

Project Fiche – IPA National programmes / Component I

1 IDENTIFICATION

Project Title	Support for Participation in Union Programmes
CRIS Decision number	2013/023-583
Project no.	10
MIPD Sector Code	9. Support and other activities
ELARG Statistical code	4.65
DAC Sector code	43310 – Multi-sector aid
Total cost (VAT excluded) ¹	€1,245,211
EU contribution	€622,605
Management mode	<i>Centralised</i>
<i>Centralised management:</i> EU Delegation in charge	Delegation of the European Union to Montenegro
Implementation management	Delegation of the European Union to Montenegro
Implementing modality	Stand alone project
Project implementation type	
Zone benefiting from the action(s)	Montenegro

2 RATIONALE

2.1 PROJECT CONTEXT: ISSUES TO BE TACKLED AND NEEDS ADDRESSED

EU Programmes are a series of integrated measures accepted by the European Commission aimed at strengthening the co-operation among the Member States regarding EU policies for a period of time. EU Programmes are financed from the general budget of the European Union, covering different areas: from environmental protection, energy and transport to the development of entrepreneurship and competitiveness, and they represent significant

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.

instruments for defining and conducting internal EU policies. Montenegro has the opportunity to participate in these programmes; however, as a main condition of participation, an annual fee has to be paid to the budget. This action represents an opportunity for Montenegro to be better prepared for accession and also to familiarise itself with EU policies and working methods.

2.2 LINK WITH MIPD AND NATIONAL SECTOR STRATEGIES

The project will contribute to all sectors of the MIPD by encouraging Montenegro's participation in several EU programmes before its accession, thus contributing to its preparation and to better absorption of funds and better implementation of projects after its accession.

Link with National Development Plan (where applicable): not applicable.

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

Protocol 8 of the Stabilisation and Association Agreement provides the legal basis by establishing the general principles of Montenegro's participation in Union Programmes. It specifies that:

- Montenegro shall contribute financially to the general budget of the European Union corresponding to the specific programmes in which it participates,
- the specific terms and conditions for its participation in each particular programme will be determined by agreement, in the form of a Memorandum of Understanding, between the European Commission and Montenegro,
- Montenegro may apply for Community external assistance under IPA, and the conditions governing the use by Montenegro of the Community assistance shall be determined in a financing agreement.

In the **National Plan for Integration** (NPI) of Montenegro, Union Programmes are expected to be part of the pre-accession strategy to EU.

2.4 PROBLEM ANALYSIS

The objective of the participation of candidate countries and potential candidates in Union programmes is to enable the countries to familiarise themselves with the methods and policies of the European Union.

The "*Thessaloniki Agenda for the Western Balkans: Moving towards European Integration*", endorsed at the European Council on 20 June 2003 indicates that the "*Union programmes will be opened to SAP countries along the lines established for the participation of candidate countries.*"

Consequently, Framework Agreements similar to the ones concluded with the candidate countries have been signed with all the Western Balkan countries to establish the general principles for their participation in Union programmes. The former state union of Serbia and

Montenegro had signed Framework Agreement on participation in Union Programmes on 29th June 2005, which came into force on 27 July 2005.

Following Montenegro's independence, as Montenegro was not covered any more by the Framework Agreement signed with Serbia and Montenegro, its provisions were included in the Stabilisation and Association Agreement signed with Montenegro, as its Protocol 8².

In accordance with the Protocol 8 of the Stabilisation and Association Agreement, the specific terms and conditions regarding each particular programme, in particular the financial contribution payable (the "entry ticket"), are determined by agreement, in the form of a Memorandum of Understanding (MoU), between the Commission and Montenegro.

It is therefore beneficial for the country's progressive integration into the EU networks to join a wide range of programmes before its accession. The entry tickets to be paid would however have constituted a serious obstacle for the authorities of Montenegro to agree on Montenegro's participation if they would have to be covered entirely by the State budget. Such a participation in a wide range of programmes in different areas would not have been possible without the guarantee of IPA partial reimbursement.

IPA programming experience has shown that line ministries should increase their planning capacities. In order for IPA funds to be available for reimbursement during the participation of the country in a given year, IPA funds need to be earmarked in the IPA national programme of the previous year. Montenegro should carefully plan financial contributions, as the part of the entry ticket which is financed from the State budget should increase progressively during the participating years.

MoUs have already been in force with Montenegro concerning EU programmes established under the Multi-annual Financial Framework (MFF) 2007-2013, such as the Seventh Framework Programme for Research and Development (FP7), the Entrepreneurship and Innovation Programme (EIP), Culture 2007-2013 Program, ICT Policy Support Programme 2011 and Customs 2013.

Following the opening of the accession negotiations with Montenegro on 29 June 2012, Montenegro will renew its commitment to the participation in EU programmes during the next period as well, covered by the MFF 2014-2020. Without prejudice to the decision of the Council and Parliament on the MFF 2014-2020 and on the specific EU programmes that will be established for this period, this project will provide IPA support to Montenegro's participation in EU programmes in 2014 and following years.

Further details on the institutional set up are provided under Annex 2 of this project fiche.

2.5 LINKED ACTIVITIES AND DONOR COORDINATION

² In Article 1 of the Protocol 8, it is mentioned that Montenegro may participate in the following Union Programmes stipulated in Annex to the *Framework Agreement between the European Union and Serbia and Montenegro on general principles of participation of Serbia and Montenegro in the Union Programmes* (O.J. L92, 22. 7. 2005., p. 29) and in the programmes introduced or amended after the 27th of July 2005 as well as in those mentioned in the introductory clause of Montenegrin participation.

Previous annual IPA programmes were used to co-finance the financial contribution ("entry-ticket") paid the previous years by Montenegro for its participation in the Community/Union programmes.

2.6 Lessons learned

The experience of neighbouring countries shows that participation in Union programmes is an extremely important feature of a successful pre-accession strategy. The benefits drawn from participation in the EU programmes should not be measured by the number of projects submitted by or involving these countries. Rather through the country's participation in the EU programmes, its citizens, companies and national administrations of the candidate countries or potential candidates are joining in co-operation and exchange networks with their counterparts in EU countries in very different areas.

For instance, Montenegrin researchers did not participate significantly in 6th Framework Programme for Research, and Montenegro took part only in 4 projects: ERA West Balkan, SEE-ERA-NET, SEEREN2 and SEEGRID2. Even though this participation was weak, it contributed to building up the capacity of the Ministry, and setting the grounds for development of networks between Montenegrin researchers and those from the region, as well as their partnerships with European researchers. New opportunities were open not only to the experienced researchers, but to young scientists as well, which is considered to be an important feature of this process. However, participation in the first two years of FP7 has shown that the number of successful projects with Montenegrin participants is increasing, and it is expected that the positive trends will continue through the Programme implementation, especially since institutional support to participants has developed.

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3 DESCRIPTION

3.1 OVERALL OBJECTIVE OF THE PROJECT

To support the beneficiary country to participate in a wide range of Union Programmes, thus contributing to the preparation of Montenegro's accession and to the understanding of European Union policies and underpinning values by institutions and citizens of Montenegro.

3.2 SPECIFIC OBJECTIVE(S) OF THE PROJECT

To co-finance the costs of the "entry-tickets" which Montenegro needs to pay in accordance with the relevant Memoranda of Understanding establishing its participation in Union programmes in areas such as education, health, science, culture, employment, entrepreneurship and innovation, taxation and custom systems.

3.3 RESULTS

Ensured swift reimbursement of the IPA part of the entry tickets following the payment by Montenegro for the Union programmes for which a Memorandum of Understanding is in force (.

Indicator: Date of effective payment by Montenegro of its entry-tickets and date of transfer of IPA funds, as a partial reimbursement.

3.4 MAIN ACTIVITIES

The main activity consists of providing IPA funds as reimbursement of a part of the entry ticket for participation in the Union Programmes for which a Memorandum of Understanding is in force.

The EU contribution to the entry ticket will be negotiated between the beneficiary and the EC, normally before the MoU is signed. The participation of the beneficiary in Union Programmes shall follow the specific terms and conditions set out for each such programme in the MoU.

The Montenegrin Government has a commitment, not only to provide for the national co-financing, but also to advance the funds necessary for the payment of the total entry ticket, before it gets the partial IPA reimbursement.

The main conditionality is signature of the Memorandum of Understanding on participation in selected Union Programmes between the European Commission and the Government of Montenegro which is a precondition for participation.

Under the current Multi-annual Financial Framework for the period 2007-2013, Montenegro has signed MoUs to participate in the FP7, CIP EIP, CIP ICT PSP, Culture and Customs 2013 programmes, and MoUs are expected to be signed for the centralised actions of the Lifelong Learning Programme and for the Europe for Citizens programme. These MoUs will apply for the duration of the current programmes. Following the adoption of next Multi-annual Financial Framework for the period 2014-2020 new programmes will succeed to the current ones and new MoUs will have to be signed to ensure the continuation of Montenegro's participation in the successor programmes.

Sequencing:

- After the adoption of the decisions establishing the EU programmes for the period 2014-2020, the various Commission services responsible for the different programmes will sign MoUs with Montenegro for its participation in the new programmes starting in 2014 in areas such as education, health, science, culture, citizenship, employment, entrepreneurship and innovation, taxation and custom systems

After the signature of the IPA Financing Agreement, the responsible line ministries will sign a contribution agreement with the EU Delegation for each programme or group of programmes under their responsibility according the following sequence:

- At the beginning of 2014, or after the signature of the MoU and at the beginning of the following years, the various Commission services responsible for the different programmes will send to the Mission of Montenegro to the EU a request for the total financial contribution (“entry ticket” for the participation in a given programme or agency (“call for funds”).
- The responsible line ministries must ensure the timely payment of the total entry ticket, within the deadlines requested in the call for funds. When making the payment for each programme, the authority in charge should quote the reference number indicated in the call for funds for the programme concerned, and send simultaneously a copy of the payment order to the relevant Commission service, to the EU Delegation and to the National IPA Coordinator.
- Upon reception of the copy of the payment order, the EU Delegation prepares the contribution agreement for each programme or group of programmes to be signed with the responsible line ministries or the National IPA Coordinator³.
- IPA funds are then transferred as reimbursement of a part of the contribution paid, on the basis of a specific contribution agreement and the request for funds by the beneficiary with a proof of payment. In case the IPA funds are transferred to the National IPA Coordinator⁴, the National IPA Coordinator then transfers the amount of the IPA support for each programme to the authority, which made the payment of the financial contribution to the programme concerned.

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

For Montenegro, participation in Union Programmes represents a major step in meeting the criteria towards EU accession in the field of science, culture, employment, entrepreneurship and innovation. It represents a key measure to make the country and its citizens familiar with the Union’s policies and working methods.

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

Participation in Union programmes will also encourage the active involvement of public and private institutions, NGOs, civil society institutions, universities to benefit from the EU accession process. It is expected that the knowledge and skills developed through participation in Union Programmes will be retained within the participating institutions and within the

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responsible ministries. It is also expected that the institutions will be able to maintain and develop the EU networks established through Union programme participation into longer term formal and informal collaboration.

3.6 SUSTAINABILITY

Through the participation in EU Programmes, Montenegro will continue to build knowledge and capacities of different stakeholders dealing with European issues and projects; actively participate in the implementation of the EU policies; support different activities of institutions, small and medium enterprises; intensify international cooperation and initiate mobility in relation to EU countries and thus become deeper involved into the European integration process.

Participation in EU Programmes will encourage the active involvement of public and private institutions, NGOs, civil society institutions and universities to benefit from the EU accession process. It is expected that the knowledge and skills developed through participation in EU Programmes will be retained within the participating institutions and within the responsible ministries.

3.7 ASSUMPTIONS AND PRE-CONDITIONS⁵

The responsible line ministries ensure the timely payment of the total entry ticket, as well as timely and documented requests for reimbursement. Responsible ministries continuously facilitate the support to the applicant's participation in the programmes.

4 IMPLEMENTATION ISSUES

The activity will be implemented as a reimbursement of a part of the entry ticket after the entry ticket has been paid, on the basis of a specific contribution agreement.

4.1 INDICATIVE BUDGET

⁵ Assumptions are external factors that have the potential to influence (or even determine) the success of a project but lie outside the control of the implementation managers. Such factors are sometimes referred to as risks or assumptions but the Commission requires that all risks shall be expressed as assumptions. Pre-conditions are requirements that must be met before the sector support can start.

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

PROJECT TITLE			TOTAL EXPENDITURE*	SOURCES OF FUNDING								
				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)
Entry Ticket for selected EU Programmes	X		To be established in the MoUs, up to a maximum of 1,245,211	622,605								
The new Education, Youth and Sport Programme	X	-			50%		50%					-
Creative Europe	X	-			50%		50%					-
Europe for Citizens	X	-			50%		50%					-
Entry ticket for EU Programmes	X				50%		50%					
Entry ticket for EU Programmes	X	-			50%		50%					-
TOTAL IB			1,245,211	622,605	50%	622,606	50%					-
TOTAL INV			-	-								
TOTAL PROJECT			1,245,211	662,605	50%	622,606	50%					-

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))

*The total expenditure, ie the exact total financial contribution to be paid by Montenegro for the participation in the listed programmes that is or will be specified in the Memorandum of Understanding establishing the terms and conditions for participation in the Union Programme concerned.

In situations where exceptionally the entry ticket is less than initially foreseen in this project fiche, any leftover amounts from IPA contribution, if the amount is sufficient, may be used to reimburse the entry tickets for additional Union Programmes not included in the table above, or to increase the IPA rate of co-financing for the programmes where the rate is currently below the relevant European Commission guidelines.

4.2 INDICATIVE IMPLEMENTATION SCHEDULE (PERIODS BROKEN DOWN BY QUARTER)

Contracts	Signature of the MoU	Call for funds by line DGs, and payment of entry ticket by Beneficiary	Signature of contract (IPA contribution agreement)	IPA reimbursement and Project Completion (contract closure)
The new Education, Youth and Sport Programme	Q4 2013	Q1 2014	Q2 2014	Q3 2014
Creative Europe	Q4 2013	Q1 2014	Q2 2014	Q3 2014
Europe for Citizens	Q4 2013	Q1 2014	Q2 2014	Q3 2014
....				

This indicative implementation schedule is subject to the adoption of the decisions establishing the new programmes for the period 2014-2020 during the first semester 2013.

4.3 CROSS CUTTING ISSUES

Not relevant for this project which consists only in a transfer of funds to reimburse the country after it has paid its entry ticket.

Participation of the country in the EU programmes follows the EU programmes rules and selection criteria

ANNEX 1: Logical framework matrix in standard format

LOGFRAME PLANNING MATRIX FOR Project Fiche		Project title and number		
		Contracting period expires		Execution period expires
		Total budget	€1,245,211	
		IPA budget:	€622,605	
Overall objective	Objectively verifiable indicators (OVI)	Sources of Verification		
The overall objective of the project is to support the beneficiary country to participate in Union Programmes	Number of programmes in which the country is participating	MoUs signed		
Specific objective	Objectively verifiable indicators (OVI)	Sources of Verification		Assumptions
Co-finance the costs of the "entry-tickets" which the beneficiary country has to pay for the participation in Union Programmes.	Payments to the beneficiary in order to co-finance the various entry tickets	CRIS		EUD process the reimbursement of the costs of the "entry-tickets"
Results	Objectively verifiable indicators (OVI)	Sources of Verification		Assumptions
Ensured and swift reimbursement of a part of the entry tickets for the programmes for which MoUs are in force	Date of effective payment by Montenegro of its entry tickets and date of transfer of IPA funds as a partial reimbursement	CRIS and information from the country, the EU Delegation and from the line DGs.		<p>The line ministries ensure the timely payment of the total entry ticket and timely and documented requests for reimbursement</p> <p>When paying the entry ticket, the responsible line ministry sends a copy of the payment order to the line DG, to the EU Delegation and to the National IPA Coordinator.</p>
Activities to achieve results	Means / contracts	Costs		Assumptions
To co-finance the participation of the beneficiary in the selected Union Programmes	Partial reimbursement of the "entry ticket" to the Union programmes	See section 4 of PF		Signature and if necessary ratification of the respective MoU.

ANNEX 2: Description of Institutional Framework

The beneficiaries are governmental institutions (ministries) which are in charge of the coordination of the selected Union Programmes and the Ministry of Foreign Affairs and European Integration, which is in charge of the overall coordination of the Union programmes.

The Ministry of Foreign Affairs and European Integrations governs the association and accession process of Montenegro to the EU, coordination of the negotiation process with the EU, coordination of the harmonisation of Montenegrin legislation with the EU legislation, coordination of translation and management of data basis for the process of support to the translation process and coordination and evaluation of the programmes of technical and financial EU support

For each selected programme, the respective line Ministry will be responsible for coordination of project activities as follows. This list refers to the administrative organisation relevant for the EU Programmes decided under the 2007-2013 MFF and may have to be updated following the adoption of the MFF 2014-2020 and of the successor programmes period:

Union Programme	Line Ministry in charge of coordination
Horizon 2000:	Ministry of Science Branka Zizic e-mail: branka.zizic@gov.me phone: ++382 67 808 222
	Ministry for Economy Maja Jokanovic e-mail: maja.jokanovic@gov.me phone: ++382 20 482 302
	Ministry for Information Society Ivan Lazarevic, Ministry for Information Society, Department for International Cooperation and European Integration e-mail: ivan.lazarevic@gov.me phone: ++382 69 042 785
Creative Europe	Ministry of Culture Aleksandra Boskovic e-mail: aleksandra.boskovic@gov.me phone: ++382 69 372 933
The new Education, Youth and Sport Programme	Ministry of Education and Sports
Europe for Citizens	
	Ministry of Finance and Customs Administration Azra Becovic,

Union Programme	Line Ministry in charge of coordination
	Custom administration, Department for international customs cooperation e-mail: cooperation@carina.gov.me phone: ++382 20 442 021

ANNEX 3: Reference list of relevant laws and regulations only where relevant

Not applicable

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

Not applicable

ANNEX 5. Project visibility activities

Participants on EU-funded training courses, conferences, seminars etc. on the EU programmes will be made aware that the EU is co-financing the entry tickets. Possible communication tools includes: stationery, report presentation, display panels, press conferences, newsletters, web pages, promotional items etc.