

Project Fiche – IPA National programmes / Component I

1 IDENTIFICATION

Project Title	13 - Support for participation in EU Programmes
CRIS Decision number	2013/023-621
Project no.	13
MIPD Sector Code	Other EU acquis and horizontal activities
ELARG Statistical code	65 – Participation to EU Programmes and Agencies
DAC Sector code	43082
Total cost (VAT excluded)¹	EUR 10,587,191 ²
EU contribution	EUR 6,596,242
Management mode	Decentralised management
Decentralised mngmt: Responsible Unit or National Authority/Implementing Agency	National Fund Sector of the Ministry of Finance and Economy, as the unit responsible for reimbursement of Entry tickets; Milovan Filimonović, Assistant Minister E-mail: milovan.filimonovic@mfp.gov.rs Address: 20 Kneza Milosa St. Belgrade, 11000, Serbia
Implementation management	Serbian European Integration Office, Government of the Republic of Serbia, SPO: Mrs. Brankica Jovanović, Unit for implementation and monitoring of EU funded projects Address: Nemanjina 34, Belgrade; Tel/fax: + 381 11 3061 101 E-mail: bjovanovic@seio.gov.rs Steering committee: N/A
Implementing modality	Stand alone project
Project implementation type	Project-type interventions
Zone benefiting from the action(s)	Republic of Serbia

¹ The total project cost should be net of VAT and/or of other taxes. Should this not be the case, clearly indicate the amount of VAT and the reasons why it is considered eligible.

² This figure represents an estimation of the total cost. Exact total cost will depend on Serbia's participation to EU programmes and rate of entry tickets reimbursement.

2 RATIONALE

2.1 PROJECT CONTEXT: ISSUES TO BE TACKLED AND NEEDS ADDRESSED

EU Programmes are a series of integrated measures adopted by the European Commission with the aim to strengthen co-operation among Member States regarding EU policies over a specified period. They cover a broad range of areas: from environmental protection, energy and transport to the development of entrepreneurship and competitiveness. They represent significant instruments for defining and conducting internal EU policies and are financed from the general budget of the European Union. With the aim of successfully conducting common policies, multi-annual programmes and action plans are established to fulfil the aims set out by the EU and its members in particular sectors.

Since 1997 EU programmes are opened to candidate countries and since 2003 also to potential candidates. The objective of participation of candidate countries and potential candidates is to facilitate their accession to the EU, as well as to familiarise them with the methods and policies of the EU.

The Republic of Serbia signed the Framework Agreement on participation in the EU Programmes on June 29th, 2005, which came into force on July 27th, 2005. In order to establish the legal basis for participation in each individual EU Programme, a Memorandum of Understanding is signed between the European Commission and the beneficiary country. The Memorandum of Understanding determines general principles of participation, including administrative capacities (e.g. financial control, satisfactory number of people dealing with their implementation etc.), financial resources for participation, mechanisms of participation in programme management etc.

So far, Serbia has signed MoUs concerning the following EU Programmes: the Framework Programme for research (FP7), PROGRESS, Culture, CIP, Fiscalis and Customs. By the end of 2011 two further MoUs were signed: for the 'Safer Internet' programme and 'Lifelong Learning' (participation in the centralised actions). MoU for the Europe for Citizens Programme has been signed in November 2012.

In addition to the signature of MoUs, each beneficiary country has to pay a contribution in the form of an annual fee to be paid to the budget ('entry tickets').

The Framework Agreement signed with the EC provides that EU external assistance can be used to reimburse part of the entry tickets paid by Serbia for participation to EU programmes.

IPA National Programmes can be used as a complement to national funds to co-finance the financial contribution ("entry ticket") to be paid each year by the countries to participate in the EU Programmes. The part of the financial contribution which is financed from the national budget should increase progressively, and a gradual and selective approach to participation should be maintained in EU Programmes. In line with the 2008 Enlargement Strategy paper, candidate and potential candidate countries can request co-financing through IPA of up to 90% of the country contribution to an EU Programme in the first year of participation.

In order to further encourage and support Serbian participation, the European Commission decided in 2010 to apply reimbursement of entry tickets with the following decreasing percentage rate:

- 1st year of participation - 90%
- 2nd year of participation - 85%
- 3rd year of participation - 80%

- 4th year of participation - 75%
- 5th year of participation - 70%
- 6th year of participation - 65%
- 7th and following years of participation - 60%

In order to further facilitate Serbia's participation, **keeping these percentage rates of co-financing under 2013 IPA National Programme remains essential.**

2.2 LINK WITH MIPD AND NATIONAL SECTOR STRATEGIES

Given its multi-sectoral nature, participation of the Republic of Serbia in EU Programmes is included in the programming and budget heading of the MIPD 2011-2013 as "Other EU acquis and horizontal activities". According to the MIPD, IPA may finance activities that fall outside the strict scope of the seven priority sectors, such as: "participation in EU Programmes to which the country becomes eligible" (Section 3. page 14).

The project can contribute to all sectors of the MIPD, by facilitating the preparation of Serbia's accession to the EU, as well as by enhancing the absorption of funds and the implementation of projects.

2.3 LINK WITH ACCESSION PARTNERSHIP (AP) / EUROPEAN PARTNERSHIP (EP) / STABILISATION AND ASSOCIATION AGREEMENT (SAA) / ANNUAL PROGRESS REPORT

In line with the Thessaloniki Agenda for Western Balkan countries, approved by the Council on 20 June 2003, EU Programmes may be opened to potential candidate countries in line with the approach followed for candidate countries in the EC Communication "Agenda 2000 (July 1997).

The Framework Agreements, establishing the general principles for the participation of the candidate countries and Western Balkan countries in EU Programmes provide that these countries shall contribute financially to the general budget of the European Union corresponding to the specific programmes in which they participate, and may apply for EU external assistance.

Stabilization and Association Agreement (SAA)

According to Article 132 of the Stabilisation and Association Agreement between the EC and the Republic of Serbia: "The Framework Agreement between the European Community and Serbia and Montenegro on the general principles for the participation of Serbia and Montenegro in Community Programmes, signed on 21 November 2004, and the Annex thereto shall form an integral part of this Agreement. The review provided for in Article 8 of that Framework Agreement shall be carried out within the Stabilisation and Association Council, which shall have the power to amend, if necessary, the Framework". The Framework Agreement on Participation in EU Programmes came into force on 27 July 2005.

In more general terms, the SAA encourages Serbia's participation in various EU programmes, for example in areas of general education and vocational education and training as well as youth policy and youth work, including non-formal education (Article 102), or regarding cooperation in research and technological development (Article 112).

Progress Report Serbia 2012

The Progress Report stipulates that: Serbia participates in a number of **EU programmes**: the Seventh Framework Programme for research and technological development, PROGRESS, the Competitiveness and Innovation Programme, the Information and Communication

Technologies Policy Support Programme, the Culture Programme, the Customs Programme and the Fiscalis Programme.

National Plan for Integration of the Republic of Serbia into the European Union (NPI)

The revised NPI text from 2009 points out priority activities to be undertaken in the “integration agenda” of the Republic of Serbia in the medium term, including participation in EU Programs such as Customs 2013 and Fiscalis 2013.

2.4 PROBLEM ANALYSIS

Through participation in EU Programmes, Serbia will continue to build knowledge and capacities of a range of stakeholders dealing with European issues and projects; actively participate in the implementation of EU policies; support a variety of the activities of institutions, small and medium enterprises and public companies by providing access to EU funds; intensify international cooperation and initiate mobility in relation to EU countries; intensify its efforts to implement the Stabilisation and Association Agreement and thus become more deeply involved in the European integration process.

2.5 LINKED ACTIVITIES AND DONOR COORDINATION

Participation of Serbia in the EU 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 million), 2008 (EUR 5 million) and 2011 (EUR 6 million).

So far, Serbia is participating to the following EU programmes: 7th Framework Programme for Research, PROGRESS, Culture, CIP (Sub-programme for Entrepreneurship and Innovation CIP-EIP and Sub-programme for Information and Communication Technologies Policy Support Programme CIP-ICT PSP), Fiscalis, Customs, Europe for Citizens, Safer Internet and Lifelong Learning Programme (participation in the centralised actions). For the last two Programmes the Republic of Serbia has signed the MoU in the end of 2011.

2.6 LESSONS LEARNED

The experience of neighbouring countries shows that participation in EU Programmes is an important feature of a successful pre-accession strategy. Furthermore, it is important for Serbian citizens, institutions, civil society and private sector to have the opportunity to acquaint themselves with EU values, EU policies in different fields, legal regulations and their implementation, successful solutions and experience from EU countries, and the methods and rules by which the EU functions.

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 MoUs for a diversified range of EU programmes. This contributes to their integration into the EU networks. To maximise the benefits Serbia can draw from the programmes in which it participates, additional trainings and awareness raising should be envisaged in order to strengthen institutional capacities of both programme coordinators and potential beneficiaries. 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.

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.

3 DESCRIPTION

3.1 OVERALL OBJECTIVE OF THE PROJECT

To contribute to the preparation of Serbia's accession and increase the understanding of European Union policies and underpinning values by institutions and citizens of Serbia.

3.2 SPECIFIC OBJECTIVE(S) OF THE PROJECT

To support Serbian participation in EU programmes by co-financing the costs of the "entry-tickets" which Serbia must pay in areas such as education, health, science, culture, employment, entrepreneurship and innovation, taxation and custom systems.

3.3 RESULTS

1. Participation of Serbia in a wide range of EU Programmes

Indicator:

Number of programmes for which a MoU has been concluded

2. Ensured reimbursement of part of Serbia's financial contribution ("entry-tickets") for participation in EU Programmes for which a Memorandum of Understanding is in force

Indicator:

Serbian competent institutions receive reimbursement of entry-tickets in a timely manner.

3.4 MAIN ACTIVITIES

1. Providing IPA funds as reimbursement of a part of the entry ticket for participation in the EU Programmes for which a Memorandum of Understanding is in force or being negotiated.

The planned share of EU contribution to the entry ticket for every year is decided between the beneficiary and the EC, normally before the MoU 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 MoU. 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 an 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.

3.5 ASSESSMENT OF PROJECT IMPACT, CATALYTIC EFFECT AND CROSS BORDER IMPACT (WHERE APPLICABLE)

Impact:

For Serbia, participation in EU Programmes represents a major step forward in meeting the criteria for EU accession in the fields of science, culture, employment, entrepreneurship and innovation, education, information society, civil society networking, taxation and customs systems. It represents an important step in familiarising the country and its citizens with the Union's policies and working methods. Above all, it will improve capacities of numerous stakeholders in managing EU projects and thus acquiring knowledge of EU rules and procedures.

Catalytic effect

Increased participation in EU Programmes is an important element in the EU integration process, as it implies participation in knowledge sharing, awareness raising and acquiring knowledge from member states of EU practices in various sectors. This knowledge can subsequently be utilised in the design and application of future projects and actions in Serbia.

In particular, supporting Serbia's participation in the programmes and initiatives related to research and development encouraged under FP7 and/or CIP leads to the reduction of the negative impacts of the global economic crisis by creating new jobs in the knowledge sector. Universities can be sources of new knowledge, through research and development, highly skilled graduates, and other partnering activities with the Universities/research institutions from the neighbouring countries.

Cross-border impact

Participation in EU Programmes will enhance regional cooperation (in particular among Western Balkans countries) through the implementation of joint projects /partnering activities. It will also allow potential partners from the Western Balkans countries and the European Union to exchange information and know-how, and build on each others' experience.

3.6 SUSTAINABILITY

Participation in EU Programmes will encourage the active involvement of public and private institutions, civil society and universities to benefit from the EU accession process. It is expected that the knowledge and skills developed through participation in EU Programmes will be retained within the participating institutions/organizations and the responsible ministries. Established EU networks through EU Programme participation will be transformed into longer term formal and informal collaboration.

3.7 ASSUMPTIONS AND PRE-CONDITIONS¹

The responsible competent institutions should ensure the timely payment of the total entry ticket, as well as timely and documented requests for reimbursement.

Responsible ministries continue to facilitate the support to applicant's participation in the programmes.

¹ Assumptions are external factors that have the potential to influence (or even determine) the success of a project but lie outside the control of the implementation managers. Such factors are sometimes referred to as risks or assumptions but the Commission requires that all risks shall be expressed as assumptions. Pre-conditions are requirements that must be met before the sector support can start.

4 IMPLEMENTATION ISSUES

Contracting Arrangement:

The activity will be implemented as a reimbursement of a part of the payment for the entry ticket after the entry ticket has been paid, on the basis of a specific agreement with the EC. The reimbursement will be paid as a grant to the Serbian Government.

4.1 INDICATIVE BUDGET

Indicative Project budget (amounts in EUR) (for decentralised management)

Support for participation in EU Programmes			TOTAL EXPENDITURE	TOTAL PUBLIC EXPENDITURE	SOURCES OF FUNDING								
					IPA CONTRIBUTION		NATIONAL PUBLIC CONTRIBUTION				PRIVATE CONTRIBUTION		
ACTIVITIES	IB (1)	INV (1)	(a) = (b) + (e)	(b)=(c) + (d)	EUR (c)	% (2)	Total EUR (d) = (x) + (y) + (z)	% (2)	Central EUR (x)	Regional / Local EUR (y)	IFIs EUR (z)	EUR (e)	% (3)
Activity 1			10,541,193	10,541.193	6,550,244		3,990,949						
Entry ticket for Seventh Framework Programme - 7 th year of participation	X		8,511,000	8,511,000	5,106,600	60%	3,404,400	40%					
Entry ticket - Progress programme – 7 th year of participation	X		100,000	100,000	60,000	60%	40,000	40%					
Entry ticket – Fiscalis – 5 th year of participation	X		80,000	80,000	56,000	70%	24,000	30%					
Entry ticket for CIP EIP EU programme – 6 th year of participation	X		820,000	820,000	533,000	65%	287,000	35%					
Entry ticket for CIP ICT PSP EU Programme – 4 th year of participation	X		323,193	323,193	242,394	75%	80,799	25%					
Entry ticket for Culture EU Programme – 6 th year of participation	X		107,000	107,000	51,000	65%	56,000	35%					
Entry ticket for Europe for Citizens EU Programme – 2 nd year of participation	X		55,000	55,000	46,750	85%	8,250	15%					
Entry ticket for EU Programme Life Long Learning – 2 nd year of participation	X		370,000	370,000	314,500	85%	55,500	15%					

Entry ticket for Safer Internet EU Programme – 3 rd year of participation	X		175,000	175,000	140,000	80%	35,000	20%					
TOTAL IB			10,541,193	10,541,193	6,550,244		3,990,949						
CIP ICT PSP increase of entry ticket for 2012					45,998								
TOTAL INV			-	-	-								
TOTAL PROJECT			10,587,191	10,587,191	6,596,242	62,3%	3,990,949	37,7%					

Amounts net of VAT

- (1) In the Activity row use “X” to indentify whether IB or INV
- (2) Expressed in % of the **Public** Expenditure (column (b))
- (3) Expressed in % of the **Total** Expenditure (column (a))

4.2 INDICATIVE IMPLEMENTATION SCHEDULE (PERIODS BROKEN DOWN BY QUARTER)

Contracts	Start of Tendering	Signature of contract	Project Completion
EU contribution to the entry ticket for the EU Programmes	N/A	T+2Q	T+10Q

4.3 CROSS CUTTING ISSUES

4.3.1 *Equal Opportunities and non discrimination*

Based on the fundamental principles of promoting equality and combating discrimination, participation in the project activities will be guaranteed on the basis of equal access regardless of racial or ethnic origin, religion or belief, disability, sex or sexual orientation.

4.3.2 *Environment and climate change*

The project will have no negative environmental effects.

4.3.3 *Minorities and vulnerable groups*

Involvement of minorities through the participation in the EU Programmes will be encouraged. In all activities during this project steps will be taken to ensure that the rights of minorities are taken into account.

4.3.4 *Civil Society/Stakeholders involvement*

Civil society organizations will take part in the implementation phase of the project as final beneficiaries of some activities of Community Programmes targeted to these associations in Republic of Serbia.

