

## COMMISSION DECISION

C(2009)6125 of 31 July 2009

### **adopting the Multi-beneficiary Programme 2 under the IPA Transition Assistance and Institution Building Component for the year 2009**

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 has established an Accession Partnership or a European Partnership for all candidate and potential candidate countries. The Commission has adopted on 16 June 2009 a Multi-beneficiary Multi-annual Indicative Planning Document 2009-2011<sup>2</sup> which presents indicative allocations for the main priorities for Multi-beneficiary pre-accession assistance to all countries concerned.
- (4) Therefore, the Multi-beneficiary Programme 2 under the IPA Transition Assistance and Institution Building Component for the year 2009 aims at providing assistance to: Cooperation in Criminal Justice: Witness Protection in the fight against serious crime and terrorism and the Civil Society Facility under Priority axis 1: Political Criteria; to the Regional Entrepreneurial Learning Centre, the Regional Programme on Trade and Investment in the Western Balkans, the Crisis Response Package, Erasmus Mundus Action 1: Western Balkan - Turkey Windows, Erasmus Mundus: Action 2: Partnerships Lot - Western Balkans and Youth in Action under Priority axis 2: Economic Criteria and to Regional Blueprints Exercise on Customs and Taxation, Taxation and Customs IT Interconnectivity and Operational Capacity, Statistical Cooperation and Migration and Socio-Economic development in the Western Balkans under Priority axis 3: Ability to assume the obligations of Membership and approximation to European Standards. The Project Preparation Facility will facilitate the effective and efficient programming and implementation of the Multi-beneficiary Programmes.

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

<sup>2</sup> C(2009)5418

- (5) 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 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 (2) 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”).
- (6) It is appropriate to implement Activity 1.1 and Activity 1.3 of Project 5, Crisis Response Package by Indirect Centralised management through delegation to the European Investment Fund (EIF), Activity 1.2 of Project 5, in joint management with the European Bank for Reconstruction and Development (EBRD) and the European Investment Bank (EIB), Activities 2.1, 2.2 and 2.3 of Project 5 in joint management with the European Central Bank (ECB) and Activities 3.1, 3.2 and 3.3 of Project 5 in joint management with the OECD as, together with the Commission, they have elaborated the respective activities jointly.
- (7) 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 Multi-beneficiary Programme 2 under the IPA Transition Assistance and Institution Building Component for the year 2009, as set out in the Annex, is hereby adopted. This programme shall be implemented partly by direct centralised management, partly by indirect centralised management by the EIF and partly by joint management with the EBRD, EIB, ECB and OECD.

*Article 2*

The maximum amount of Community contribution shall be **EUR 133 500 000** to be financed through Article 22.020701 of the general budget of the European Communities for 2009.

This programme is implemented without financing agreements.

Done at 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 Multi-Beneficiary Programme 2 under the IPA Transition Assistance and Institution Building Component for the year 2009 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: THE MULTI-BENEFICIARY PROGRAMME 2 UNDER THE IPA  
TRANSITION ASSISTANCE AND INSTITUTION BUILDING COMPONENT  
FOR THE YEAR 2009<sup>6</sup>**

**1. IDENTIFICATION**

Beneficiaries	<p>Western Balkans: Albania, Bosnia and Herzegovina, Croatia, the former Yugoslav Republic of Macedonia, Montenegro and Serbia as well as Kosovo under UNSCR 1244/99.</p> <p>Turkey</p> <p>Turkey is not included in projects (1) Cooperation in Criminal Justice: Witness Protection in the Fight against Serious Crime and Terrorism (WINPRO) (4) Regional Programme on Trade and Investment in the Western Balkans, (7) Erasmus Mundus - Action 2: Partnerships Lot - Western Balkans, (8) Youth in Action and (12) Migration and socio-economic development in the Western Balkans.</p> <p>Croatia is not included in project (9) Regional Blueprints Exercise on Customs and Taxation and (12) Migration and socio-economic development in the Western Balkans</p>
CRIS / ABAC numbers	2009/021-373, 2009/021-704, 2009/021-705, SI2.537815
Year	2009
Cost	EUR 133 500 000
Implementing Authority	<p>European Commission except for projects 5, 6, 7 and 8:</p> <p>Project (5) Crisis Response Package:</p> <p>Activity 1.1 and Activity 1.3: The European Commission will delegate the implementation of this activity to the European Investment Fund.</p> <p>Activity 1.2: This activity will be implemented by joint management with the EBRD and the EIB.</p> <p>Activities 2.1 – 2.3: These activities will be implemented by joint management with the European Central Bank (ECB).</p> <p>Activities 3.1 – 3.3: These activities will be implemented by joint management with the OECD.</p> <p>Projects (6) Erasmus Mundus Action 1: Western Balkan - Turkey Windows, (7) Erasmus Mundus Action 2: Partnerships Lot - Western Balkans and (8) Youth in Action:</p> <p>The European Commission will delegate the implementation of these projects to the Education,</p>

<sup>6</sup> The adoption of the Multi-Beneficiary Programme 2 under the IPA Transition Assistance and Institution Building Component for the year 2009 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.

	Audiovisual and Culture Executive Agency
Final date for concluding the financing agreements	The programme is implemented without financing agreements.
Final dates for contracting	30 November 2010.
Final dates for execution	30 November 2012. The following exceptions apply: Project (5) Crisis Response Package: 30 November 2015
Sector Codes	<ol style="list-style-type: none"> <li>(1) Cooperation in Criminal Justice: Witness Protection in the fight against serious crime and terrorism: 15130</li> <li>(2) Civil Society Facility - Partnership actions: 15150</li> <li>(3) Regional Entrepreneurial Learning Centre: 33181</li> <li>(4) Regional Programme on Trade and Investment in the Western Balkans: 33120</li> <li>(5) Crisis Response Package: 43010</li> <li>(6) Erasmus Mundus Action 1: Western Balkan - Turkey Windows: 11420</li> <li>(7) Erasmus Mundus Action 2: Partnerships Lot - Western Balkans: 11420</li> <li>(8) Youth in Action: 11420</li> <li>(9) Regional Blueprints Exercise on Customs and Taxation: 15110</li> <li>(10) Taxation and Customs IT Interconnectivity and Operational Capacity: 15110</li> <li>(11) Statistical Cooperation: 16062</li> <li>(12) Migration and Socio-Economic development in the Western Balkans: 99810</li> <li>(13) Project Preparation Facility: 99810</li> </ol>
Budget line(s) concerned	22.020701: Regional and Horizontal Programmes
Programming Task Manager	Unit D3, Regional Programmes, DG Enlargement
Implementation Task Manager	<p>Unit D3, Regional Programmes, DG Enlargement Crisis Response Package Project (5):</p> <ul style="list-style-type: none"> <li>– Activities 1.1 and 1.3: The European Commission will delegate the implementation of this activity to the European Investment Fund.</li> <li>– Activity 1.2: This activity will be implemented by joint management with the EBRD and the EIB.</li> <li>– Activities 2.1 – 2.3: These activities will be</li> </ul>

implemented by joint management with the European Central Bank (ECB).

- Activities 3.1 – 3.3: These activities will be implemented by joint management with the OECD.

The European Commission will delegate the implementation of projects (6), (7) and (8) to the Education, Audiovisual and Culture Executive Agency.

DG Enlargement will cross subdelegate implementation of project 10 to DG Taxation and Customs Union and project (11) to DG Eurostat

## **2. PRIORITY AXES / PROJECTS**

### **2.1. Priority Axes**

This IPA Multi-beneficiary Programme is designed to respond to Multi-beneficiary priority needs as indicated in the IPA Multi-beneficiary Multi-annual Indicative Planning Document (MIPD) 2009-2011<sup>7</sup>, taking into account activities implemented under the National Programmes, the guidance provided in EU strategic documents, the lessons learned from the programming and implementation of previous EU assistance and the findings from consultations with, *inter alia*, the Beneficiaries, International Financial Institutions, the Regional Cooperation Council, EU Member States, civil society organisations and European Commission services. In light of the global financial and economic crisis, significant support is committed through this Multi-beneficiary Programme to provide the economic actors with the necessary financial means and human resources to offer competitive products and services in order to face the current challenges.

While the main assistance to IPA beneficiaries is given through the National Programmes, the Multi-beneficiary Programme endeavours to complement and add value to these as well as enhancing regional cooperation. Multi-beneficiary assistance covers regional projects that set out to promote cooperation between IPA beneficiaries as well as horizontal projects that address the common needs of the IPA beneficiaries and aim to achieve efficiencies and economies of scale.

To facilitate programming, the Multi-beneficiary IPA 2009 projects managed by DG Enlargement, Unit Regional Programmes have been consolidated into a series of separate Programmes:

- Multi-beneficiary Programme 1 2009 through which support is provided to: (i) the Regional Programme for refugee return and provision of durable solutions for refugees and Internally Displaced Persons in the Western Balkans; (ii) Training in Public Procurement in the Western Balkans and Turkey; (iii) the Regional School of Public Administration; (iv) Civil Protection Cooperation and (v) the Regional Environmental Network for Accession;
- Multi-beneficiary Programme 2 (this programme);
- Multi-beneficiary Programme for Tempus;
- Horizontal Programme for Nuclear Safety and Radiation Protection;
- Support to the operational budget of the Secretariat of the Regional Cooperation Council;
- Support to the operational budget of the Office of the High Representative (OHR) in Bosnia and Herzegovina; and
- Monitoring.

The objective of assistance to be provided under this Multi-beneficiary Programme is to address the following priority areas as identified in the IPA Multi-beneficiary MIPD 2009-2011:

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<sup>7</sup> C(2009)5418

### **2.1.1 Priority Axis 1 - Political criteria**

- Enhance regional, European and international law enforcement and judicial cooperation in the IPA beneficiaries in order to fight organised crime, terrorism, corruption, money laundering, as well as trafficking and smuggling more effectively. (*Fight against organised crime, corruption, terrorism, trafficking and smuggling, Section 2.3.1.3.3 of the Multi-beneficiary MIPD 2009-2011*).
- Strengthen civil society organisations and their role in the political process; Increase civil society organisations capacity to develop cross-border projects and networks; Strengthen social partnerships to underpin reform; Familiarise civil society representatives and opinion leaders with EU affairs; Develop best practice cooperation models and standards; Develop sustainable relations between civil society organisations in the IPA beneficiaries as well as in the EU. (*Civil Society Dialogue and Development, Section 2.3.1.3.6 of the Multi-beneficiary MIPD 2009-2011*).

### **Priority Axis 2 - Economic criteria**

- Raise the competitiveness of the Western Balkan economies; Increase rates of employment; Develop formal employment and reduce the current account imbalances in the long term. (*Competitiveness of the Economies, Section 2.3.2.1 of the Multi-beneficiary MIPD 2009-2011*).
- Strengthen the capacity of the financial sector to make finance available to economic actors in the long term and to effectively play their role as financial intermediaries contributing to the reduction of the size of the informal economy; Facilitate investments in micro, small and medium-sized enterprises; Strengthen the capacity of the IPA beneficiaries to prepare bankable projects; Assist the Beneficiaries to promote investments in energy efficiency and renewable energy sources in order to improve the energy performance of the building and industry sectors offering opportunities for the highest savings in energy and reduction in CO<sub>2</sub> emissions; Support the development and upgrading of transport, environment, and energy infrastructure and in the social field, so as to contribute to the creation of conditions favourable to sustainable development in the region as well as in the Beneficiaries and support the preparation of projects that may be financed by grants and/or loans provided by the Beneficiaries, the IFIs, IPA resources, and/or other sponsors/donors. (*Cooperation with International Financial Institutions, Section 2.3.2.2 of the Multi-beneficiary MIPD 2009-2011*).
- Support the development and the quality of the higher education systems through balanced cooperation between local higher education institutions and those of the EU Member States; Enable mutual enrichment and better understanding between the EU Member States and the IPA beneficiaries through the exchange of academic staff and students at all levels and through the provision of postgraduate studies to highly qualified students in EU universities (*Education and Youth, Section 2.3.2.3 of the Multi-beneficiary MIPD 2009-2011*).
- Strengthen democracy in the Western Balkans; Facilitate the integration and active participation of young people in society; Develop youth organisations and the voluntary sector through cooperation between local NGOs, youth organisations and youth workers and those of the EU Member States, and through youth exchanges, networking and voluntary service. (*Education and Youth, Section 2.3.2.3 of the Multi-beneficiary MIPD 2009-2011*).

### **2.1.3 Priority Axis 3 - Assumption of the obligations of membership and approximation to European Standards**

- Assess the level of operational capacity of the Customs and Tax administrations in the IPA beneficiaries; Identify areas of improvement to be supported with technical and financial assistance from EU, Member States, etc; Support internal management of Western Balkan and Turkish Customs and Taxation administrations with their modernisation plans and their alignment to EU; Ensure that Customs and Taxation systems and documentation are planned and developed in accordance with the interconnectivity requirements of the EU. (*Customs and Taxation, Section 2.3.3.6 of the Multi-beneficiary MIPD 2009-2011*).
- Harmonise national statistical systems with the acquis and improve the availability, quality, comparability and timeliness of statistical data. (*Statistics, Section 2.3.3.7 of the Multi-beneficiary MIPD 2009-2011*).
- Improve the management of all aspects of migration flows in the region by regulating and facilitating legal migration and curbing illegal migration. (*Justice, Freedom and Security: Integrated Border Management, Visa and Migration, Section 2.3.3.8 of the Multi-beneficiary MIPD 2009-2011*).
- The Project Preparation Facility will facilitate the effective and efficient programming and implementation of the Multi-beneficiary Programme.



## 2.2. Description of projects grouped per priority axis

### Priority Axis 1 - Political criteria EUR 14 million

#### **Project 1: Cooperation in Criminal Justice: Witness Protection in the Fight against Serious Crime and Terrorism (WINPRO) – EUR 4 million**

This project is designed to promote a coordinated and harmonised use of witness protection procedural<sup>8</sup> and non procedural measures<sup>9</sup> at regional and European level as well as to facilitate operational cross-border, regional and European cooperation and coordination on relocation of witnesses and change of identity among relevant law enforcement agencies and judicial authorities. The project undertakes to: Implement coordinated and harmonised witness protection systems within the region with appropriate witness protection procedural and non procedural measures and methods in criminal proceedings; Implement measures to improve and facilitate cross-border, regional and international cooperation in the relocation of witnesses and change of identity; Improve the protection of witnesses and victims called to testify before the International Criminal Tribunal for the former Yugoslavia (ICTY); Improve cooperation between police officers, specialist investigators, border police, prosecutors and courts dealing with witness protection in organised crime, corruption and terrorism cases. Establish fully operational Witness Protection Units in the IPA Beneficiaries and improve access to modern telecommunication systems.

The project will be implemented through a grant contract following a restricted call for proposals aimed at Public sector operators and International Organisations to be launched in Q4 2009. The selection criteria will assess the applicants financial and operational capacity to implement the proposed action and the award criteria will assess the relevance of the action to the set objectives in the guidelines of the Call for Proposals, the methodology, the sustainability and the budget and cost effectiveness of the proposed action.

#### **Project 2: Civil Society Facility: Partnership Actions – EUR 10 million**

This project will complement the Multi-Beneficiary and National projects initiated under IPA 2007 and IPA 2008. The project aims to develop a strong regional partnership dialogue between Civil Society Organisations (CSOs) from the region themselves and with their EU counterparts and public authorities as well as to enhance transparency and the accountability of CSOs. In particular, the project should favour the following aspects: a professionally operating civil society sector, new CSO networks, common strategy and initiatives, better quality of services and good dissemination of common values in the region as well as better support of democratic issues, including raising awareness of relevant matters amongst citizens and public authorities by means of intercultural dialogue. In particular the project seeks to promote partnership actions between:

(i) Socio-Economic Partners which aim to: Increase the participation of Socio-Economic Partners in decision-making, policy implementation and monitoring; Increase cooperation

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<sup>8</sup> Procedural measures: action taken by the court during testimony to ensure that witnesses may testify free of intimidation or fear for their life; such measures include, but are not limited to, videoconferencing, voice and face distortion techniques, conduct of *in camera* proceedings, and the withholding of details of a witness's identity (*Good practices for the protection of witnesses in criminal proceedings involving organized crime, page 5, UNODC, January 2008*)

<sup>9</sup> Non procedural measures: basic physical protection offered by the police, relocation, change of identity (special witness protection through witness protection programmes)

between Socio-Economic Partners themselves<sup>10</sup> as well as between Socio-Economic Partners and public authorities; Increase understanding among employers and employees of the relevant EU *acquis* and its impact; Priorities in terms of the EU *acquis* under this project will mainly focus on health and safety, innovation, environment/energy efficiency, corporate social responsibility and integration of marginalised people.

(ii) Minorities/vulnerable group organisations which endeavour to: Improve the competence of CSOs with respect to advocacy as well as the provision of information and policy advice to stakeholders (e.g. public authorities, other donors); Improve cooperation among and between CSOs and public authorities regarding the implementation of compatible measures for the better integration of minorities and vulnerable groups, with particular emphasis on youth and children; Develop public recognition of the conditions of target groups, and relevant political and legal matters; Establish a regional network of CSOs established as a sustainable tool for pooling expertise and for sharing best practices and lessons learnt; Reach consensus with policy makers on benchmarks and indicators to be established for steering progress in policy development and implementation;

(iii) Cultural organisations in the Western Balkans and Turkey which seek to: Improve public access to culture, with a special focus on youth; Enhance European identity on the basis of common values; Develop intra-regional and inter-regional cultural initiatives and partnerships; Strengthen networking capacities of the cultural organisations and operators; Strengthen links and dialogue between CSOs in the Western Balkan region and Turkey in addition to developing closer relationships with their EU counterparts; Enhance involvement and ownership of cultural operators/organisations in policy development in the field of culture.

The project will be implemented through several grant contracts following three calls for proposals to be launched in Q4 2009. The essential selection and award criteria for the award of grants are laid down in the Practical Guide to contract procedures for EC external actions.

## **Priority Axis 2 – Economic criteria EUR 109, 15million**

### **Project 3: Regional Entrepreneurial Learning Centre – EUR 1.7 million**

This project is designed to contribute to the implementation of the Small Business Act for Europe using the experience and the instruments developed in the application of the European Charter for Small Enterprises<sup>11</sup>, in particular the elements of entrepreneurship and education and improved skills for enterprises. The assistance provided seeks to: Support the development of entrepreneurship as key competence at primary school level; Support the establishment of cross-campus entrepreneurship education in pre-accession universities; Support the establishment of an advisory network for enterprise training and ensure that training needs analysis and methodologies are provided and applied.

The project will be implemented through a grant agreement which should be signed in Q4 2009 with the Regional Entrepreneurship Centre on the basis of a *de-facto* monopoly to

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<sup>10</sup> Including for example, business representative organisations, trade unions, watchdogs and think tank organisations.

<sup>11</sup> In June 2008, the European Commission adopted the Communication: ‘A Small Business Act for Europe’, which is the new reference document for the SME policy in EU. The candidate countries and potential candidates should follow this document when developing their own policy. The human capital elements of the Charter are also included in the SBA, and the possibility of continuing the same process for SBA as for the Charter is under discussion.

carry out the activities included in this project in line with Article 168 (1) (c) of the Implementing Rules of the Financial Regulation of the Financial Regulations<sup>12</sup>.

#### **Project 4: Regional Programme on Trade and Investment in the Western Balkans – EUR 0.5 million**

This project is designed to support the Central European Free Trade Agreement (CEFTA) Chair in office with monitoring and implementation of the CEFTA 2006 and activities of the South East European Investment Committee (SEEIC). Support provided aims to: Enable the CEFTA Secretariat to effectively support the CEFTA decision making structures, in particular the CEFTA Chair in office; Evolve the work of the CEFTA Sub-Committees; Progress the work of the SEEIC and its Working Groups; Strengthen the capacities of authorities and institutions with respect to the implementation of CEFTA and related trade and investment policies; Strengthen regional links and networking opportunities within the Western Balkans to align trade and investment related legislation and policies as well as re-enforce links between governments and business communities.

This project will be implemented through: 1) an operating grant to the CEFTA Secretariat for a value of EUR 130 000 which should be signed in Q3 2010, based on Article 168 (1) (c) of the Implementing Rules of the Financial Regulation, considering that the Secretariat has a de facto monopoly. The EC contribution to the CEFTA secretariat expressed as a percentage of the total amount of the costs of the Secretariat (estimated at EUR 650,000 per annum) has decreased progressively as follows: 73% in 2008 (IPA budget 2007) 50% in 2009 (IPA budget 2008), 20% in 2010 (IPA budget 2009); 2) 3-5 specific contracts based on framework contracts to provide technical assistance for a total value of EUR 200 000; and 3) a direct grant agreement with the OECD for the monitoring of investment-related issues of CEFTA for a total value of EUR 170 000 based on article 168 (1) (c) of the Implementing Rules of the Financial Regulation as OECD has a de facto monopoly for this kind of activity.

#### **Project 5: Crisis Response Package EUR 85.45 million**

This project is designed to provide economic actors with the necessary financial means and human resources to offer competitive products and services in order to face the challenges of the current economic and financial crisis in the short and longer term.

The project aims to: Ensure that finance remains available to the private and public sector operations in the short and medium term; Ensure that banking sector supervision and regulations are adequately reformed; Implement the necessary reforms to increase the competitiveness of the economies.

This project will be implemented as follows:

*Ensure that finance remains available to the private and public sector operations in the short and medium term:*

Activity 1.1: This activity will provide additional refinancing loans to Micro and Small Enterprises (MSEs) and equity participations in selected financial institutions via the European Fund for South East Europe (EFSE), through:

- re-financing local financial intermediaries to extend loans to micro enterprises;
- technical assistance to financial intermediaries;

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<sup>12</sup> Commission Regulation (EC, Euratom) No 2342/2002 of 23 December 2002, OJ L 210, 31.7.2006, p. 82

- equity participations in local financial intermediaries

This activity will be implemented by indirect centralised management. Implementation tasks are delegated by the European Commission to the European Investment Fund (EIF). An amendment to the existing Mandate with the EIF extending the scope of the Mandate to the additional participation and request from EIF to subscribe additional shares in EFSE for a nominal amount of EUR 10 million will be signed. The Mandate will expire at the end of 2015. The additional risk cushion through the new EC contribution will leverage additional EFSE investments of at least EUR 60 million in the Beneficiaries. EC shares in EFSE will be transferred to complete ownership to Beneficiaries at the latest in 2015 following an assessment of the Beneficiaries administrative capacities and a Commission Decision on the transfer.

Activity 1.2: This activity will establish a new Private Sector Support Facility incorporating an SME Competitiveness Support Window and an Energy Efficiency Window in co-operation with EBRD and EIB. The Facility will provide loans and technical assistance for (i) industrial investments necessary for SMEs to be in line with *acquis* and (ii) energy efficiency investments in the private sector.

This activity will be implemented by joint management with the EBRD and the EIB. The European Commission will sign Contribution Agreement(s) with the EBRD and the EIB for a period of 5 years. A Facility Steering Committee meeting every 6 months will monitor the implementation of the Facility.

Activity 1.3: An Energy Efficiency Fund will be set up by the European Investment Fund. The Fund will:

- re-finance financial intermediaries for on-lending to end-borrowers and to ESCOs (Energy Saving Companies) of energy efficient investments
- provide direct lending to end-borrowers of energy efficient investments in line with the *acquis* in the field of energy efficiency in line with the objectives of the Energy Community Treaty
- provide technical assistance to end-borrowers and financial intermediaries to engage in energy efficient lending.

This activity will be implemented by indirect centralised management. Implementation tasks are delegated by the European Commission to the European Investment Fund. The European Commission will sign a Mandate with the European Investment Fund for a period of 5 years. EC shares in the Energy Efficiency Fund will be transferred to complete ownership to Beneficiaries by the end of 2015 following an assessment of the Beneficiaries administrative capacities and a Commission Decision on the transfer.

*Ensure that banking sector supervision and regulations are adequately reformed:*

Activities 2.1 – 2.3: Provide training for banking sector supervisors/regulators from eight Beneficiaries; provide country tailored assistance in the field of banking supervision and financial stability, according to a modular basis and depending upon availability of resources; depending upon availability of resources, build-up the institutional capacity of the supervisors to cooperate across the borders, including with supervisors within the European Union

These activities will be implemented by joint management with the European Central Bank (ECB). The European Commission will sign a Contribution Agreement with the

ECB for 24 months. The ECB will be the central co-ordinator of a regional project drawing on experts from Member States' supervisory authorities and from IFIs.

*Implement the necessary reforms to increase the competitiveness of the economies:*

Activities 3.1 – 3.3: Promote human capital development; Foster research and innovation; Promote sector specific policy reform

These activities will be implemented by joint management with the OECD. The European Commission will sign a Contribution Agreement with the OECD for 36 months.

### **Project 6: Erasmus Mundus Action 1: Western Balkans - Turkey Windows – EUR 8 million**

This project is designed to enable highly qualified graduates from the Western Balkans and Turkey to engage in postgraduate study at European universities and to obtain qualifications and/or experience in the European Union and EFTA-EEA States.

The Erasmus Mundus Masters Consortia will provide approximately 200 scholarships to graduate students from the Western Balkans and Turkey to attend an Erasmus Mundus Masters Course for a minimum duration of one and a maximum duration of two years. The scholarships are awarded exclusively to graduate students who have been registered to an Erasmus Mundus Masters Course.

This project will be implemented by indirect centralised management. Implementation tasks are delegated by the European Commission to the Education, Audiovisual and Culture Executive Agency (EACEA).

Universities selected through a previous Call for Proposals will publish the selected Masters courses to which students can apply. Following the selection of the awarded students, the EACEA will conclude grant contracts with the universities. It is expected that these contracts will be concluded in Q3 2010.

### **Project 7: Erasmus Mundus Action 2: Partnerships Lot - Western Balkans – EUR 12 million**

This project is designed to enable the exchange of academic staff and students at all levels thereby enhancing their knowledge and skills. The project aims to: Increase the exchange of students between the European Union and the Western Balkans; Enhance the international cooperation capacities of higher education institutions in the Western Balkans through cooperation with high quality European institutions with extensive experience in the European Credit Transfer and Accumulation System (ECTS) and in the implementation of the Bologna process; Share the experiences of EU member State universities in the framework of Erasmus and in the implementation of the Bologna process and improve cultural understanding and respect for diversity.

This project will be implemented by indirect centralised management. Implementation tasks are delegated by the European Commission to the Education, Audiovisual and Culture Executive Agency.

The project will be implemented through a call for proposals. The call for proposals should be launched in Q4 2009. The selection and award criteria will relate to (a) the financial and operational capacity of the applicant, (b) the relevance of the proposal, and (c) the methodology proposed.

### **Project 8: Youth in Action – EUR 1.5 million**

This project is designed to promote the non-formal education and youth sector in the Western Balkans. The assistance provided seeks to: Increase opportunities for young people to experience international mobility and to acquire socio-educational skills which could better facilitate their integration into society; Increase the participation of young people in democratic life and active citizenship in particular young women and young people with fewer opportunities; Improve interethnic and inter-religious dialogue among young people and youth organisations; Develop long-lasting partnerships as well the exchange of expertise and know-how in the field of youth and non-formal education and improve the organisational skills of organisations established in the Western Balkans, in particular regarding the management of European Community funds.

This project will be implemented by indirect centralised management. Implementation tasks are delegated by the European Commission to the Education, Audiovisual and Culture Executive Agency.

The Programme will be implemented on the basis of a permanent Call for Proposals, which foresees three deadlines: September 2009, February 2010 and June 2010. Grants will be awarded to Youth organisations following the selection of the projects after an evaluation by experts on the basis of criteria defined in the Youth in Action Programme Guide.

<h3><b>Priority Axis 3 – Assumption of the obligations of membership and approximation to European Standards – EUR 9.35 million</b></h3>
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### **Project 9: Regional Blueprints Exercise on Customs and Taxation – EUR 1.45 million**

This project is designed to provide support to the management of Customs and Taxation administrations in the Western Balkans and Turkey in their efforts to modernise and to align with the Customs and Fiscal Blueprints and the *acquis*. In particular, this project endeavours to: Assess the beneficiaries; Provide training on the Customs and Fiscal Blueprints to the relevant staff and host awareness sessions on the Customs and Fiscal Blueprints with the management of the beneficiaries.

A service contract will be awarded following a restricted call for tender to be launched in Q1 2010.

### **Project 10: Taxation and Customs IT interconnectivity and operational capacity – EUR 0.5 million**

This project is designed to provide guidance and specialised assistance to the Candidates and Potential Candidates for accession to identify the technical requirements of their national IT strategies and plans thereby ensuring coherency with EU IT interconnectivity requirements. The project will endeavour in particular to Improve the operational capacity of the beneficiaries; Assess IT interconnectivity with the EU systems; Produce customised roadmaps for achieving interoperability with EU systems; Support the beneficiaries in the development of the IT systems and related business procedures used in the tax and customs fields for the exchange of information via IT infrastructure.

A service contract will be awarded following a restricted call for tender to be launched in Q1 2010. Implementation of this project will be cross subdelegated from DG Enlargement to DG Taxation and the Customs Union.

### **Project 11: Statistical Cooperation – EUR 5.4 million**

This project is designed to support the upgrading and strengthening of the statistical systems in the IPA beneficiaries, thereby improving the availability, quality, comparability and timeliness of statistical data. The project endeavours to: Improve harmonisation of statistical legislation; Improve the administrative capacity of official statistics providers, including their ability to coordinate the national statistical systems; Improve the functioning of the national statistical systems and improve the availability, quality and comparability of statistical data in priority areas.

The project will be implemented through Direct Grants to the National Statistical Institutes (NSIs) of Croatia, Turkey, the former Yugoslav Republic of Macedonia and Serbia. The grants are expected to be signed in Q2 2010. The grants are awarded to the NSIs on the basis of a *de-jure* and *de-facto* monopoly to carry out the statistical activities included in this project in line with Article 168 (1) (c) of the Implementing Rules of the Financial Regulations<sup>13</sup> as the NSIs are the institution inside the public administration of the IPA beneficiaries responsible for collecting, producing and disseminating official statistics. Through these grants the beneficiary NSIs shall be directly responsible for the implementation of the activities foreseen in this project. The grant beneficiaries will contribute 10% co-financing to the eligible expenditure. It is possible that by the time of launching the invitations to apply for the grants, NSIs of other IPA beneficiaries could also be considered eligible if deemed to have the necessary capacity to manage a grant.

Two Service Contracts will be signed following a restricted call for tenders to be launched in Q4 2009 to provide:

Technical assistance (EUR 2m) to those beneficiaries, in particular, who do not receive a grant.

Technical assistance (EUR 0.4m) for the implementation of the grants provided to the NSIs.

Implementation of this project will be cross subdelegated from DG Enlargement to DG Eurostat.

### **Project 12: Migration and socio-economic development in the Western Balkans – EUR 2 million**

This project is designed to inform skilled potential labour migrants from the Western Balkans about entering legally EU labour market and prepare them to use more efficiently their competences and skills as well as to encourage the return of skilled migrants to their countries of origin while facilitating their sustainable social and professional reintegration<sup>14</sup> and promoting the dissemination of new acquired skills.. The project seeks to establish cooperation initiatives and networks between partners of the Beneficiaries and the EU Member States; Make reliable data on labour migration available; Disseminate information about legal channels for migration among potential migrants; Develop information mechanisms about labour demand and job offers; Promote legal economic migration. Measures will also be put in place to facilitate the return of temporary workers and to reintegrate them into their home society.

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<sup>13</sup> Commission Regulation (EC, Euratom) No 2342/2002 of 23 December 2002, OJ L 210, 31.7.2006, p. 82

<sup>14</sup> In the context of this project, "reintegration" targets migrants who have returned to their countries of origin following an illegal stay in the EU or following the end of their legal stay in the EU, and not specifically refugees who fled their country following the conflict.

The project will be implemented through a grant contract following a restricted call for proposals to be launched in Q1 2010. The essential selection and award criteria are laid down in the Practical Guide to contract procedures for EC external actions. The final grant beneficiary should contribute with a minimum of 10% of the eligible expenditure of this project.

<b>Support Activities – EUR 1 million</b>
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**Project 13: Project Preparation Facility - EUR 1 million**

This project is designed to support the programming phase, the planning process of future programmes and the implementation of the Multi-beneficiary Programme to allow project preparation and implementation to proceed in a quick and effective manner. The project aims to facilitate the design of strategic plans in different sector areas; organise consultations with stakeholders and ensure that project fiches are drafted well; assist in the drafting of tender documents, terms of reference and technical specifications and implement project preparatory and start-up actions.

It is expected that the large majority of contracts will be specific contracts under framework contracts, but depending on the nature and scope of the demands, one service contract may be concluded as well.

**2.3. Overview of past and on going assistance (EU / IFI / Bilateral and national assistance) including lessons learned and donor coordination**

**2.3.1 Past and ongoing assistance**

Between 2001 and 2008, over EUR 824 million was allocated in assistance to the Beneficiaries through the CARDS Regional Programmes, the Phare Multi-Country Programmes and the recent IPA Multi-beneficiary programmes. In financial terms, assistance provided under these programmes has addressed, in particular, economic development, through extensive and close collaboration with International Financial Institutions which have helped the development of a functioning financial sector capable of supporting the expansion of the private sector and the needs of municipalities.

Equally important is the support that has been given to the regional cooperation process in the Western Balkans and certain areas of key importance for the European integration, such as taxation and customs, statistics, public administration (SIGMA) and horizontal support via TAIEX. Additional details on the assistance allocated under the CARDS, Phare and IPA programmes are provided in the following table:

Year	2001	2002	2003	2004	2005	2006	2007	2008	TOTAL
CARDS	20.0	75.8	62.9	36.4	75.2	81.8			352.1
PHARE				7.5	69.65	150.3			227.45
IPA							109.0	135.7	244.7
<b>TOTAL</b>	<b>20.0</b>	<b>75.8</b>	<b>62.9</b>	<b>43.9</b>	<b>144.85</b>	<b>232.1</b>	<b>109.0</b>	<b>135.7</b>	<b>824.25</b>



**Table 1:** Total European Community allocations to the CARDS Regional, Phare Multi-Country Programmes and IPA Multi-beneficiary Programmes (*amounts in EURm*)<sup>15</sup>

### **2.3.2. Lessons learned**

In designing this IPA Multi-beneficiary programme, particular note has been taken of the results of projects programmed in previous years. The lessons learned build upon the experience in the implementation of previous projects in the specific areas.

Furthermore, in the management of previous and ongoing Multi-beneficiary IPA, CARDS Regional and Phare Multi-Country projects and programmes a number of applicable lessons have emerged through the project monitoring and evaluation reports as well as the evaluation report on the implementation of CARDS assistance to the Western Balkans which are applicable to this programme.

By involving the beneficiaries and the Regional Cooperation Council in the initial project conception phase of the programming cycle through primarily the IPA Multi-beneficiary coordination meetings, which are held approximately three times a year as well as informing them on the outcomes of each step in the programming cycle, ownership of the Multi-beneficiary programme has improved considerably compared to, for example, the CARDS programme. Such involvement affords beneficiaries the opportunity to judge their absorption capacity for each project as well as to evaluate how each project would fit into the national plans.

In order to avoid duplications and to ensure complementarities, close coordination with other donors, in particular EU Member States have been undertaken during the programming phase of this Multi-beneficiary programme through early consultation on the first project ideas. In addition, the IPA National Programmes have been carefully assessed.

### **2.3.3. Donor Coordination**

Coordination and coherence of assistance and activities is particularly important, given the large number of players involved. The need for improved coordination and coherence has been highlighted to the Commission during consultations as a continuing concern by the authorities of the region. The recent Donor Coordination Ad Hoc Report<sup>16</sup> notes that while donor coordination efforts at external assistance headquarters level have been good in both establishment of joint funds and information sharing, with strong leadership from the EC for the latter in recent years. At a country level the picture is mixed, with some external assistance providers being committed and proactive in donor coordination, and others following their own national or business agendas. The conclusions made in the report were that : (i) Management of information is best undertaken by one high-level coordinating body but planning and implementation is best coordinated at sector level; (ii)

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<sup>15</sup> The CARDS figures 2003-2006 include the figures for the Regional Programme and the Interim Civilian Administrations (UNMIK, OHR and the Stability Pact). CARDS 2004-2006 includes EUR15 million, EUR15 million and EUR11.9 million respectively for Cross-Border Cooperation. The CARDS 2006 also includes Information and Communication as well as Audit, Monitoring and Evaluation. The Phare figures include those allocated to Multi-beneficiary programmes as well as finance facilities with the IFIs. The IPA figures for 2007 and 2008 include Regional and Horizontal projects, TAIEX, Information and Communication, Audit, Monitoring, Evaluation and Interim Civilian Administrations (UNMIK, OHR, Stability Pact/RCC). The IPA figures 2009 are based on the approved budget. Source of figures: CARDS and Phare: Commission Decisions; IPA: Commission Decisions and the approved yearly budget.

<sup>16</sup> Donor Coordination Ad Hoc Report, MWH Consortium, 10 December 2008

Even where the systems in place are of an acceptable quality, reluctance exists amongst external aid providers to participate in donor coordination and (iii) the extent to which core values of aid effectiveness are embedded in the culture of the external assistance providers, and to which priority are given within the administration of partner countries, are key factors in the success of external assistance coordination.

Efforts are being made by DG Enlargement to ensure good coordination by organising regular meetings throughout the year with Beneficiaries, Delegations and other stakeholders (including for example an International Financial Institutions (IFI) days, Donor Coordination days).

The Commission organised a Donor Coordination conference in October 2008 where the Commission and Member States, together with the IFIs and non-EU donors, agreed to an active and affirmative approach concerning the need for enhanced donor coordination. It was agreed that the MIPDs could become a strategic instrument for donor coordination and that the consultation on the 2009-2011 MIPDs will be used as a key tool to determine areas of common interest and possibilities for sector coordination and division of labour. The results and plans for action stemming from these consultations were reported during the last donor conference held in April 2009 in Albania.

DG Enlargement has for the programming of the Multi-beneficiary Programme established a transparent consultation process with EU Member States, and other donors, IFIs, the Regional Cooperation Council as well as with the Beneficiaries. This process is aimed at ensuring complementarities, avoiding overlaps and enhancing, as far as possible, local ownership of the choices, content and design of the programmes. DG Enlargement staff responsible for the implementation of the Multi-beneficiary programmes also participate in regional networks and structures to facilitate coordination amongst the stakeholders and donors active in the region.

Special importance should be given to the role of the Regional Cooperation Council in which the European Commission plays an active role, as the interlocutor for the Beneficiaries in particular for the Regional Cooperation Process in the Western Balkans.

#### **2.4. Horizontal issues**

Cross cutting issues, such as equal opportunities and non-discrimination, support to minorities and vulnerable groups, environmental protection, public health and good governance with particular attention to fight against corruption, have, as appropriate, become an integral part of each project. The mainstreaming of the cross cutting issues in each project shall ensure that strategies, policies, structures and operating procedures of the Beneficiary are in conformity with the principles defined in the various projects.

#### **2.5. Conditions**

The commitment of the Beneficiaries to make the necessary resources available, to cooperate closely and to share knowledge as well as experiences are essential to the success of the projects included under this programme.

## 2.6 Indicative Benchmarks

	2009		2010 (cumul.)	
	EU	NF	EU	NF
Number of tenders launched <b>Regional Blueprints Exercise on Customs and Taxation (1)</b> <b>Taxation and Customs IT interconnectivity and operational capacity (1)</b> <b>Statistical Cooperation (2)</b> <b>Project Preparation Facility (1)</b>	2		5	
Numbers of Framework Contracts <b>Regional Programme on Trade and Investment in the Western Balkans (3-5)</b> <b>Project Preparation Facility (5-12)</b>			15	
Number of calls for proposal <b>Civil Society Facility (3)</b> <b>Cooperation in Criminal Justice: Witness Protection in the Fight against Serious Crime and Terrorism (WINPRO) (1)</b> <b>Erasmus Mundus Action 2: Partnerships Lot - Western Balkans (1)</b> <b>Youth in Action (1)</b> <b>Migration and socio-economic development in the Western Balkans (1)</b>	4		7	
Number of Direct Grants <b>Regional Entrepreneurial Learning Centre (1)</b> <b>Regional Programme on Trade and Investment in the Western Balkans (2)</b> <b>Erasmus Mundus Action 1: Western Balkans - Turkey Windows – EUR 8 million (200)</b> <b>Statistical Cooperation (4)</b>	1		207	
Number of Contribution Agreements <b>Crisis Response Package (3)</b>	3		3	
Number of Mandates <b>Crisis Response Package (2)</b>	2		2	
<b>Contracting Rate (%)</b>	<b>6</b>		<b>100</b>	

### 3. BUDGET (AMOUNTS IN EUR)

#### 3.1. Indicative budget table

Centralised management	Institution Building (IB)					Investment (INV)					Total (IB + INV)	Total IPA Community contribution	
	Total expenditure	IPA Community contribution		Other contribution*		Total expenditure	IPA Community contribution		Other contribution*				
	EUR (a)=(b)+(c)	EUR (b)	% <sup>(1)</sup>	EUR (c)	% <sup>(1)</sup>	EUR (d)=(e)+(f)	EUR (e)	% <sup>(1)</sup>	EUR (f)	% <sup>(1)</sup>	EUR (g)=(a)+(d)	EUR (h)=(b)+(e)	% <sup>(2)</sup>
<b>Priority axis 1:</b>	<b>16 710 526</b>	<b>14 000 000</b>	<b>84</b>	<b>2 710 526</b>	<b>16</b>						<b>16 710 526</b>	<b>14 000 000</b>	<b>10</b>
Cooperation in Criminal Justice: Witness Protection in the fight against serious crime and terrorism (WINPRO)	4 210 526	4 000 000	95	210 526	5						4 210 526	4 000 000	
Civil Society Facility	12 500 000	10 000 000	80	2 500 000	20						12 500 000	10 000 000	
<b>Priority axis 2:</b>	<b>31 345 000</b>	<b>30 150 000</b>	<b>96</b>	<b>1 195 000</b>	<b>4</b>	<b>369 000 000</b>	<b>79 000 000</b>	<b>21</b>	<b>290 000 000</b>	<b>79</b>	<b>400 345 000</b>	<b>109 150 000</b>	<b>82</b>
Regional Entrepreneurial Learning Centre	2 000 000	1 700 000	85	300 000	15						2 000 000	1 700 000	
Regional Programme on Trade and Investment in the Western Balkans	1 020 000	500 000	49	520 000	51						1 020 000	500 000	
Crisis Response Package	6 450 000	6 450 000	100	-	-	369 000 000	79 000 000	21	290 000 000	79	375 450 000	85 450 000	
Erasmus Mundus Action 1: Western Balkan - Turkey Windows	8 000 000	8 000 000	100	-	-						8 000 000	8 000 000	

Erasmus Mundus Action 2: Partnerships Lot - Western Balkans	12 000 000	12 000 000	100	-	-						12 000 000	12 000 000	
Youth in Action	1 875 000	1 500 000	80	375 000	20						1 875 000	1 500 000	
<b>Priority axis 3:</b>	<b>9 905 555</b>	<b>9 350 000</b>	<b>94</b>	<b>555 555</b>	<b>6</b>						<b>9 905 555</b>	<b>9 350 000</b>	<b>7</b>
Regional Blueprints Exercise on Customs and Taxation: Taxation and Customs IT	1 450 000	1 450 000	100	-	-						1 450 000	1 450 000	
Interconnectivity and Operational Capacity	500 000	500 000	100	-	-						500 000	500 000	
Statistical Cooperation	5 733 333	5 400 000	94	333 333	6						5 733 333	5 400 000	
Migration and Socio-Economic development in the Western Balkans	2 222 222	2 000 000	90	222 222	10						2 222 222	2 000 000	
<b>Support Activities</b>	<b>1 000 000</b>	<b>1 000 000</b>	<b>100</b>	-	-						<b>1 000 000</b>	<b>1 000 000</b>	<b>1</b>
Project Preparation Facility	1 000 000	1 000 000	100	-	-						1 000 000	1 000 000	
<b>TOTAL</b>	<b>58 961 081</b>	<b>54 500 000</b>	<b>92</b>	<b>4 461 081</b>	<b>8</b>	<b>369 000 000</b>	<b>79 000 000</b>	<b>21</b>	<b>290 000 000</b>	<b>79</b>	<b>427 961 081</b>	<b>133 500 000</b>	<b>100</b>

\* Other contribution (public and private national and/or international contribution) provided by national counterparts and/or international organisations and/or grant beneficiaries

- (1) Expressed as a % of the Total expenditure IB or INV (column (a) or (d)).
- (2) Priority axis rows only. Expressed as a % of the grand total of column (h). It indicates the relative weight of the priority with reference to the total IPA Community contribution of the entire Financing Proposal.

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

The Community contribution, which represents 31% of the total budget allocated to this programme, has been calculated in relation to the **eligible expenditure**, which in the case of centralised management is based on the **total expenditure**. Parallel co-financing will be used.

Due to its regional character it is not possible to require national co-financing for all the projects in this Programme.

In the case of grants, final grant beneficiaries should contribute with a minimum of 5% of the eligible expenditure of the project.

## **4. IMPLEMENTATION ARRANGEMENTS**

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

The programme will mainly be implemented by direct centralised management by the European Commission in accordance with Article 53 (a) of the Financial Regulation<sup>17</sup> and the corresponding provisions of the Implementing Rules of the Financial Regulation<sup>18</sup>, save for the following exceptions:

Project (5) Crisis Response Package will be implemented as follows:

Activity 1.1 and Activity 1.3 will be implemented by indirect centralised management following Article 53 (a) of the Financial Regulation and the corresponding provisions of the Implementing Rules of the Financial Regulation. Implementation tasks are delegated under Article 54 (2) (b) of the Financial Regulation to the European Investment Fund (EIF).

Activity 1.2 will be implemented by the European Bank for Reconstruction and Development (EBRD) and the European Investment Bank (EIB) under tri-lateral joint management with the European Commission following Article 53d of the Financial Regulation and the corresponding provisions of the Implementing Rules.

Activities 2.1, 2.2 & 2.3 will be implemented by the European Central Bank (ECB) under joint management with the European Commission following Article 53d of the Financial Regulation and the corresponding provisions of the Implementing Rules. To this end, the European Commission will sign a Contribution Agreement with the ECB for 24 months.

Activities 3.1, 3.2 & 3.3 will be implemented by the OECD under joint management with the European Commission following Article 53d of the Financial Regulation and the corresponding provisions of the Implementing Rules. To this end, the European Commission will sign a Contribution Agreement with the OECD for 36 months.

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<sup>17</sup> Regulation 1605/2002 (OJ L 248, 16.9.2002, p.1) as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p.1)

<sup>18</sup> Regulation 2342/2002 (OJ L 357, 31.12.2002, p. 1) as last amended by Regulation (EC, Euratom) No 478/2007 (OJ L 111, 28.4.2007, p. 13).

Projects:

- (6) Erasmus Mundus Action 1: Western Balkan - Turkey Windows;
- (7) Erasmus Mundus Action 2: Partnerships Lot - Western Balkans and
- (8) Youth in Action.

will be implemented by indirect centralised management following Article 53 (a) of the Financial Regulation and the corresponding provisions of the Implementing Rules of the Financial Regulation. Implementation tasks are delegated under Article 54 (2) (a) of the Financial Regulation to the Education, Audiovisual and Culture Executive Agency, which was created by Commission Decision 2005/56/EC of 14 January 2005. The mandate of the agency was extended by Commission Decision 2007/114/EC of 8 February 2007.

Implementation of project (10) Taxation and Customs IT interconnectivity and operational capacity will be cross subdelegated from DG Enlargement to DG Taxation and the Customs Union.

Implementation of project (11) Statistical Cooperation will be cross subdelegated from DG Enlargement to DG Eurostat.

#### **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 of the Financial Regulation 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 of the Financial Regulation.

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>19</sup> at the date of the initiation of the procurement or grant award procedure.

For cross subdelegated programmes, AOSDs can use their own templates and guidelines, as long as these are in line with the provisions of Part Two Title IV of the Financial Regulation.

As regards activities under joint management, the general rules for procurement and grant award procedures shall be defined in the Contribution Agreement between the Commission and the organisation implementing such activities.

### **5. MONITORING AND EVALUATION**

#### **5.1. Monitoring**

The Commission may undertake any actions it deems necessary to monitor the programmes concerned. These actions may be carried out jointly with the international organisation(s) concerned by this programme.

#### **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, with

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<sup>19</sup> current address:  
[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)

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 Beneficiary Country.

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>20</sup>.

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

## **7. NON SUBSTANTIAL REALLOCATION OF FUNDS**

The authorising officer by delegation (AOD), or 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, may undertake non substantial reallocations of funds without an amending financing decision being necessary. In this context, cumulative reallocations not exceeding 20% of the total amount allocated for the programme, subject to a limit of EUR 4 million, shall not be considered substantial, provided that they do not affect the nature and objectives of the programme. The IPA Committee shall be informed of the above reallocation of funds.

## **8. LIMITED ADJUSTMENTS IN THE IMPLEMENTATION OF THE PROGRAMME**

Limited adjustments in the implementation of this programme affecting elements listed under Article 90 of the Implementing Rules to the Financial Regulation, which are of an indicative nature<sup>21</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>20</sup> OJ L 292; 15.11.1996; p. 2

<sup>21</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.