within the ministries, are responsible for coordination of individual EU programmes in Serbia. They perform different tasks related to the program coordination by organizing info days, trainings for applicants, providing specific Programme related information to potential applicants, advising potential applicants on application preparation, supporting applicants in partner research, seminars, workshops etc.

EC Directorate General or their Executive Agencies are responsible for implementation of individual EU programmes which brings centralization in their management. The latter does not apply to Erasmus +, since Erasmus+ is the only EU programme whose management is delegated by the Commission to a National Agency in each participating country. The Republic of Serbia started initial preparations necessary for establishment of future administrative structure designated to become the future National Agency for Erasmus +. This includes the needs assessment and feasibility study of requirements (administrative, legislative, capacity, etc.) which will support national decision makers in determination of administrative body(ies) who will be responsible for indirect management of Erasmus+.

⁷ EU Programme established by the Regulation (EU) No 282/2014 of the European Parliament and of the Council of 11 March 2014, establishing a third Programme for the Union's action in the field of health (2014-2020) and repealing Decision No 1350/2007/EC (OJ L 86, 21. 3. 2014)

RELEVANCE WITH THE IPA II STRATEGY PAPER AND OTHER KEY REFERENCES

The continuation of participation of the Republic of Serbia in EU Programmes is reflected and supported by the *Indicative Strategy Paper 2014-2020* (the Strategy Paper) through continuation of IPA support “to co-financing Serbia’s contribution for its participation in the EU programmes, subject to the national prioritisation process among the different programmes”. Setting down the priorities of IPA support, the Strategy Paper define results / targets that are expected to be achieved during defined period, in order to enable Serbia in fulfilling accession agenda. In this regard, since each EU Programme is reflecting the Strategy Paper sectorial priorities, Serbia’s participation in specific Union Programme will additionally support Serbia’s efforts in meeting accession criteria.

Therefore, participation in EU Programmes such as: Fiscalis 2020 will contribute to the fight against tax fraud and revenue collection which is in line with the IPA priorities for Serbia in the PAR sector. Participation in Europe for Citizens programme and Creative Europe programme could benefit to the achievement of priorities defined within the Rule of Law sector. Participation in LIFE programme with its two sub-programmes on environment and on climate action, and the Copernicus programme (providing continuous, independent and reliable access to earth observation information relevant to policy-makers) are in line with the IPA priorities for Serbia in the Environment sector. Serbia’s participation in Horizon 2020 programme and COSME programme are in line with the Strategy Paper priorities defined in the Competitiveness sector. Participation in the Erasmus + programme and the programme Employment and Social Innovation (EaSI) is in line with priorities defined in HRSD sector.

The EC Progress Report 2014 acknowledges that Serbia participates in a number of EU programmes: the Seventh Framework Programme for research and technological development, Progress, the Competitiveness and Innovation Programmes, the Culture Programme, the Europe for Citizens Programme, the Customs Programme and the Fiscalis Programme. In this regard Report also concluded that Serbia continued successfully to participate in EU programmes related to education and culture areas.

This Action shall contribute to all sectors of the “*Priorities for International Assistance in period 2014-2017 with 2020 projections*” (NAD), by facilitating the preparation of Serbia's accession to the EU, as well as by enhancing the absorption of funds and the implementation efficiency.

The NPAA 2014-2018 also recognise the importance of Serbia’s participation in EU Programmes, reflected in numerous Sections through identification of measures and priorities for preparations for inclusion in the new EU programmes 2014-2020 – COSME, HORIZON 2020, Copernicus, Erasmus +, etc.

Furthermore the Action is in line with *Enlargement Strategy* in a way that proposed activities will contribute to the achievement of full compliance with all membership criteria.

LESSONS LEARNED AND LINK TO PREVIOUS FINANCIAL ASSISTANCE

Participation of Serbia in the Union Programmes is of primary importance to Serbia’s European efforts. This participation was therefore, encouraged by providing EU funds under National IPA Programmes for 2007 (EUR 2 000 000), 2008 (EUR 5 000 000), 2011 (EUR 6 000 000), 2012 (4 169 995) and 2013 (EUR 6 500 000) and 2014 (6 563 840).

The recent experience of Serbia’s involvement in Union Programmes shows that Serbian citizens and institutions had the access and opportunity to acquaint themselves with: the EU standards, different EU policies, successful solutions and experience from EU countries, implementation and management of EU funds, etc. The participation of Serbia in EU Programmes has contributed to a deeper knowledge and capacity-building of many stakeholders when dealing with European issues and projects.

The possibility to receive partial reimbursement from IPA of the entry tickets paid for the programmes alleviates the costs of participation in EU programmes for the candidate and potential candidate countries, and therefore encourages them to conclude IAs for a diversified range of EU programmes. This contributes to their integration into the EU networks. To maximise the benefits. It

will also be necessary to ensure and deliver better access to information for all potential applicants, as well as budget support for partial co-financing of these projects.

The experience shows that exchange of practices with the candidate countries and member states, who already took part in EU programmes, is valuable and important lessons to Serbian institutions to learn how to prepare and organize. This is of particular importance on capacity building of institutions on how to prepare good project proposals.

To mobilise more private and public organisations to participate in EU Programmes, awareness-raising campaigns must continue to be organised along with intensified capacity building work. Only in this way will they be able to use the available EU funds effectively and gain further insight into EU procedures and mechanisms.

However, the “Evaluation of participation of the Republic of Serbia in the EU Programmes in the period from 2007-2012”, indicate that: there is a need for strong national coordination mechanism between all relevant institutions responsible for Union Programmes in the Republic of Serbia in order to ensure: effective and efficient participation in Union Programmes; absorption of available funds cost effectiveness of the entry ticket payment. In addition, the evaluation pointed out that regular exchange of information between EU and line ministries shall be secured, in order to enable national authorities to regularly monitors, on an annual base, the efficiency and effectiveness of Serbia’s participation Union Programmes as well as the progress in alignment of the Serbia’s strategic goals with the EU programmes financed initiatives.

Furthermore, the Evaluation showed that additional trainings and awareness rising should also be envisaged in order to strengthening institutional capacities of programme coordinators and potential beneficiaries and applicants. It will also be necessary to ensure and deliver better access to information for all potential applicants, as well as budget support for partial co-financing of these projects.

VAT exemption procedure has not been possible for all EU Programmes beneficiaries in Serbia in the previous financial perspective. The main reason is that neither Framework Agreement that the Republic of Serbia signed on November 22nd 2004 nor specific Agreements envisage VAT exemption obligation. Consequently the performance of the Serbian applicants in awarded projects as well in the overall Union programme was seriously endangered considering the fact that Serbian applicants are under serious financial burden to cover these costs from their own resources. This issue has been resolved favourably with the Framework Agreement between the Republic of Serbia and the European Commission on the arrangements for implementation of Union financial assistance to the Republic of Serbia under the Instrument for pre-accession assistance (IPA II) as ratified by National Parliament in December 2014. The Framework Agreement extends the VAT treatment (exemption) explicitly also towards the funding from EU Programmes.

Last but not the least, preparatory measures which aims to support national authorities in management of EU Programmes have been implemented with the other candidate countries before their accession to the EU Programmes. Experience shows that thorough preparation is needed before full participation in the programmes, for participation to take place in good conditions, and to avoid problems in the management of the programmes. In the case of Serbia, such support is planned with the Action on EU programmes within IPA 2014 Action Programme.

Objective:

- To ensure participation of Serbia in Union Programmes and Agencies by co-financing the costs of the entry-tickets/participation fees to be paid in areas for which IA’s are or are to be concluded.

Result:

- Enhanced participation of Serbia in Union Programmes and Agencies, including increased exchanges with EU Member States;
- Strengthened ownership and responsibility of Serbia (including in financial terms) for participation in Union Programmes and Agencies.

ADDITIONAL DESCRIPTION

The main activity consists of providing IPA funds as reimbursement of a part of the entry ticket for participation in the Union Programmes for which an International Agreement is in force or has been negotiated. Activities related to **Result 1 and 2** are planned to provide a share of EU contribution to the EU Programmes entry ticket for 2015. The EU contribution to the entry ticket is decided between the beneficiary and the EC, normally before the International Agreement (IA) is signed. The participation of the beneficiary in EU Programmes, including payment by the country of the entry ticket, shall follow the specific terms and conditions set out for each such programme in the IA. Based on the 2008 Enlargement Strategy paper it is possible for the candidate countries and potential candidate countries to request co-financing through IPA of up to 90% of the country contribution to the specific EU Programme in the first year of participation. The Serbian Government must provide not only the national co-financing but also the funds necessary for the payment of the total entry ticket, prior to receiving the partial reimbursement from IPA.

Serbia has already reserved funds from the State Budget for financing annual contribution (entry tickets) for the participation in EU Programmes for 2015. Participation of the RS in EU Programmes in the previous financial perspective 2007-2013 has been co-financed from IPA funds following the percentages defined in each MoU that Serbia signed with EC. New International Agreements for the participation of the RS in EU Programmes do not include percentages of IPA II reimbursement, but stipulate that part of the financial contribution of Serbia may be financed under the relevant Union external aid instrument, if Serbia so requested. **Implementation Issues**

ROLES AND RESPONSIBILITIES

The Serbian European Integration Office (SEIO) will be responsible for coordination of the Activities related to Result 1 and 2. SEIO was established on 14 March 2004, as a Serbian Government service. SEIO's scope of work is regulated by Article 2 of the Decision of the Government of the Republic of Serbia on the establishment of the European Integration Office ("Official Gazette of RS", no. 75/05, 63/06, 126/07, 117/08, 42/10 and 48/10). By the Decree amending the Decree on establishing European Integration Office from June 2010 (Official Gazette of RS, no. 42/10), scope of work of SEIO was expanded to the participation in coordinating activities in the area of planning and using European funds, donations and other forms of foreign development assistance. The Department for planning, programming, monitoring and reporting on EU and development assistance funds is performing the role of NIPAC Technical Secretariat.

SEIO prepares for adoption the acts of the Government designed for supervising, directing and harmonising the activities of ministries and special organisations in relation to the European Union association and accession and formulates public information on the process of European Union accession and association. SEIO is responsible for preparation of strategic documents which define national development goals and priorities for using EU funds and development assistance; coordination with relevant public administration bodies and organisations, local self-government and other relevant institutions aiming to define sectorial, inter-sectorial and regional strategies, priority needs and selecting adequate projects and programmes which should be financed by international development assistance funds; cooperation with donors related to preparation of donor strategies and planning of programmes and projects to be supported through development assistance; monitoring implementation of projects and programmes through reports of EU and development assistance beneficiaries and donors, as well as coordination in providing evaluation reports. In addition, based on the annual Action Plans for the programming and reporting of international assistance and IPA, competent institutions are obliged to report to the NIPAC office on the process and progress achieved in their participation in the relevant Union Programmes. Furthermore, SEIO is responsible for preparation of all necessary documentation in order to secure timely implementation of operations and its submission to the Contracting Authority (CFCU) that will hold responsibility for the management of procurement and contracting.

Following national institutions are responsible for coordination of specific EU Programmes and in particular these are nominated National Contact Points:

- Horizon 2020 – Ministry of Education, Science and Technological Development
- Cosme – Ministry of Economy

- Creative Europe – Ministry of Culture
- EaSI – Ministry of Labour, Employment, Veteran and Social Affairs
- Europe for Citizens – Office for Cooperation with Civil Society Organisations
- Customs – Ministry of Finance, Customs Administration
- Fiscalis- Ministry of Finance, Tax Administration
- Erasmus + - Ministry of Education, Science and Technological Development and Ministry of Youth and Sports
- Civil Protection Mechanism – Ministry of Interior
- Health 2014-2020 – Ministry of Health

NOTE: these are the EU Programmes for which Serbia already signed International Agreements or is about to sign them at the moment of drafting of the Action. Annex I and the calculation of the budget for the Action have been prepared and presented for these programmes only. Additionally, it still has to be determined whether Serbia will join **Fundamental Right Agency** (Entry Ticket approximately 180 000 EUR) and the **Justice Programme** during year 2015. Consequently, the presentation in this Action and calculation of the budget would be adjusted accordingly in the final version of the Action. The same goes also for **Copernicus and LIFE Programmes**.

IPA II monitoring process is organized and lead by the NIPAC/NIPAC TS. **National IPA Coordinator (NIPAC)** is the main interlocutor between the Serbian government and the EC regarding strategic planning, co-ordination of programming, monitoring of implementation, evaluation and reporting of the overall IPA assistance and is responsible for ensuring the linkage of IPA assistance to the EU accession process. The NIPAC, together with the National Fund being in charge for the actual administration of payments/reimbursements will regularly monitor the participation rates and report on them as well as on co-financing trends in the context of IPA monitoring committees. NIPAC monitors the process of programming, preparation and implementation as well as the sustainability and effects of Actions aiming to improve these processes, timely identification, remedying and alleviation of potential issues in the process of programming and implementation of Actions.

TBD: Taking into account the fact that implementation modalities indirect management, monitoring arrangements including Steering Committee(s) shall be established in accordance with the relevant provisions of the applicable legal acts regulating IPA II. **Steering Committee(s)** will be organised in line with detailed provisions of the respective procedures under indirect and direct management of IPA II.

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

This Action will be implemented through:

1. Activities related to Result 1 and 2 – will be implemented as a reimbursement of a part of the payment for the entry ticket after the entry ticket has been paid by respective Serbian authorities. The reimbursement will be paid as a grant to the Serbian Government. The participation of the IPA II beneficiary in EU Programmes, including payment by the country of the entry ticket/participation fees, shall follow the specific terms and conditions set out for each programme in the relevant International Agreement. Co-financing rates from previous participation shall be taken into account, and in line with the principle of increasing the Republic of Serbia ownership and responsibility IPA funding rates shall decrease over the years in real or relative terms. Serbia must not only provide the co-financing but also the funds necessary for the payment of the total entry ticket, prior to receiving the partial reimbursement from IPA II.

Under the IM procedures, monitoring, evaluation and audit of actions will be carried out by means of Reports stipulated in the IPA II Implementing Regulation.

3 BUDGET BREAKDOWN

	Total expenditure	IPA II contribution		IPA II beneficiary contribution		TIMELINE	
	EUR	EUR	%	EUR	%	Launch of procedure	Contract signature
Activity 1.1: IPA Contribution for Entry Ticket for 2015							
Entry ticket for Creative Europe for 2015 (second year of participation)	160 000	136 000	85	24 000	15	N/A	N/A
Horizon 2020 for 2015 61,5% of Entry Ticket (second year of participation) ¹	7 181 299,6	6 104 233,6	85	1 077 366	15	N/A	N/A
Entry ticket for Erasmus + for 2015 (second year of participation)	185 000	157 250	85	27 750	15	N/A	N/A
Entry ticket for Cosme for 2015 (first year of participation)	810 875	729 787,5	90	81 087,5	10	N/A	N/A
Entry ticket for Customs for 2015 (second year of participation)	105 000	89 250	85	15 750	15	N/A	N/A
Entry ticket for Fiscalis for 2015 (first year of participation)	70 000	63 000	90	7 000	10	N/A	N/A
Entry ticket for Europe for Citizens for 2015(second year of participation)	55 000	46 750	85	8 250	15	N/A	N/A
Entry ticket for Employment and Social Innovation (EaSI) for 2015 (first year of participation)	200 000	180 000	90	20 000	10	N/A	N/A
Entry ticket for Health Programme for 2015 (first year of participation)	125 215	112 693,5	90	12 521,5	10	N/A	N/A
Horizon 2014 40% of Entry Ticket (residual funds for the first year of	4 417 245,4	4 417 245,4	/	/	/	N/A	N/A

¹ NOTE: Entry ticket for the EU Programme HORIZON 2020 for the year 2015 is 11 678 764.02, and IPA contribution calculated in the percentage for the second year for participation (85%) is 9 926 949.42. The decrease that has been made on the amount of 6 104 333,62 for the IPA contribution. is consequently reflected by the on going changes of the PF EU Programmes IPA 2013 (the changes are concerning the amount of 3 822 615,8 from the PF IPA 13). In that sense the total IPA amount for the AD EU Programmes IPA 2015 is also changed on the amount of 12 089 326,3 eur. The missing 3 822 615.8 eur for the IPA contribution for the entry ticket HORIZON 2020 IPA 2015 will be compensate by changes in IPA 2013 PF EU Programme

participation)							
Creative Europe 2014 30% of Entry Ticket (residual funds for the first year of participation)	48 000	48 000	/	/	/	N/A	N/A
Europe for Citizens 2014 10% of Entry Ticket (residual funds for the first year of participation)	5 500	5 500	/	/	/	N/A	N/A
TOTAL	13 363 725,0²	12 090 000,0	/	1 273 725³	/		

Note: Any deviations from defined amounts for Union Programmes entry tickets which might appear in debt notices sent by EC shall be aligned with and covered in nominal amounts by national budget. The percentages for reimbursement shall apply to such actual nominal amounts.

² This amount is changed on the basis of calculation of 61,5% of Entry ticket for Horizon 2020.

³ This amount is changed on the basis of calculation of 61,5% of Entry ticket for Horizon 2020.