

## COMMISSION DECISION

**C(2008)8440 of 19/12/2008**

**adopting a Programme on the support to the operational budget of the Secretariat of the Regional Cooperation Council (RCC) for the period from July 2009 to December 2010 under the IPA-Transition Assistance and Institution Building component for 2008**

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

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

Whereas:

- (1) Regulation (EC) No 1085/2006 lays down the objectives and main principles for pre-accession assistance to candidate and potential candidate countries;
- (2) In accordance with Article 7 of Regulation (EC) No 1085/2006, the assistance should be provided through multi-annual or annual programmes, which can be established by country and by component, or, as appropriate, by group of countries or by theme. These programmes should be drawn up in accordance with the general policy framework referred to in Article 4 of Regulation (EC) No 1085/2006 and the relevant multi-annual indicative planning document referred to in Article 6 of that Regulation;
- (3) The Council established for all candidate and potential candidate countries an Accession Partnership or a European Partnership. The Commission adopted on 17 July 2008 a multi-beneficiary multi-annual indicative planning document 2008/2010 which presents indicative allocations for the main priorities for pre-accession assistance to the countries concerned<sup>2</sup> and which provides, *inter alia*, that support should be given to the Secretariat of the Regional Cooperation Council;
- (4) The European Union has committed to support the running costs of the Secretariat with a contribution of EUR 1 million per year, representing approximately a third of the annual budget, for the period 2008-2010. The operational budget of the Secretariat is co-financed with the members of the South East Europe Cooperation Process and other interested donors of the international community.
- (5) Decision C(2008)729 adopted on 27 February 2008 committed EUR 1.5 million to support the running costs of the Secretariat of the Regional Cooperation Council for the period from 1 January 2008 until 30 June 2009.
- (6) The Community should support the operational budget of the Secretariat of the Regional Cooperation Council for the period from July 2009 to December 2010 under the IPA Transition Assistance and Institution Building Component for 2008;
- (7) This decision meets the requirements of Article 90 of Commission Regulation (EC, Euratom) No 2342/2002 of 23 December 2002 laying down detailed rules for the

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<sup>1</sup> OJ L 210, 31.7.2006, p. 82.

<sup>2</sup> C(2008)3585.

implementation of Council Regulation No 1605/2002<sup>3</sup> (hereafter: “Implementing Rules”) and constitutes thus a financing decision within the meaning of Article 75 of Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities<sup>4</sup> (hereafter: “Financial Regulation”) in accordance with Article 113(2) of the Financial Regulation on operating grants;

- (8) The measures provided for by this Decision are in accordance with the opinion of the IPA Committee<sup>5</sup>,

HAS DECIDED AS FOLLOWS:

*Article 1*

The Programme on the support to the operational budget of the Secretariat of the Regional Cooperation Council for the period from July 2009 to December 2010 under the IPA Transition Assistance and Institution Building Component for 2008, as set out in the Annex, is hereby adopted.

This Programme shall be implemented through an operating grant by centralised management.

*Article 2*

The maximum amount of Community contribution shall be **EUR 1.5 million**, to be financed through Article 22.0203 of the General Budget of the European Communities for 2008.

Done in Brussels,

*For the Commission*

*Member of the Commission*

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<sup>3</sup> OJ L 357, 31.12.2002, p. 1.

<sup>4</sup> OJ L 248, 16.9.2002, p.1.

<sup>5</sup> Recalling the Council Conclusions of 18 February 2008, Member States declare that the adoption of the Programme on the support to the operational budget of the Secretariat of the Regional Cooperation Council for the period from July 2009 to December 2010 under the IPA Transition Assistance and Institution Building Component for 2008 does not prejudice the position of each individual Member State on the status of Kosovo under UNSCR 1244/99, which will be decided in accordance with their national practice and international law.

## ANNEX

### **PROGRAMME ON THE SUPPORT TO THE OPERATIONAL BUDGET OF THE SECRETARIAT OF THE REGIONAL COOPERATION COUNCIL (RCC) FOR THE PERIOD FROM JULY 2009 TO DECEMBER 2010<sup>1</sup>**

#### **1. IDENTIFICATION**

Beneficiaries	Western Balkans: Albania, Bosnia and Herzegovina, Croatia, the former Yugoslav Republic of Macedonia, Montenegro and Serbia, as well as Kosovo <sup>2</sup>
Programme	Support to the operational budget of the Secretariat of the Regional Cooperation Council (RCC) for the period from July 2009 to December 2010
CRIS number	2008/020-423
Year	2008
Cost	EUR 1.5 million
Implementing Authority	EUROPEAN COMMISSION on behalf of Albania, Bosnia and Herzegovina, Croatia, the former Yugoslav Republic of Macedonia, Montenegro and Serbia, as well as Kosovo
Final dates for contracting	30 November 2009
Final dates for execution	30 November 2011
Sector Code	91010
Budget lines	22.0203 Interim Civilian Administrations in the Western Balkans
Programming Task Manager	Unit D3 Regional Programmes, DG Enlargement
Implementation Task Manager	Unit D3 Regional Programmes, DG Enlargement

#### **2. PRIORITY AXES / (MEASURES) / PROJECTS**

Priority axis 06: Horizontal and Regional Support

Measure 36: Political Criteria

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<sup>1</sup> The adoption of the Programme on the support to the operational budget of the Secretariat of the Regional Cooperation Council for the period from July 2009 to December 2010 under the IPA Transition Assistance and Institution Building Component for 2008 does not prejudice the position of each individual Member State on the status of Kosovo under UNSCR 1244/99, which will be decided in accordance with their national practice and international law.

<sup>2</sup> under UNSCR 1244/99.

The Regional Cooperation Council (RCC) is a regionally-owned cooperation structure located in Sarajevo and co-financed in the first three years by the region, the European Commission and other interested donors. Following the phasing out of the Stability Pact for South Eastern Europe in the first half of 2008, the European Community continues to support regional cooperation efforts through to the co-financing of the RCC.

## **2.a Priority axis 06 – Measure 36**

Until this year, European Community assistance to regional cooperation was provided mainly through support to the Stability Pact for South Eastern Europe and its Special Coordinator. The Stability Pact has now been phased out and its activities handed over to a new, regionally-owned cooperation framework – the Regional Cooperation Council – established by the members of the South East Europe Cooperation Process (SEECP) and co-financed in the first three years by the region, the European Commission and other interested donors.

The RCC and its Secretary General – with a Secretariat based in Sarajevo and a Liaison Office in Brussels – constitutes a focal point for regional cooperation in the region and ensures continued cooperation between SEECP members and the international donor community engaged in the region. The work of the RCC focuses on six priority areas: economic and social development, energy and infrastructure, justice and home affairs, security cooperation, building human capital, and parliamentary cooperation as an overarching theme.

The European Union is a member of the RCC Board in a troika format (Council of the EU, Presidency of the Council and European Commission) and has committed to provide EUR 1 million per year to support around a third of the running costs of the RCC Secretariat for the first three years of its existence, i.e. 2008-2010, while the rest would be co-financed by the region (SEECP members) and other international donors. The annual budget of the RCC Secretariat is set at approximately EUR 3 million.

In order to fulfil its commitment towards the RCC, on 28 February 2008 the Commission adopted Decision C(2008)729 committing EUR 1.5 million to support approximately one third of the operational budget of the RCC Secretariat for the period from January 2008 to June 2009. A grant agreement for the same amount and period was subsequently signed between the Commission and the RCC Secretariat.

The immediate objective of this proposal is to provide a maximum of EUR 1.5 million towards the operational budget of the RCC Secretariat for the period from July 2009 to December 2010.

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

The Community contribution to the RCC Secretariat is foreseen in the Multi-Beneficiary Multi-annual Indicative Planning Document for 2008-2010.

## **2.b Description of projects**

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

The grant contract to be signed with the RCC Secretariat will be an amendment to the ongoing grant contract (ref. 2008/156-630) signed under Decision C(2008)729 and will specify the mandate and modalities for the implementation of this contribution as well as the mechanisms of control put in place. The budget will be executed in accordance with the conditions of the grant contract. An external auditor will also be contracted by the Secretariat to audit its financial statements of the period covered by this grant.

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

Even though 2008 is the first year of activities of the RCC Secretariat, the Commission has supported the establishment of the RCC Secretariat through targeted funding provided to the Special Coordinator of the Stability Pact in addition to the commitment of EUR 1.5 million towards the operational budget of the Secretariat for the period from January 2008 to June 2009.

## 2.d Conditions

The main assumption relating to this proposal is that the RCC Secretariat, which became operational only on 1 January 2008, continues to operate in accordance with its constitutive act.

## 2.e Benchmarks

	2008	2009 (cumulative)	2010 (cumulative)
Contracts (number)	0	1	1
Contracting Rate (%)	0%	100%	100%

## 3. BUDGET (AMOUNTS IN EUR)

### 3.1. Indicative budget table

	EU – IPA assistance				Total co-financing from members SEECP * (indicative)		Contributions by other interested donors		Total (IPA plus Co-financing members SEECP plus contributions by other interested donors)	
	Institution Building	Investment	Total (IB and INV) in EUR	Total in %	EUR	(%)	EUR	(%)	EUR	(%)
Priority axis 06	Horizontal and Regional Support									
Measure 36	Political Criteria									
Support to the RCC budget from July 2009 to Dec 2010	1 500 000	0	1 500 000	29,41%	1 500 000	29,41 %	2 100 000	41,18 %	5 100 000	100%

<b>TOTAL</b>	<b>1 500 000</b>	<b>0</b>	<b>1 500 000</b>	<b>29,41 %</b>	<b>1 500 000</b>	<b>29,41 %</b>	<b>2 100 000</b>	<b>41,18 %</b>	<b>5 100 000</b>	<b>100%</b>
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\* public and private national and/or international contributions

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

The total indicative operational budget of the RCC Secretariat for the period from July 2009 to December 2010 is EUR 5.1 million. The total EC contribution for this period is EUR 1.5 million, corresponding to 29,41% of the operational RCC budget for the same period, as compared to 33% for the period 1 January 2008 to 30 June 2009 (see Decision C(2008)729). The EC contribution to the RCC Secretariat under this Financing Proposal, i.e. EUR 1.5 million, has been calculated in relation to the total eligible expenditure and will be disbursed according to the provisions of the grant contract to be concluded between the Commission and the RCC Secretariat.

The other donors to the operational budget of the RCC Secretariat (and their percentage contributions of the approved budget) are the members of the SEECP with a total of EUR 1.5 million (29,41%) and other interested donors, such as Austria, the Czech Republic, Finland, France, Germany, Ireland, Italy, Norway, Slovenia, Sweden Switzerland and the United States, with a total of EUR 2.1 million (41,18%). The contributions have been agreed for the first three operational years of the RCC Secretariat, i.e. for the period 2008-2010.

## **4. IMPLEMENTATION ARRANGEMENTS**

### **4.1. Method of implementation**

The programme will be implemented on a centralised basis by the European Commission in accordance with Article 53a of the Financial Regulation<sup>3</sup> and the corresponding provisions of the Implementing Rules<sup>4</sup>.

### **4.2. General rules for procurement and grant award procedures**

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

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

The Commission shall also use the procedural guidelines and standard templates and models facilitating the application of the above rules provided for in the "Practical Guide to contract procedures for EC external actions" ("Practical Guide") as published on the EuropeAid website<sup>5</sup> at the date of the initiation of the procurement or grant award procedure.

Given that the operational budget of the RCC Secretariat is financed by several donors (around 28) and that some of them do not fall under the eligibility criteria foreseen by the contract award procedures applicable to grant agreements, the nationality rule and the rule of origin shall not apply to the grant agreement that will be signed under this financing decision.

<sup>3</sup> OJ L 248, 16.9.2002, p.1.

<sup>4</sup> OJ L 357, 31.12.2002, p. 1.

<sup>5</sup> [http://ec.europa.eu/europeaid/work/procedures/implementation/practical\\_guide/index\\_en.htm](http://ec.europa.eu/europeaid/work/procedures/implementation/practical_guide/index_en.htm)

## **5. MONITORING AND EVALUATION**

### **5.1. Monitoring**

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

### **5.2. Evaluation**

Programmes shall be subject to ex ante evaluations, as well as interim and, where relevant, ex post evaluations in accordance with Articles 57 and 82 of IPA Implementing Regulation<sup>6</sup>, with the aim of improving the quality, effectiveness and consistency of the assistance from Community funds and the strategy and implementation of the programmes.

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

The Commission may also carry out strategic evaluations.

## **6. AUDIT, FINANCIAL CONTROL AND ANTI-FRAUD MEASURES**

The accounts and operations of all parties involved in the implementation of this programme, as well as all contracts and agreements implementing this programme, are subject to, on the one hand, the supervision and financial control by the Commission (including the European Anti-Fraud Office), which may carry out checks at its discretion, either by itself or through an outside auditor and, on the other hand, audits by the European Court of Auditors. This includes measures such as ex-ante verification of tendering and contracting carried out by the Delegation in the Beneficiaries.

In order to ensure the efficient protection of the financial interests of the Community, the Commission (including the European Anti-Fraud Office) may conduct on-the-spot checks and inspections in accordance with the procedures foreseen in Council Regulation (EC, Euratom) 2185/96<sup>7</sup>.

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

## **7. LIMITED CHANGES**

Limited changes in the implementation of this programme affecting essential elements listed under Article 90 of the Implementing Rules to the Financial Regulation, which are of an indicative nature<sup>8</sup>, may be undertaken by the authorising officer by delegation (AOD), or by the authorising officer by sub-delegation (AOSD), in line with the delegation of powers conferred upon him by the AOD, in accordance with the principles of sound financial management without an amending financing decision being necessary.

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<sup>6</sup> Commission Regulation (EC) No 718/2007 of 12 June 2007 (OJ L 170, 29.6.2007, p. 1).

<sup>7</sup> OJ L 292; 15.11.1996; p. 2.

<sup>8</sup> These essential elements of an indicative nature are, for grants, the indicative amount of the call for proposals and, for procurement, the indicative number and type of contracts envisaged and the indicative time frame for launching the procurement procedures.