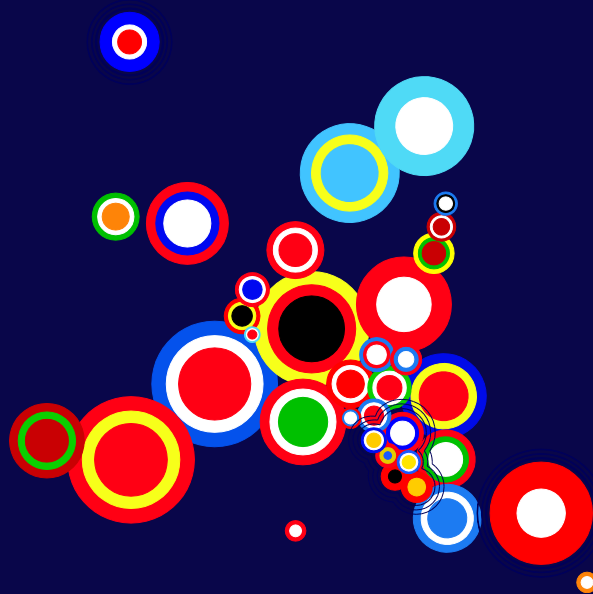




INSTRUMENT FOR PRE-ACCESSION ASSISTANCE (IPA II) 2014-2020

ALBANIA

Support to participation in
Union Programmes and
Agencies



Action Summary

The Action will facilitate and enable the participation of Albanian institutions in the Union Programmes and Agencies. It will promote the further alignment of Albania with European Union policies and working methods and it will increase Albania's active participation in and commitment to the Union Programmes. The Action will contribute to achieve the objectives of the Stabilisation and Association Agreement (SAA), in particular those related to education and training, cooperation in research, and technological development. Cooperation shall take into account the priority areas related to the EU *acquis* in the field of research and technological development.

| Action Identification | |
|---|---|
| Programme Title | IPA 2015 Action Programme for Albania |
| Action Title | Support to participation in Union Programmes and Agencies |
| Action Reference | IPA2015/038715.03/AL/ Support to participation in Union Programmes and Agencies |
| Sector Information | |
| IPA II Sectors | Democracy and governance |
| DAC Sector | 43010 - Multisector aid |
| Budget | |
| Total cost (VAT excluded) | 1,882,892.07 Euros |
| EU contribution | 1,000,000.00 Euros |
| Management and Implementation | |
| Method of implementation | Indirect management |
| National authority or other implementing body | National authority: Ministry of Finance National Fund |
| Implementation responsibilities | Ms. Veronika Korkaj, Head of the National Fund |
| Location | |
| Zone benefiting from the action | Albania |
| Specific implementation area(s) | Not applicable |
| Timeline | |
| Deadline for conclusion of the Financing Agreement | At the latest by 31 December 2016 |
| Contracting deadline | 3 years following the date of conclusion of the Financing Agreement, with the exception of the cases listed under Article 189(2) Financial Regulation |
| End of operational implementation period | 6 years following the date of conclusion of the Financing Agreement. |

1. RATIONALE

CONTEXT ANALYSIS

With the prospect of enlargement of the European Union, in order to better prepare candidate countries for the adoption of the EU acquis and for accession to the European Union, the European Commission had proposed in 1997 the progressive opening-up to candidate countries of a broad range of Community programmes (now Union Programmes). Encompassing most Community policies, these programmes are a major pre-accession instrument that familiarises candidate countries and their citizens with the European Union policies and working methods.

The endorsement at the European Council in June 2003 of the Thessaloniki Agenda for Western Balkans countries integration in the European Union, led to the candidate and potential candidate countries of the Western Balkans being entitled to participate in Community Programmes on the basis of Framework Agreements.

A Framework Agreement between the European Community and Albania on participation in Union Programmes was ratified in May 2005.

Since IPA 2008, Albania has benefited from financial assistance for co-financing entry tickets to a number of Union Programmes. However, still Albanian institutions cannot provide sufficient funding for covering all the costs of entry tickets.

After a thorough process of consultations with different institutions and stakeholders, and after taking into consideration the interest expressed by the relevant institutions for participating in the Union Programmes for 2014-2020, the Ministry of European Integration prepared a short-list of Union Programmes and Agencies where IPA II support would be considered:

- Customs 2020 – beneficiary: Ministry of Finance (Directorate General of Customs) (Agreement signed 27th July 2014);
- Fiscalis 2020 – beneficiary: Ministry of Finance (Directorate General for Taxation) (Agreement signed 23rd November 2014);
- Programme for Employment and Social Innovation – beneficiary: Ministry of Social Welfare and Youth (Agreement signed 9th March 2015);
- Erasmus + - beneficiaries: Ministry of Education and Sports, Ministry of Social Welfare and Youth (Agreement signed 19th June 2014);
- COSME – beneficiary: Ministry of Economic Development, Trade, Tourism and Entrepreneurship (Agreement signed 3rd March 2015);
- Creative Europe, Sub-Programme “Culture” – beneficiary: Ministry of Culture (Agreement signed 20th June 2014);
- Creative Europe, Sub-Programme “Media” – beneficiary: Ministry of Culture, Ministry for Innovation and Public Administration (On 8 October 2014 it was confirmed that Albania has met the conditions set out in Directive 2010/13/EU of the European Parliament and of the Council of 10th March 2010 (the AVMS Directive) thus officially confirming her participation on the Creative Europe – MEDIA sub-programme as of 9 October 2014);
- Europe for citizens – beneficiary: Ministry of Culture (Agreement signed 26 February 2015);
- Horizon 2020 - beneficiaries: Ministry of Education and Sports; Ministry of Environment; Minister for Innovation and Public Administration; Ministry of Economic Development, Trade and Entrepreneurship (Agreement signed 1st July 2014);
- EU Fundamental Rights Agency – beneficiary: Ministry of Justice

RELEVANCE WITH THE IPA II STRATEGY PAPER AND OTHER KEY REFERENCES

The Indicative Country Strategy Paper (CSP) 2014-2020 foresees the concentration of EU financial assistance over the next seven years on seven priority sectors: i) Democracy and governance, ii) Rule of law and fundamental rights, iii) environment, iv) transport, v) competitiveness and innovation, vi) education, employment and social policies and vii) Agriculture and rural development. The selected Union Programmes are all supporting the above mentioned priority sectors, more specifically: Erasmus +, Programme for Employment and Social Innovation, Horizon 2020, Creative Europe, Europe for Citizens support the priority sector of “Education, employment and social Policies”; the Programme COSME supports the priority sector of “Competitiveness and innovation”; while the Programmes Fiscalis 2020 and Customs 2020 are in line with the priority sector of “Democracy and governance”. The participation as an observer in the EU Fundamental Rights Agency supports the priority Sector “Rule of law and fundamental rights”.

The Country Strategy Paper confirms that IPA may continue to co-finance Albania's contribution for its participation in Union Programmes and Agencies in the context of the on-going policy dialogue under the relevant sector and accession negotiations chapters.

Participation in the COSME Programme- The “Albanian Business and Investment Strategy 2014-2020”, which is an integral part of the draft of National Strategy for Development and Integration (NSDI 2015 - 2020), is in line with the targets set in the Programme COSME 2014-2020. Furthermore, the implementation of the Business and Investment Development Strategy for the period 2014-2020 is followed by a complete Action Plan, including three fundamental pillars: (i) Integrated growth; (ii) Smart growth; (iii) Sustainable growth. In the light of all the above mentioned factors, COSME is seen as a major instrument for the realisation of the activities included in the Action Plan and, as a result, will support Albania's economic development. COSME also has direct relevance to the National Economic Reform Programme of Albania 2015-2017.

Participation in the EaSI Programme - The programme will support government initiatives and strategies to modernise the labour market, social security systems, increase the rates of employment, in particular among young people, by supporting job creation, promoting a highly skilled workforce, encouraging adaptation to change and anticipating necessary restructuring, enhancing geographical mobility and promoting social innovation. In accordance with Europe 2020 and the National Employment and Skills Strategy 2014-2020, the Programme will contribute to tackling the pressing problem of youth unemployment.

Participation in the Erasmus + Programme - The new Erasmus+ programme aims to support actions in the areas of Education, Training, Youth and Sport for the period 2014-2020. Albania will fully participate in Erasmus Key Action 2 "Capacity Building of Higher Education Institutions" through capacity building projects. Albania will also benefit from a Special Mobility Strand (SMS). In the specific case of Albania, joint and structural projects may include a SMS for staff and students. Furthermore, Albania will fully participate in the Jean Monnet Programme of Erasmus +.

Participation in the Horizon 2020 Programme – Horizon 2020 is the EU's new framework programme for research and innovation that opens up a wide range of opportunities. This programme makes it possible for Albanian researchers to establish cooperation with the best international actors. The Government's top priorities are to stimulate growth and create new jobs, to offer assistance to public universities, to strengthen advice and career centres. Moreover, the Government intends to undertake policies in order to synchronise the coordination of scientific research abroad with international developments. Within this framework, it aims to grant support for cooperation among national scientific researchers and scientific researchers abroad. The participation of Albania in Horizon 2020 will help the country to strengthen the current scientific research and innovation capabilities in the first place, and will as well contribute to further integrate the country into the

European Research and Innovation area. Horizon 2020 has direct relevance to the National Economic Reform Programme of Albania 2015-2017.

Participation in the Fiscalis 2020 Programme – The request to take part is in line with the “Strategy Plan of Albanian Tax Administration 2014-2017”, which is based on the draft strategy for the Management of the Public Finance of Albania 2013-2020. The expectations from participating in this programme consist are: 1. Enhancing the administrative capacity of tax authority and advancing technical progress and innovation; 2. Ensuring effectiveness of tax collection and the fight against fiscal fraud and tax evasion, and; 3. Reducing the administrative burden for tax authorities and compliance costs for the taxpayers.

Participation in the Customs 2020 Programme – The Customs 2020 programme is an invaluable tool for capacity building and experience sharing for the Albanian Custom Administration. As was the case with the previous programme, the Customs 2020 Programme will continue to strengthen the cooperation with other EU Member States participating in the programme. It will as well be an important tool for creating networks with professionals from different countries, which will provide to the Albanian administration specific technical knowledge and expertise sharing in identifying, developing and applying best working practices in all areas of customs processes.

Participation in the Creative Europe Programme – Regarding the sub-programme "Culture", the objectives of the Ministry of Culture aim to enhance artistic expression and creativity, promote the cultural and linguistic diversity, increase the quality of art works, promote Albanian writers and authors in Europe and vice versa, and elaborate an Albanian wide and inter-regional cultural agenda. Regarding the participation in the sub-programme “Media”, Albania has demonstrated that the national media legislation complies with the Directive 2010/13/EU, and therefore the respective institutions (Ministry of Culture and Ministry for Innovation and Public Administration) are eligible for participating in the sub-programme¹.

Participation in the Europe for Citizens Programme – Albania has been participating in the Europe for Citizens since 2009. For 2014-2020, the Programme will be focused on two thematic areas: (i) European Remembrance; and (ii) Democratic engagement and civic participation. As a country that is leaving behind the transition period, Albania needs to further strengthen both its democratic engagement and civic participation.

Participation in the EU Fundamental Rights Agency – Reinforcing the protection of fundamental rights is one of the conditions Albania needs to meet in order to move forward on the EU Integration path. Albania needs to systematically implement existing legislation and consolidate past reform efforts by adopting and implementing legislation still missing. Being an observer in the Fundamental Rights Agency will help Albania with its gradual alignment to the EU *acquis* and EU standards. According to official information, the European Commission will propose to the Council to invite Albania to participate as an observer in the Agency’s work. However, this procedure may require a certain period of time since it also foresees the vote of the Stabilization and Association Council and may not be finalized in the course of 2016. In such a scenario, the 80% IPA reimbursement of the Albanian contribution for participation in the EU Fundamental Rights Agency will be earmarked for the participation in the Horizon 2020 Programme.

LESSONS LEARNED AND LINK TO PREVIOUS FINANCIAL ASSISTANCE

In the 2007-2013 cycle Albania participated actively in 7 EU Programmes:

1. **7th Framework Programme (FP7)** for research, technological development and demonstration activities (MoU signed on 17 December 2007, effective as from 1 January 2008);

¹In October 2014, European Commission announced that Albania is also eligible for the Media Sub-programme, since its legislation on audiovisual field is in line with European Directives.

2. **Entrepreneurship and Innovation Specific Programme (CIP-EIP)** of the Competitiveness and Innovation Framework Programme (MoU signed on 27 June 2008, effective from 4 November 2008);
3. **Europe for Citizens Programme** (MoU signed on 02 February 2009, ratified by the Albanian Parliament on 19 March 2009);
4. **Culture Programme** (MoU signed on 20 December 2011, ratified by the Albanian Parliament on;
5. **Customs 2013** (MoU signed on 16/07/2012);
6. **Life Long Learning Programme** (MoU signed on 15/07/2013);
7. **Youth in Action** (under implementation Decision No 1349/2008/EC of the European Parliament and of the Council on 16 December 2008, amending Decision No 1719/2006/EC establishing the Youth in Action programme for the period 2007 to 2013).

The main issue that has been common for all Albanian institutions participating in these Programmes is the still low success rate of applications in EU Programmes and the low number of proposals submitted by the Albanian institutions.

Experience from the Enlargement context, shows that successful participation in Union Programmes requires a high degree of ownership and initiative by the beneficiary. Active involvement by the beneficiary in gathering the necessary information on programmes, procedures and working methods as well as in establishing networks and structures and informing the public are essential in order to reap the benefits of participation in programmes and agencies. Against this background it is thus very important that the beneficiary continues to plan clearly and consequently the activities to be followed. The Albanian institutions which will manage the programmes shall show maximum dedication and determination, including adequate staffing and budget resources, to implement their activities to the full satisfaction of the European Commission and other stakeholders (such as programme partners).

Assistance to support the Albanian Institutions to participate in Union Programmes has been already provided under IPA 2014 for an amount of EUR 1.000.000.

2. DESCRIPTION AND IMPLEMENTATION ARRANGEMENTS

INTERVENTION LOGIC

Objective:

- To ensure participation of Albanian institutions in Union Programmes.

Result:

- Enhanced participation of Albanian institutions in Union Programmes and Agencies, including increased exchanges with EU Member States;
- Strengthened ownership and responsibility of Albanian institutions (including in financial terms, i.e. partial payment of entry tickets) for participation in Union Programmes and Agencies;
- Further alignment of Albania with European Union policies and promoted working methods;
- Active participation and commitment to the Union Programmes and Agencies enhanced.

Indicators:

- Number of Programmes for which an International Agreement has been concluded: 2015 – 2020
- Albanian institutions' participation rates in the different Union Programmes 2015 – 2020
- Reimbursement of 80% of the Albanian contribution (entry ticket) for participation in Erasmus +, Programme for Employment and Social Innovation, Creative Europe, Europe for Citizens, Fiscalis 2020, Customs 2020 and COSME for the year 2016.

- Reimbursement of 34 % of the Albanian contribution (entry ticket) for participation in Horizon 2020.
- Reimbursement of 80% of the Albanian contribution (entry ticket) for participation in the EU Fundamental Rights Agency as observatory member. In case the procedure to become observatory member is not finalized within 2016, this reimbursement will be earmarked for the participation of Albania in the Horizon 2020 programme.

IMPLEMENTATION ISSUES

The participation of Albania in Union 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 Albania's ownership and responsibility IPA funding rates shall decrease over the years in real or relative terms.

Albania 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.

The National Authorizing Officer will send a specific request of funds to the EU Delegation for the participation in Union Programmes. Once funds have been transferred by the Commission, the National Fund will in turn transfer the IPA contribution for the 2016 entry tickets to the line-Ministries, which are responsible vis-à-vis the Commission to honour the annual cost of participation.

The development by the NIPAC of an action plan for Albania's future participation in Union programmes, supported by EU-funded technical assistance (EuropeAid/137244/DH/SER/AL), should be the first step toward a fully-fledged policy for fully exploiting access to the various Union Programmes. The adoption of such a policy, backed by adequate budgetary resources, is essential for the success of this action. This policy should notably ensure proper coordination between all the Albanian institutional actors involved. It should also ensure that National Contact Points can participate in Programme Meetings/Information Days outside of Albania. It should also provide for the publicity necessary to attract academics, ministry representatives and municipalities, and the private sector (particularly SMEs).

The NIPAC will regularly monitor the participation rates in Union Programmes by Albanian stakeholders (universities, research centres, think tanks, foundations, associations, NGOs, local and central authorities) and report about that in the context of the IPA monitoring committees.

3. BUDGET BREAKDOWN

| | Total expenditure | IPA II contribution | | IPA II beneficiary contribution | |
|--|---------------------|---------------------|-------|---------------------------------|-------|
| | EUR | EUR | % | EUR | % |
| Entry ticket for Customs 2020 (2016) | 55,000.00 | 44,000.00 | 80.00 | 11,000.00 | 20.00 |
| Entry ticket for Fiscalis 2020 (2016) | 30,000.00 | 24,000.00 | 80.00 | 6,000.00 | 20.00 |
| Entry ticket for EaSI (2016) | 50,000.00 | 40,000.00 | 80.00 | 10,000.00 | 20.00 |
| Entry ticket for Erasmus + (2016) | 90,000.00 | 72,000.00 | 80.00 | 18,000.00 | 20.00 |
| Entry ticket for COSME (2016) | 235,838.00 | 188,670.40 | 80.00 | 47,167.60 | 20.00 |
| Entry ticket for Creative Europe, sub-Prog. Culture (2016) | 55,000.00 | 44,000.00 | 80.00 | 11,000.00 | 20.00 |
| Entry ticket for Creative Europe, sub-Prog. Media (2016) | 85,500.00 | 68,400.00 | 80.00 | 17,100.00 | 20.00 |
| Entry ticket for Europe for citizens (2016) | 20,000.00 | 16,000.00 | 80.00 | 4,000.00 | 20.00 |
| Entry ticket for Horizon 2020 (2016) | 1,101,554.07 | 374,929.60 | 34.00 | 726,624.47 | 66.00 |
| EU Fundamental Rights Agency (2016)* | 160,000.00 | 128,000.00 | 80.00 | 32,000.00 | 20.00 |
| TOTAL for ACTION | 1,882,892.07 | 1,000,000.00 | | 882,892.07 | |

* In case the procedure to become observatory member of the Agency is not finalized within 2016, this reimbursement will be earmarked for the participation of Albania in the Horizon 2020 programme (increased IPA reimbursement from EUR 374,929.60 - 34% - to EUR 502,929.60 - 45%).

ANNEX

Overview of Albania's public institutions that have signed International Agreements with the European Commission and dates of entry into force or latest amendments to the International Agreements

- Customs 2020 –The International Agreement was signed by the European Commission and the General Directorate of Customs in July 2014.
- Fiscalis 2020 – The International Agreement was signed by the European Commission and the General Directorate of Tax Administration on 23.11.2014.
- EaSI – The International Agreement was signed by the Ministry of Social Welfare and Youth in January 2015 and was submitted to Brussels for countersignature.
- Erasmus + - The International Agreement was signed by the Ministry of Education and Sports on 19.06.2014.
- COSME –The International Agreement between the European Union and the Ministry of Economic Development, Tourism, Trade and Entrepreneurship was signed on 03.03.2015.
- Creative Europe (Sub-Programmes "Culture" and "Media") – The International Agreement was signed by the Ministry of Culture on 20.06.2014.
- Europe for Citizens - The International Agreement was signed by the Ministry of Social Welfare and Youth on 26.02.2015.
- Horizon 2020 - The International Agreement was signed by the Ministry of Education and Sport on 01.07.2014.