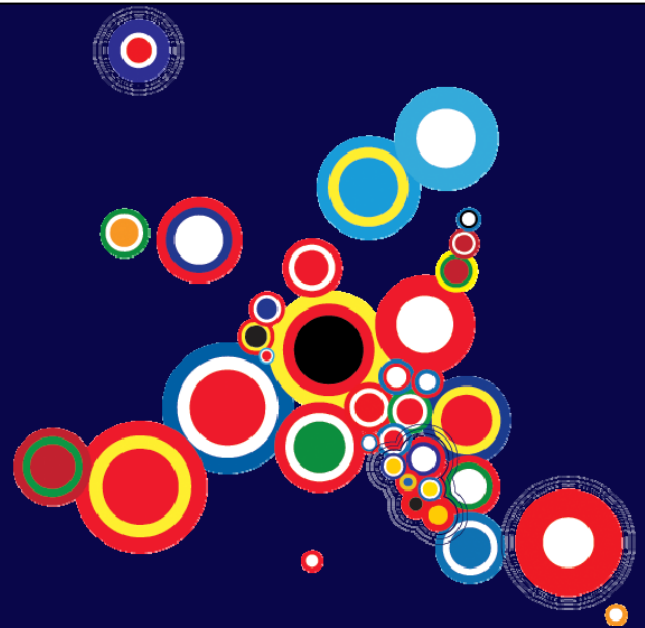




INSTRUMENT FOR PRE-ACCESSION ASSISTANCE (IPA II) 2014-2020

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 the EU integration process and pre-accession funds.

The purpose of this EUIF is to support the democratic institutions, civil society and public administration bodies to participate actively into the next phase of the Stabilisation and Association process. There is a need to further develop tools and mechanisms in order to meet the obligations of the Copenhagen Criteria, the Stabilisation and Association Agreement and eventual EU membership.

Action Identification	
Action Programme Title	Annual Action Programme for the former Yugoslav Republic of Macedonia for 2015
Action Title	EU Integration Facility
Action ID	IPA/2015/037-906 / the former Yugoslav Republic of Macedonia / EU Integration Facility
Sector Information	
IPA II Sector	1. Democracy and governance
DAC Sector	998
Budget	
Total cost	EUR 4,000,000
EU contribution	EUR 4,000,000 (100% financing)
Management and Implementation	
Method of implementation	Direct management
<i>Direct management:</i> EU Delegation	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)	The former Yugoslav Republic of Macedonia - Nationwide activities
Timeline	
Deadline for conclusion of the Financing Agreement	2016 (n+1)
Contracting deadline	d+3
End of operational implementation period	d+6

1. RATIONALE

The former Yugoslav Republic of Macedonia was the first Western Balkans country to sign a Stabilisation and Association Agreement (SAA) and obtained candidate status in late 2005. Since 2009, the Commission recommended that the country was ready to begin the EU accession negotiations. Pending a decision by the Council, accession negotiations have not yet begun. To open, and progress in the accession negotiations, the country must meet all conditions deriving from the Copenhagen Criteria and the Stabilisation and Association process, and achieve stability of democratic institutions. The EU assists the national administration and the other key actors in the country (public institutions, local administration, non-state actors, etc.) to strategically and effectively manage the EU integration process, mitigate risks jeopardising the EU future of the country and ensure proper utilisation of the available pre-accession assistance.

The Commission 2014 Progress Report stated that the EU accession process for the former Yugoslav Republic of Macedonia was at an impasse. With several political crises in recent years, the Commission reported uneven progress and even backsliding in some areas linked to the Copenhagen Criteria. The latest political crisis, triggered by the disclosed wiretaps, revealed systemic rule of law issues in the country. The Commission has, along with Members of the European Parliament, facilitated talks between the political parties which resulted in the 2 June / 15 July 2015 agreement. Among other things, the agreement includes a commitment of the country to implement the Commission's "Urgent Reform Priorities".

The main reason for the establishing this EU Integration Facility (EUIF) is to promote long term and strategic investment in further developing democratic institutions and strengthening their independence, in particular the implementation of the "Urgent Reform Priorities"; the adoption, implementation and enforcement of the EU *acquis*; empowering dialogue with non-state actors; 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 vast area of horizontal accession-related activities needs to be covered in order to meet specific and urgent needs in a highly strategic and justified manner. The EUIF would address these issues, deriving from the EU Progress Report, ensuring complementarity between actions and avoiding any overlap of assistance.

PROBLEM AND STAKEHOLDER ANALYSIS

The pre-accession process is demanding and requires excellent EU expertise on the ground, a well prepared civil society 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 the EU *acquis* requirements. Even though the EU provides continued financial support, the gap between the aspirations and the current administrative capacity and institutional framework, needs to be overcome. The EUIF would target the needs of the administration at central and local level, and would build the knowledge and capacity that are currently missing. Improving relevant national strategies and documents linked with *acquis* alignment, training and translation is essential. Thus, this EUIF would be the tool to facilitate such ad hoc, yet strategic support, not covered under various sector support programmes.

Irrespective of the fact that the country has reached a high level of alignment relative to where it is in the accession process, the 2014 Enlargement Strategy concluded that "over the past year, there have been serious concerns about increasing politicisation of state institutions and government control over media, including in the context of elections". The Commission urged the authorities to take decisive action to address concerns about increased politicisation and growing shortcomings with regard to the independence of the judiciary and freedom of expression. Given events and revelations during 2015, this is all the more relevant.

Through this Facility, the Commission would provide the necessary tools to tackle key issues, i.e. to address needs not only in terms of analytical examination and translation of the *acquis*, but also as regards democratic institution building.

With the EU agenda high on the strategic priority list of the Government, there is a need to overcome the deep divisions on the political scene, continue political dialogue and demonstrate the need for coherent national policies in the interest of the country and its citizens. Separating the executive, legislative and judiciary powers, strengthening the role of the independent institutions and agencies and non-state actors involved in the EU *acquis*, including democratic institutions, would also be a possible area for support under this action.

This facility would provide for institution building support derived from the Copenhagen Criteria, Stabilisation and Association process, the Enlargement Strategy, the Progress Report, the Indicative Strategy Paper and other relevant strategic documents, such as the "Urgent Reform Priorities", allowing for more flexibility and demand driven support. The main stakeholders include the public administration, independent national bodies, civil society, local authorities, media and business entities.

In terms of financial assistance, the objective of the established system is to maximise the efficient use of the available pre-accession funds, as well as to prepare for the implementation of EU Structural and Cohesion funds after eventual EU accession. Some of the major challenges that the administration is currently facing include the lack of mature projects in some sectors, backlogs in procurement, timely contracting and spending of programmed IPA I funds, which will have a spill over effect on IPA II programmes. Support for relevant structures in the decentralised management system is essential and remains urgent. Building the necessary capacity for improving sector approach, 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 mitigate risks of de-commitments of IPA 2007-2013 programmes.

The EUIF is a direct response to all horizontal needs that would 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 promotion of democracy and rule of law as part of 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. Some projects will be directly linked to Project Cycle Management related issues such as Programming, Monitoring and Evaluation, for which the European Union Delegation after consultation of the NIPAC office will make the selection.

RELEVANCE TO THE IPA II STRATEGY PAPER AND OTHER KEY REFERENCES

The **Indicative Strategy Paper** under the sector democracy and governance states that the EU accession-related assistance will support further transposition, alignment and implementation of the EU *acquis* in all accession areas. Support will also be extended to institutions and independent agencies, including democratic institutions, particularly the parliament. Support will further be provided to strengthen the administrative capacity of institutions involved in the planning, preparation and implementation of EU assistance. Assistance will finally be utilised for the programming, identification, formulation, monitoring and evaluation of EU assistance.

The **Stabilisation and Association Agreement (SAA)** states that the overall objectives of the 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 per *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 NPAA identified public governance, the rule of law and fundamental rights, economic development, agriculture, transport, environment and employment and social policy as major areas of intervention.

The **2014 Progress Report** under Democracy and Rule of Law indicated broken down political dialogue, increasingly divisive political culture, blurred line between the state and party, thus eroding trust in public institutions.

The EUIF will also support the **Economic Reform Programme (ERP)**, which provides measures for fulfilment of the economic criteria. Smart, Sustainable and Inclusive Growth are the three priorities of the EU and SEE 2020 Agenda. As this EUIF would enable the administration to manage the EU integration process better and implement the EU assistance properly, it is expected to contribute to the implementation of EU 2020 and SEE 2020.

SECTOR APPROACH ASSESSMENT

The sector-based approach to EU assistance is relatively new for the country and much needs to be done in order to have a government-led development approach. The situation is even more complex since the sector-based approach conditions are not only relevant for one sector, which adds to the complexity of the exercise. This is a changing environment that must be properly addressed by/with the national authorities on a horizontal level.

As regards sector approach readiness, there are many shortcomings that must be addressed in a more comprehensive 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 framework and Evaluation;
- Lack of appropriate control mechanisms.

Since IPA II builds on the sector based approach, this EUIF will provide assistance on a more strategic and horizontal level to fulfil the necessary sector framework conditions, knowing that many of the essential elements for full-fledged sector based approach are not met by the Government. Taking into account the current capacities of the administration, the introduction of the sector-based approach requires greater coordination and commitment of all relevant stakeholders in the policy making process. The Government needs to ensure that the following conditions in place: existence of relevant and overarching sector strategy, ensuring country ownership; proper institutional set-up; functioning donor coordination mechanism; transparent medium-term sector budget; and harmonised procedures for monitoring and evaluation. The sector approach roadmaps with clear benchmarks and indicators have been prepared for this purpose. The EUIF could provide horizontal as well as sector specific assistance to facilitate the sector approach uptake.

LESSONS LEARNED AND LINK TO PREVIOUS FINANCIAL ASSISTANCE

Following lessons learned from the previous financial perspective (IPA 2007-2013), and the evolution of the EU policies, the beneficiary country would need considerable support in order to meet the accession criteria.

In recent years, the amount of ad hoc *acquis*-related requests has increased in particular in the framework of the Public Administration Reform and the HLAD exercise, which absorbed about 21% of the total contracted technical assistance projects. Around 11% of the Project preparation facility (predecessor of the EUIF under IPA I) 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, Management Information System, Result Oriented Monitoring (ROM), interim evaluation, training, audit and ex-post control related activities.

Experience in 2007-2013 showed, that the capacities of national administration to effectively program the EU financial assistance did not reach the necessary level of development. The EU assistance so far proved essential in providing for minimum quality standards in project preparation and their compliance with EU rules and regulations. Experience showed that many unforeseen actions, that require EU assistance, can

emerge in the course of procurement preparation and at the end of an implementation period. To have a special allocation reserved for supporting the programming, preparation of project pipeline and mature projects is an excellent tool to expediently react to urgent and unforeseen needs for EU assistance. It also proved important to have ad hoc evaluations or on-the-spot audits to ensure high quality standards in programme implementation. The unallocated envelope and the project preparation facility (PPF) foreseen in the period 2007-2013 proved to be a good tool for supporting project development under IPA.

Further, it is important to strengthen administrative capacity at all levels of public administration in order to ensure sustainability of activities and to enhance full ownership of institutions through their stronger participation along the project cycle. There is a need to further increase the effective functioning of the monitoring system and the administration must ensure a systematic evaluation and monitoring in line with sector approach criteria. Special attention should be paid to a correct definition of results, indicators and targets.

Finally, recent political crises in the country have exposed weaknesses of state institutions and the vulnerability of democratic procedures. The Commission's 2014 Progress Report highlighted serious concerns about increasing politicisation of state institutions and government control over media, including in the context of elections, leading to the erosion of trust in state institutions. The EU has assisted the country to address some systemic issues in the area of rule of law as well as the domestic political actors in resolving the political crisis and its underlying causes. The EU has also invested in re-establishing trust among the main political parties through providing for a political facilitation process. Despite all these efforts, more needs to be done to restore political dialogue and normal functioning of democratic institutions. Financial assistance under this programme should therefore also be used to support democracy and governance issues in the country.

Therefore, based on the previous experience the EUIF will address the following 3 priorities:

- Strengthening of the capacity of the democratic institutions.
- Support for the management of the EU funds and strengthening of the sector approach.
- Harmonisation of the national legislation with the EU acquis.

2. INTERVENTION LOGIC

LOGICAL FRAMEWORK MATRIX

OVERALL OBJECTIVE	OBJECTIVELY VERIFIABLE INDICATORS (OVI)	SOURCES OF VERIFICATION	ASSUMPTIONS
To contribute to a more efficient and effective EU integration process	<ul style="list-style-type: none"> - The majority of the key findings under the negotiation Chapters and the SAP addressed; - Country advanced in accession process 	<ul style="list-style-type: none"> - Progress Report (Commission) - HLAD benchmarking (Commission) - NPAA (Government) - Annual IPA Implementation Report (NIPAC Office) - JMC reports - SMC report 	
SPECIFIC OBJECTIVE	OBJECTIVELY VERIFIABLE INDICATORS (OVI)	SOURCES OF VERIFICATION	ASSUMPTIONS
Improved effectiveness, efficiency and impact of the EU financed projects	<ul style="list-style-type: none"> - High level of Sector/sub-sector Strategy implementation (measure/priority implementation rate) - Level of absorption of EU funds improved significantly (improvements in the contracting and disbursement rate compared to IPA I) - Financial management and control systems operate smoothly - Improved visibility of the EU assistance 	<ul style="list-style-type: none"> - Progress Report (Commission) - HLAD benchmarking (Commission) - NPAA - Government - Annual IPA Implementation Report – NIPAC Office - JMC reports - SMC reports - NAO Statement of Assurance - NF financial records - CFCD report to NIPAC, NAO, EU Delegation - ROM Reports 	<ul style="list-style-type: none"> - EU integration remains a government priority. - Public support for the EU accession of the country - Macroeconomic and political stability
RESULTS	OBJECTIVELY VERIFIABLE INDICATORS (OVI)	SOURCES OF VERIFICATION	ASSUMPTIONS
<p>Result 1: Strengthened capacity of democratic institutions to assume the obligations stemming from the democratic process and the EU accession process.</p> <p>Result 2: Improved administrative capacities and internal control framework for the management of the IPA and the national funds.</p> <p>Result 3: Enhanced legislative harmonisation</p>	<ul style="list-style-type: none"> - "Urgent Reform Priorities" addressed in a clear strategic manner - Realistic budget funds allocated for the implementation of the reforms - Institutional mechanisms for monitoring and public consultations in place - Sector development strategies adopted and under implementation - Number of project proposals prepared and submitted to NIPAC - Number of project proposals accepted/rejected by the EU Delegation - Number of projects completed successfully and results delivered - Number of legislative acts adopted in compliance with the EU acquis 	<ul style="list-style-type: none"> - Progress Reports and other Commission reports - Sector strategies and Action plans - Reports on strategy implementation - Sector Roadmaps - Various Reports of the national authorities (NIPAC, CFCD, SPOs, NAO, Audit Authority) - Sectoral Monitoring and Joint IPA Monitoring Report; - EU reports (audit reports, monitoring and evaluation reports) - Minutes of SPO meetings; - Mission consultants reports, workshops, outputs, etc. - Official Journal of the country - Government Reports 	<ul style="list-style-type: none"> - Government commitment to reform agenda present - Key reforms (such as PFM, PAR, Judiciary) launched and progressing - Indirect management (DIS) continues to be applied;

ACTIVITIES	MEANS	OVERALL COST
<p>Activity 1: Building the capacity of the democratic institutions for effective governance</p> <p>Activity 2: Building the administrative capacities and the internal monitoring and control framework for the management of the IPA and the national funds</p> <p>Activity 3: Transposition of the EU legislation</p>	<p><i>various types of contracts at ad hoc basis: TA/Twinning/Twinning Light/Service contracts/FWC/grant.</i></p>	<p>EUR 4 million</p>

ADDITIONAL DESCRIPTION

The aim of this EU Integration Facility (EUIF) is to increase the know-how, effectiveness and impact of the national administrations involved in the democracy and rule of law implementation, linked to the country's EU integration process. In addition, the Facility will aim at preparation, management, implementation, monitoring and audit of EU funds and to increase efficiency and a swift response to emerging priorities linked to the accession process.

This programme would focus mainly on technical support and capacity building related to the EU Stabilisation and Association process. It will increase the effectiveness and impact of EU financed projects through helping improve absorption of programmed EU funds combined with 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 and preparing single project 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 EUIF would be managed by the EU Delegation. The NIPAC will participate in the programming and needs assessments 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 guidelines and the existing accredited national procedure for approval of requests under the IPA I Project preparation facility. 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 intended end beneficiaries of this EUIF are the public administration, civil society at central and local level and independent national institutions.

The following results are expected to be achieved:

- Result 1: Strengthened capacity of democratic institutions to assume the obligations stemming from the democratic process and the EU accession process.
- Result 2: Improved administrative capacities and internal monitoring and control framework for the management of the IPA and the national funds.
- Result 3: Enhanced legislative harmonisation.

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

- Activity 1: Strengthening of the capacity of the democratic institutions, including (not exhaustively)
 - Support measures related to urgent political needs;
 - Support ad-hoc interventions deriving from SAP and eventual accession process;
 - Activities to reinforce the independence of relevant institutions;
 - Activities to reinforce and facilitate political dialogue.
- Activity 2: Capacity building for the public administration involved in the management of the EU and national funds, including (not exhaustively)
 - Support for the institutions and NIPAC in defining needs assessment, strategic planning and/or programming;

- Support for designing effective strategic plans in different sector areas and detailed investment strategies;
 - Support the administration in fulfilling the criteria for sector based approach and the relevant sector and policy benchmarks;
 - Enhance stakeholder cooperation and communication in IPA programming and implementation;
 - Feasibility studies, economic and cost benefit analysis, detailed design 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 indirect management-related structures and institutions for efficient management of EU Funds and increased utilisation of EU Funds;
 - Support to NIPAC, NAO, National Fund, CFCD, IPARD Paying Agency, Audit Authority and other relevant IPA bodies and authorities in efficient management and implementation with *ex-post* control;
 - Implementation of IPA and EU Visibility and Transparency, Information and Communication actions, etc.
- Activity 3: Transposition of the EU legislation, including (not exhaustively):
 - Support for NPAA revision and preparations in the area of *acquis*;
 - Support the translation, alignment, enforcement and implementation of *acquis* priorities

These activities will be implemented through various types of contracts: twinning, twinning light, technical assistance, service, and grants. Supply and works contracts will be used in exceptional cases only. The type of contract will be decided during the programme implementation following the definition and assessment of the specific needs of the beneficiary country and the type of activities envisaged.

Assumptions:

- EU integration remains a government priority and continued commitment to the EU accession process is present and visible;
- Commitment from national authorities in the process;
 - National Sector Strategies Developed;
 - The relevant strategic documents are updated;
 - Sector Benchmarks Roadmaps implemented;
 - Indirect management (DIS) continues to be applied;
 - Government committed to promotion of IPA funds
- The NPAA, Enlargement Strategy and Progress Report 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 (e.g. EU 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 the adequate preparation for IPA II implementation and ensuring further strengthening of the institutions and administrative capacity for the full application of the EU *acquis* and would consequently improve the effectiveness of the country and its performance in terms of readiness for EU accession. It would use all means to 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 Skopje, in close cooperation with the NIPAC office. In order to have clear guidance in who can apply for support under this programme a dedicated EUIF implementation guidelines will be developed to facilitate more strategically the needs assessment and the selection process of actions to be financed.

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

Referring to the EUIF guidelines, 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 guidelines, 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 EUD.

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

The action will be implemented through direct management.

The EUIF will consist of funds covering the financing technical assistance (services/FwC), twinning, twinning light projects, grants in accordance with relevant EU's PRAG rules and respect to competition rules. Supplies and works can be approved in highly exceptional and well justified cases. There would be 100% co-financing by the EU, up to EUR 4 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 guidelines.

4. PERFORMANCE MEASUREMENT

METHODOLOGY FOR MONITORING (AND EVALUATION)

In line with the IPA II Implementing Regulation 447/2014, an IPA II beneficiary who has been entrusted budget implementation tasks of IPA II assistance shall be responsible for conducting evaluations of the programmes it manages.

The Commission may carry out a mid-term, a final or an ex-post evaluation for this Action or its components via independent consultants, through a joint mission or via an implementing partner. In case a mid-term or final evaluation is not foreseen, the Commission may, during implementation, decide to undertake such an evaluation for duly justified reasons either on its own decision or on the initiative of the partner. The evaluations will be carried out as prescribed by the DG NEAR guidelines for evaluations. In addition, the Action might be subject to external monitoring in line with the EU rules and procedures set in the Financing Agreement.

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 EUIF.

Full implementation of the revised Monitoring Strategies by NIPAC and the European 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 the European Commission procedures.

INDICATOR MEASUREMENT

Indicator ¹	Description	Baseline (2010)	Last (2014)	Milestone 2017	Target 2020	Source of information
<i>CSP indicator(s) – if applicable</i>	<i>n/a</i>					
High level of Sector/sub-sector strategy implementation	No of Sector development strategies adopted and under implementation	0	0	For all ISP sectors		Sector planning documents
	Sector based approach framework/sector policy benchmarking in place and monitoring	0	0	Partial	Full	Sector Road Maps monitored
	Measure/priority implementation rate	0	0	10%	80% at least	Sector/Policy Benchmarking reports
Level of absorption of EU funds improved significantly	Contracting rate	²	62%	70%	At least 90%	Accounting systems, Annual reports (EUD/ NIPAC/NAO)
	Disbursement rates	³	44% ⁴	50%	60%	Accounting systems, Annual reports (EUD/ NIPA/NAO)
Financial management and control systems operate smoothly	% of major audit findings compared to the total	15 key/major findings	5 major findings	Not more than 5	Not more than 5	Audit Authority Reports SAO reports Commission audit reports ECA reports
	Decrease in the number of ex-ante controls (%)	45 control points	45 control points	20	5	Financing agreements
Improved visibility of the EU assistance	Opinion poll – public recognition of the EU support	NA	61%	70%	75%	AOSD Report on visibility Bi-annual survey

¹ This table covers only the indicators, as defined at the level of specific objectives, in order to focus on the outcome of the action and the changes produced by it rather than concentrating on activities and outputs

² For the TAIB 2010 as reference and being the highest for all components

³ For TAIB 2010 as reference

⁴ by 31/8/2015 as a cut of date

5. CROSS-CUTTING ISSUES

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 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 European Commission's Programme of Action for the mainstreaming of gender equality in community development cooperation (2001-06).

Further on, the action will support beneficiaries involved directly with the promotion of gender equality such as public administration and non-state actors.

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 of 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 NSA 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.

Further on, civil society will be included in the consultation mechanisms on the sector strategies and will be among the key action beneficiaries.

MINORITIES AND VULNERABLE GROUPS

Accelerated approximation of the national legislation with EU *acquis*, along with the obligation for full harmonisation of the time of accession, will further improve the legislative framework, 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 main factors of sustainability are the investment in the management capacity across the public administration and the involvement of all stakeholders in the decision making process concerning the sector strategies. The action focuses on enhancing key processes in the administrative environment that would guarantee in future the ability of the public administration to make decisions and manage processes linked to allocation of national and donor resources. At the same time, the improved transparency through involving the civil society, business, media and other non-state actors, is a long-term asset of every administrative system. Finally, the action will have a positive impact on the national public finance systems through improving the management and the transparency aspects.

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 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

Communication and visibility will be given high importance during the implementation of the Action. The implementation of the communication activities shall be the responsibility of the beneficiary, and shall be funded from the amounts allocated to the Action.

All necessary measures will be taken to publicise the fact that the Action has received funding from the EU in line with the Communication and Visibility Manual for EU External Actions. Additional Visibility Guidelines developed by the Commission (DG NEAR) will have to be followed.

Visibility and communication actions shall demonstrate how the intervention contributes to the agreed programme objectives and the accession process. Actions shall be aimed at strengthening general public awareness and support of interventions financed and the objectives pursued. The actions shall aim at highlighting to the relevant target audiences the added value and impact of the EU's interventions and will promote transparency and accountability on the use of funds.

It is the responsibility of the beneficiary to keep the EU Delegation and the Commission fully informed of the planning and implementation of the specific visibility and communication activities.

The beneficiary shall report on its visibility and communication actions in the report submitted to the IPA monitoring committee and the sectorial monitoring committee.