

Project Fiche – IPA National programmes / Component I

1 IDENTIFICATION

Project Title	<i>Project Preparation and Strengthen European Integration Process Facility</i>
CRIS Decision number	<i>2012/023-036</i>
Project no.	<i>15</i>
MIPD Sector Code	<i>9. Support and other activities</i>
ELARG Statistical code	<i>01.40 - Project Preparation Facility/Technical Assistance Facility</i>
DAC Sector code	<i>43010 - Multisector aid</i>
Total cost (VAT excluded)¹	<i>EUR 3.706 million</i>
EU contribution	<i>EUR 3.706 million</i>
Management mode	<i>Centralised</i>
EU Delegation in charge	<i>EU Delegation to the Albania</i>
Implementation management	<i>Ministry of European Integration and Line Ministries.</i>
Implementing modality	<i>Stand-alone project: service contracts, specific contracts under existing framework contracts, supply contracts, twinning light</i>
Project implementation type	<i>C01 - Project-type interventions</i>
Zone benefiting from the action(s)	<i>Albania</i>

2 RATIONALE

2.1 PROJECT CONTEXT: ISSUES TO BE TACKLED AND NEEDS ADDRESSED

The justification for this project comes from the need of the Albania administration to ensure: acquis related demand driven support to the different line Ministries and state institutions that are responsible for SAA fulfilment and the accession process, in particular with view to the Key Priorities fulfilment; assistance in the IPA project preparation as well as in the move towards more sector wide approach; and support to the preparation of a Component III and IV project pipeline.

The pre-accession period and especially the fulfilment of the Key priorities according to the Commission's Opinion from 2010 require an increasing number of quality expertise and EU knowledge in judicial, economic and political matters. Furthermore, it is necessary to establish or strengthen administrative structures and management systems which satisfy the requirements of the *acquis communautaire* in a number of areas. Implementing bodies may

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.

lack the necessary expertise, knowledge and experience to carry out these tasks. Therefore, it is essential to create an envelope for unspecified institution building needs (e.g. training, technical assistance, etc.). This envelope will cover a series of demand-driven requests such as short term twinning and technical assistance, which could include as well study visits to EU Member States, attendance to accession related conferences and meetings/workshops by the Albanian administration. This support will allow project preparation and implementation in a quick and effective manner. Also, this support will be able to cover unforeseen emerging needs, which might stem from the development of the political situation in the country, in particular with view to the upcoming election period in 2013.

Finally, Albania has made a significant progress towards the preparation of IPA Components III and IV. Draft texts of the programming documents, notably the Strategic Coherence Framework and the Operational Programmes, have been prepared and consulted with DG ELARG, DG REGIO and DG EMPL. Despite the fact that Albania is not yet a candidate country, and has therefore no access yet to the Component III and IV, the priority identification is so far advanced, that this project foresees an envelope to prepare necessary documents for a dedicated project pipeline. This will help Albania to start more smoothly programme implementation under the relevant policy areas in the next financial perspective.

2.2 LINK WITH MIPD AND NATIONAL SECTOR STRATEGIES

Chapter 3.2.3. of the MIPD 2011-2013 on Public Administration Reform outlines as specific objectives to support horizontally the sectors of the administration responsible for implementation of the SAA provisions and those involved in implementation of the EU financial assistance, including preparation for Decentralised Implementation System (DIS) and to improve policy coordination/strategic planning and better aligning policy framework with European Integration Agenda and medium term budget planning at the central and line ministries level.

Furthermore, the MIPD foresees priority sectors, which are directly linked to the preparation of Components III and IV, notably the sectors Transport, Environment and Climate Change as well as Social Development. Therefore, one of the MIPD priorities is to support acquis-related issues, in particular, administrative capacity, adoption and enforcement of legislation and related investments in the transport sector, social sector, as well as in the environment, climate change and agriculture sectors. In particular for the later, a well prepared project pipeline is essential.

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

The project will enhance the authorities' ability to prepare projects that help Albania meet the full range of its priorities deriving from the European Partnership and Multi-annual Indicative Planning Document, as well as from the Stabilization and Association Agreement (SAA). This project has been designed in a flexible manner to support also the initiatives contributing to such projects.

The Commission Opinion 2010 on Albania's application for membership of the EU included 12 Key Priorities, which require for their fulfilment an enhanced capacity amongst many departments in key line ministries.

The Progress Report of 2011 states: "In order to fully play its role, the MoEI will require further resources in order to steer and manage the EU approximation process in full consultation with the relevant line ministries ..." (page 8)

2.4 PROBLEM ANALYSIS

As mentioned in the last Progress Report, despite the overall progress done during the last years, the overall capacity of the Ministry of European Integration and Line Ministries still needs strengthening. This project aims to support the technical capacity of the Ministry of European Integration and Line ministries in the preparation and implementation of activities defined in the IPA programmes as well as defined in the Action Plan of the Key Priorities. Getting closer toward the Component III and IV preparation, support is needed to build the necessary project pipeline as well as capacities of relevant Line Ministries in project management and monitoring.

The activities and tasks listed under this project serve the purpose of supporting acquis alignment and implementation through creation of an envelope for unspecified institution building needs. The support will be provided in cases where an initial proposal is considered to correspond to a priority for IPA financial assistance, but where further efforts are needed to design and appraise mature projects ready for implementation under the ongoing or upcoming IPA financial assistance programmes.

Another area where additional short-term interventions in Albania are required is related to the preparation and implementation of the EU financed projects. In many cases thorough project implementation documentation in the form of tender dossiers, technical specifications or terms of reference need to be drafted in order to initiate the tender procedures for acquiring the services, works or supplies required.

The eligible applicants for these components are the line ministries and public institutions/agencies and their staff directly involved in the EU accession process and management of IPA.

Additionally, the preparation for Component III and Component IV needs to be further developed with view to a smooth transition towards the next financial perspective.

2.5 LINKED ACTIVITIES AND DONOR COORDINATION

Under IPA 2008 programme a technical assistance support to the Department of Public administration has been provided in order to strengthen the reform of the public administration.

A project preparation facility (PPF) under IPA 2008 has been provided directly to the Ministry of European Integration and Line Ministries implemented through indirect centralised management with Austrian Development Agency (ADA).

Under IPA 2009 further PPF assistance has been provided to Ministry of European Integration and Line Ministries.

Support to the DIS process has been provided under IPA 2007 and another is currently under implementation through IPA 2009.

IPA 2010 also included a PPF which is currently implemented.

2.6 Lessons learned

In the previous programming exercises it appeared that the programming process is still partly suffering of weak technical capacity and specialised expertise of the beneficiary institutions of IPA support. The availability of specialised expertise will further improve the programming identification and implementation, in particular with the move towards more sector approach.

At the same time, a continuous challenge remains: some of institutions have been hampered by lack of appropriate capacities, including high turn over of staff. In this regard, the project will provide sufficient support in order to strengthen current capacities in the Ministry of European Integration, line ministries and other appropriate bodies both for coordination of legal approximation, drafting/implementation of legislation as well as project implementation.

3 DESCRIPTION

3.1 OVERALL OBJECTIVE OF THE PROJECT

The overall objective of this project is to strengthen the capacity and accountability of the Ministry of European Integration and Line Ministries and to guarantee quality of services and a sustainable role of GoA in the planning, programming and implementation of the IPA national programme, in order to prepare better for EU membership.

3.2 SPECIFIC OBJECTIVE(S) OF THE PROJECT

Effective and efficient management and absorption of EU pre-accession funds and strengthened technical and administrative capacity of the Albanian administration in relation to the European Integration process.

Preparation of an adequate project pipeline for Component III and IV related projects, in order to prepare a smooth transition to the next financial perspective.

3.3 RESULTS

Result 1: Upon its completion, the project should have resulted in the preparation of well justified, mature and good-quality project or sector proposals, tender documentations and proper and timely implementation of IPA programmes.

Result 2: Preparation of an adequate project pipeline, including necessary capacity building, in order for the Operational Programmes (linked to Regional and Human Resources Development) to start smoothly in the next financial perspective.

3.4 MAIN ACTIVITIES

1.1. Identification of the capacity building needs of relevant bodies for the adoption and implementation of the EU *acquis*.

1.2. Contracting and implementation of twinning light projects with EU Member States, TA for *acquis* related studies (needs and gap analyses, action plan drafting, strategy development, legal work, training, etc.).

1.3. Within the twinning light or technical assistance projects organisation of training, study-visits, management, organizational and other expert advice - to support beneficiary

institutions in developing / upgrading necessary *acquis* related technical know-how and management skills

1.4. Support in preparation of project documentation as well as any analysis, study, survey, review, assessment or monitoring that is in relation with Albania's EU accession process and/or pre-accession instruments.

1.5. Support measures related to urgent political needs that may arise from the fulfilment of the Key Priorities and/or the political development in the country.

2.1. Implementation of support measures for preparation of a project pipeline related to IPA Component III or IV in the form of drafting of (pre-)feasibility and impact studies and carrying out (pre-)investment studies (environmental impact assessments, business plans, market studies, economic and cost-benefit analysis, investment appraisals, etc.) for the upcoming investments and preparation of procurement documents (terms of reference, technical specifications, bills of quantities, guidelines for grant schemes and other supporting documents for tender dossiers);

2.2. Improvement of the administrative capacity in the relevant line Ministries dealing with Component III and IV relevant projects.

Activities 1.1 to 1.5 will be implemented through several twinning light, service contracts and/or direct agreements.

Activities 2.1. and 2.2. will be implemented through several service contracts.

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

Projects that will be finance under this envelope will bring technical knowledge, best practices, recommendations, organisation plans, training plans which will be translated in appropriate changes in the legal framework and incorporated the daily work of the Albanian institutions.

The project is likely to result in better performance of the Government and Governmental institutions in the fulfilment of its functions, and in better inter-institutional cooperation.

The project is expected to improve the quality of managing EU pre-accession assistance, both in terms of effectiveness and efficiency. The expected outcomes are expected to result in reduced levels of rejection of procurement documentation/transaction submitted to the EU Delegation (with view to expected conferral of management powers in 2013 for Component I). As far as the long term effects are concerned, it is expected that the project will contribute to an increase in the overall absorption rate of EU pre-accession assistance.

A proper project pipeline for Component III and IV related projects will ensure a smooth transition to the next financial perspective.

3.6 SUSTAINABILITY

The foreseen impact of the project is better programming and enhanced ownership and sustainability of IPA projects. The present support could also be used for follow up, monitoring and evaluations (technical and financial) of projects in order to ensure efficiency,

effectiveness and impact in line with the identified objectives and in line with EU financial regulations.

By 2013, Albania will have already invested considerable financial and human resources to set up the structures and systems for implementation of financial assistance under the rules and procedures of the current IPA – for all IPA Components. It is expected that the instrument and regulations that will derive from the new financial perspective 2014-2020 should take account of this in order to ensure a seamless move to the new period without jeopardizing efforts already made.

3.7 ASSUMPTIONS AND PRE-CONDITIONS

One main condition required for this project is that Albanian Line Ministries are sufficiently staffed and IPA contact points, including SPOs, remain committed to the process. Relevant human and financial resources will be allocated by the Albanian Authorities.

Finally, to make all responsible bodies and institutions ready for accreditation to the Decentralized Implementation System, in particular regarding Components II to V, it is necessary that all involved institutions are duly following the Road Map requirements for Decentralized Implementation System.

4 IMPLEMENTATION ISSUES

Activities 1.1. to 1.5. will be implemented through several twinning light, framework, service contracts or direct agreements. A Steering Committee (SC) that will be established for this component will have a decision making role in selecting individual projects. The Steering Committee will be co-chaired by the MEI and EUD. Potential applicants will be obliged to submit project proposals for agreement and approval to the SC. The potential project proposals should be submitted based on the priorities defined in Needs Assessment Documents, MIPD, Key Priorities Action Plan or annual EC Progress Reports. Projects will be submitted first in the form of concepts and will be assessed by the EUD and MEI. After EUD/MEI initial approval of a project concept, the project will be developed in the full format and submitted to the Steering Committee for approval. EUD and MEI will prepare the rules of procedures for the functioning of the Steering Committee. These rules of procedures will regulate relevant procedure and applicable templates.

Activities 2.1. to 2.2. will be implemented through several Service Contracts. The priorities according to the draft Operational Programmes for Component III and IV shall serve as guidance.

4.1 INDICATIVE BUDGET

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

PROJECT TITLE			SOURCES OF FUNDING									
			TOTAL EXPENDITURE	IPA CONTRIBUTION		NATIONAL CONTRIBUTION					PRIVATE CONTRIBUTION	
	IB (1)	INV (1)	EUR (a)=(b)+(c)+(d)	EUR (b)	% (2)	Total EUR (c)=(x)+(y)+(z)	% (2)	Central EUR (x)	Regional/Local EUR (y)	IFIs EUR (z)	EUR (d)	% (2)
Activity 1	x	-	2.506.000	2.506.000	100							
contracts 1.1. – 1.5.	x	-	2.506.000	2.506.000								-
Activity 2			1.200.000	1.200.000	100							
contracts 2.1-2.2	x	-	1.200.000	1.200.000	100							-
TOTAL IB			3.706.000	3.706.000								
TOTAL INV												
TOTAL PROJECT			3.706.000	3.706.000	100							

NOTE: DO NOT MIX IB AND INV IN THE SAME ACTIVITY ROW. USE SEPARATE ROW

Amounts net of VAT

(1) In the Activity row, use "X" to identify whether IB or INV

(2) Expressed in % of the **Total** Expenditure column (a)

4.2 INDICATIVE IMPLEMENTATION SCHEDULE (PERIODS BROKEN DOWN BY QUARTER)

Dates indicated in the schedule cannot go beyond the contracting and execution deadlines in the financing proposal

Contracts	Start of Tendering/ Call for proposals	Signature of contract	Project Completion
Contract 1.1.-1.5. Multiple contracts over the lifetime of the project (specific contracts under existing framework contracts, twinning lights, supply contracts, service contracts).	1st Q after signing of Financing Agreement and ongoing thereafter	Ongoing from 1st Q after signing of Financing Agreement	Q4 2015
Contract 2.1.-2.2. Multiple contracts over the lifetime of the project (specific contracts under existing framework contracts, twinning lights, supply contracts, service contracts).	1st Q after signing of Financing Agreement and ongoing thereafter	Ongoing from 1st Q after signing of Financing Agreement	Q4 2015

ToRs and twinning light fiches will be prepared by beneficiary institutions in close cooperation with the EUD.

4.3 CROSS CUTTING ISSUES

4.3.1 *Equal Opportunities and non discrimination*

Equal participation of women and men will be secured through appropriate information and publicity material, in the design of projects and access to the opportunities they offer. An appropriate men/women balance will be sought on all the managing bodies and activities of the programme and its projects.

4.3.2 *Environment and climate change*

Envisaged project activities do not require any environmental considerations. However, one part of the project will be used for the preparation of Environmental Impact Assessments for Component III like projects.

4.3.3 *Minorities and vulnerable groups*

The project will in no way harm the rights of any individuals, including minorities and vulnerable groups, however, there is possibility to support project preparation documents for projects that will directly deal with minorities and vulnerable groups.

4.3.4 *Civil Society/Stakeholders involvement*

Civil Society Organisations shall be consulted in particular with regard to the preparation of design and tender documents, including EIA, for Component III type projects.

ANNEXES

Documents to be annexed to the Project fiche

- 1. Log frame**
- 2. Description of Institutional Framework**
- 3. Reference list of relevant laws and regulations**
- 4. Details per EU funded contract**
- 5. Project visibility activities**

ANNEX 1: Logical framework matrix in standard format

LOGFRAME PLANNING MATRIX FOR Project Fiche		Project title and number		
		Contracting period expires three after the signature of the financing agreement		Execution period expires
		Total budget	EUR 3.706 million	
		IPA budget:	EUR 3.706 million	
Overall objective	Objectively verifiable indicators (OVI)	Sources of Verification		
Strengthen the capacity and accountability of the Ministry of European Integration and Line Ministries and to guarantee quality of services and a sustainable role of GoA in the planning, programming and implementation of the IPA national programme, in order to prepare better for EU membership.		EC Annual Progress Report		
Specific objective	Objectively verifiable indicators (OVI)	Sources of Verification	Assumptions	
Effective and efficient management and absorption of EU pre-accession funds and strengthened technical and administrative capacity of the Albanian administration in relation to the European Integration process.	Better compliance of the national legislation with EU <i>acquis</i> and better preparation as well as implementation of IPA projects.	EC Annual Progress Report, IPA Monitoring Committees	Continuous support of the MEI and line Ministries to European Integration process	
Preparation of an adequate project pipeline for Component III and IV related projects, in order to prepare a smooth transition to the next financial perspective.	High quality documents for Component III and IV like projects prepared.	Documents prepared.		
Results	Objectively verifiable indicators (OVI)	Sources of Verification	Assumptions	
<p>Result 1: Upon its completion, the project should have resulted in the preparation of well justified, mature and good-quality project or sector proposals, tender documentations and proper and timely implementation of IPA programmes.</p> <p>Result 2: Preparation of an adequate project pipeline, including necessary capacity building, in order for the Operational Programme to start smoothly in the next financial perspective.</p>	<p>Increased number of draft laws and by-laws aligned with the EU legislation;</p> <p>Increased of EU legal acts transposed into draft laws and by-laws;</p> <p>Quantity, quality and impact of capacity building activities (such as workshops, trainings, study visits if appropriate); participation in the activities and results;</p> <p>Aligned structures, procedures and other Decentralized Implementation System;</p> <p>Adequate numbers of project preparation documents prepared, such as pre-feasibility studies, design studies, EIA documents.</p>	EC Annual Progress Report, IPA Monitoring Committees, monthly meetings between EU/MEI	There is inter-institutional agreement between relevant line Ministries and MEI about priority projects that should be supported under this project.	

Activities to achieve results	Means / contracts	Costs	Assumptions
<p>1.1. Identification of the capacity building needs of relevant bodies for the adoption and implementation of the EU acquis.</p> <p>1.2. Contracting and implementation of twinning light projects with EU Member States, TA for acquis related studies (needs and gap analyses, action plan drafting, strategy development, legal work, training).</p> <p>1.3. Within the twinning light or technical assistance projects organisation of training, study-visits, management, organizational and other expert advice - to support beneficiary institutions in developing / upgrading necessary acquis related technical know-how and management skills</p> <p>1.4. Support in preparation of project documentation as well as any analysis, study, survey, review, assessment or monitoring that is in relation with Albania's EU accession process and/or pre-accession instruments.</p> <p>1.5. Support measures related to urgent political needs that may arise from the fulfilment of the Key Priorities and/or the political development in the country.</p> <p>2.1. Implementation of support measures for preparation of a project pipeline related to IPA Component III or IV in the form of drafting of (pre-)feasibility and impact studies and carrying out (pre-)investment studies (environmental impact assessments, business plans, market studies, economic and cost-benefit analysis, investment appraisals etc) for the upcoming investments and preparation of procurement documents (terms of reference, technical specifications, bills of quantities, guidelines for grant schemes and other supporting documents for tenders dossiers);</p> <p>2.2. Improvement of the administrative capacity in the relevant line Ministries dealing with Component III and IV relevant projects.</p>	<p>Activities 1.1.-1.5. twinning light, service contracts, direct agreements or framework contracts.</p> <p>Activities 2.1.-2.2. Service contracts</p>	<p>EUR 2.506 million</p> <p>EUR 1.20 million</p>	<p>One main condition required for this project is that Albanian Line Ministries are sufficiently staffed and IPA contact points, including SPOs, remain committed to the process. Relevant human and financial resources will be allocated by the Albanian Authorities.</p> <p>Finally, to make all responsible bodies and institutions ready for accreditation to the Decentralized Implementation System, in particular regarding Components II to V, it is necessary that all involved institutions are duly following the Road Map requirements for Decentralized Implementation System.</p>

Preconditions:

- Before implementation of unallocated envelope starts, priority projects that will be implemented under this envelope must be identified and agreed between relevant stakeholders.

ANNEX 2: Description of Institutional Framework

The EU Delegation will be the responsible body for contracting of the individual Technical Assistance contracts which will operate within the Ministry of European Integration. Reporting will be to both the Ministry of European Integration and the EU Delegation. This project will benefit the Ministry of European Integration and all other Ministries or institutions closely aligned to the EU integration process.

In order to ensure smooth implementation of this project a Steering Committee will be established. This will be chaired by the EUD and MEI and it is expected that other line ministries will participate in the Steering Committee.

ANNEX 3: Reference list of relevant laws and regulations

- N.A.

ANNEX 4: Details per EU funded contract (*) where applicable:

Activities 1.1 to 1.5. will be implemented through several twinning light, service contracts or direct agreements.

Activities 2.1. to 2.2. will be implemented through several service contracts.

ANNEX 5: Project visibility activities

Beneficiary and Contractor shall respect the EC's visibility guidelines in all communication activities undertaken by the project (briefings, presentations, press conferences, trainings and other events) and in the production of all visual communication tools (publications, fax headers, business cards, advertising material etc.).