

ANNEX

to the Commission Implementing Decision adopting an Annual Action Programme for Kosovo* for the year 2019 – Part II

Annual Work Programme This document constitutes the annual work programme in the sense of Article 110(2) of Regulation (EU, Euratom) 2018/1046

1 IDENTIFICATION

Beneficiary	Kosovo
Basic act:	Instrument for Pre-accession Assistance (IPA-II)
CRIS/ABAC Commitment references and budget line(s):	2019 / 041 247 / EUR 6 000 000 - 22.02.01.01 2019 / 041 248 / EUR 42 360 000 - 22.02.01.02
Total cost:	EUR 49 360 000
EU Contribution:	EUR 48 360 000
Method of implementation	Direct management by the European Commission
Final date for concluding <u>Financing Agreement(s)</u> with the IPA II beneficiary	31 December 2020
Final date for contracting, including the conclusion of contribution/delegation agreements	3 years following the date of conclusion of the Financing Agreement
Indicative operational implementation period	6 years following the date of conclusion of the Financing Agreement.
Final date for implementing the Financing Agreement (date by which this programme should be de-committed and closed)	12 years following the conclusion of the Financing Agreement.

2 DESCRIPTION OF THE ACTION PROGRAMME

2.1 SECTORS SELECTED UNDER THIS ACTION PROGRAMME

- *Rationale for the selection of the specific sectors under this programme:*

*This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

Under the Action Programme for Kosovo for the Year 2019 part II, the following sectors will be supported: Democracy and Governance (EU Approximation), Environment, Climate Action and Energy, Competitiveness, Innovation and Agriculture and Rural Development. The identified sectors are in line with the indicative strategy paper for Kosovo for 2014 - 2020 on 20 August 2014, revised on 10 August 2018¹.

- The main aim of the action under **democracy and governance** is to further support Kosovo's with approximation with the EU *acquis* through strengthening technical and administrative capacity of the administration in relation to Kosovo's European Reform Agenda, in implementing measures related to urgent political priorities in the framework of Kosovo's European perspective, including those that may arise from the EU facilitated dialogue for the normalisation of relations between Belgrade and Pristina. In addition, the action aims at supporting the public administration to improve the professional capacity of the civil service, to better serve Kosovo citizens, through ensuring continuation of the Young Cell Scheme.
 - The action under **environment, climate action and energy** aims to contribute to the protection of the environment through the decommissioning of three facilities of Kosovo A Thermal Power Plant (TPP) that are no longer in operation including associated facilities: i) gasification, ii) fertilizer and iii) heat plants. The resulting hazardous waste and other material will be safely transported and stored within the compound of Kosovo A TPP. In addition the cleaned area will be turned into a brownfield.
 - The overall objective of the action under **Competitiveness and Innovation** is to increase the efficiency and productivity of the private sector through increased use of Information and Communication Technologies (ICT), create proper and safer e-business/e-commerce ecosystem, and improve electronic service delivery for citizens and businesses. This action will contribute to Kosovo government efforts to digitalise and increase competitiveness and profitability of Kosovo businesses to promote products or services on websites, and accept online payments and instant orders. By providing a proper Electronic Identification (eID) system and a good environment for e-business/e-commerce, interoperability between Kosovo and Member States would be more productive and more efficient.
- ***Overview of past and on-going EU, other donors' and/or IPA II beneficiary's actions in the relevant sectors:***

In the sector of **democracy and governance** previous assistance focused on strengthening the capacity of Kosovo institutions, in transposing, applying and implementing the EU *acquis*, especially in areas covered by the Stabilisation and Association Agreement. Furthermore, support was provided for the effective and efficient management and absorption of IPA funds, the implementation of the EU facilitated dialogue for the normalisation of relations between Belgrade and Pristina and increases in effectiveness, independence and accountability of Kosovo's civil service. Experience confirms that this

¹ Decision C(2018)5031, adopted on 10.08.2018, amending Commission Decision C(2014)5772, adopted on 20.08.2014

type of assistance is particularly useful for responding quickly to urgent needs identified in the course of implementation of IPA assistance.

In the sector of **environment** during the last couple of years the Ministry of Environment and Spatial Planning and other relevant institutions like the Kosovo Environment Protection Agency, have received financial support from the EU and other donors in the areas such as: transposition and implementation of EU environmental *acquis*, development of strategic sector documents, for the set-up and implementation of accompanying reform measures, and for the preparation and implementation of several environmental infrastructure projects. The donor support in the area of waste management included both technical assistance and investments in infrastructure, mainly aiming the improvement of municipal services and preparation of several technical documents e.g. feasibility and Environmental Impact Assessment studies, detailed design, etc. Under IPA 2014, a more specific study for the decommissioning of Kosovo A TPP was carried out with the main objective to advise the EU and assist the Kosovo Energy Corporation (KEK), the government and other stakeholders to prepare a decommissioning plan for the overaged, environmentally polluting and inefficient TPP Kosovo A. The EU has been very active through a range of initiatives on improving the environment and the sector has benefited from a number of technical assistance projects.

Previous EU assistance under **competitiveness and innovation** sector, more specifically the ICT sector was provided through the Technical Assistance and Information Exchange (TAIEX) instrument only for the revision of policy and legislation, supporting the Regulatory Agency for Electronic Communications and Postal Services. Other donors such as the World Bank, United States Agency for International Development and others are involved in the sector and complementarities will be ensured when the specific activities of the action will be designed.

List of Actions foreseen under the selected Sectors/Priorities:

Sector/Priority/Action	Direct management	Indirect management	
		With entrusted entity	With IPA II beneficiary
Democracy and Governance			
EU <i>Acquis</i> Approximation Facility and Young Cell Scheme	EUR 6 000 000	/	/
TOTAL	EUR 6 000 000	/	/
Environment, Climate Action and Energy			
EU for Environment	EUR 38 360 000	/	/
TOTAL	EUR 38 360 000	/	/
Competitiveness, Innovation, Agriculture and Rural Development			
EU for Innovation	EUR 4 000 000	/	/
TOTAL	EUR 4 000 000	/	/

TOTAL	EUR 48 360 000	/	/
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2.2 DESCRIPTION AND IMPLEMENTATION OF THE ACTIONS

The envisaged assistance is deemed to follow the conditions and procedures set out by the restrictive measures adopted pursuant to Article 215 TFEU².

SECTOR	Democracy and Governance	EUR 6 000 000
Action 1	EU <i>Acquis</i> Approximation Facility and Young Cell Scheme (YCS)	EUR 6 000 000

(1) Description of the Action, objectives, expected results and key performance indicators

- Description of the action and objectives

The overall objective of the action is to facilitate the approximation with the EU *acquis* by enhancing capacities of the Kosovo administration for efficient use of IPA funds and for an efficient and professional Civil Service at all levels in Kosovo.

The specific objectives of the action are:

- To strengthen technical and administrative capacity of the Kosovo administration in relation to approximation with the EU *acquis* and to support the effective and efficient implementation of IPA assistance
- To support the implementation of existing or future agreements reached within the Belgrade-Pristina dialogue
- To improve the professional capacity of the civil service to better serve Kosovo citizens and meet obligations arising from the Stabilisation Association Agreement.

- Expected results

- Coordinated response to meet urgent and unforeseen needs related to Kosovo's European perspective, and capacities needed for programming/implementation of IPA funds;
- Kosovo's Ministry of European Integration (MEI) and relevant line ministries capable of preparing and developing programming documents and aligning programmes with relevant processes and policies.

² www.sanctionsmap.eu Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

- Relations between Kosovo and Serbia have improved;
- Progress been made in the integration of northern Kosovo structures and mutual trust between communities has increased;
- Selected students, including an equal representation of women and minorities, involved in tertiary education in EU outstanding academic institutions.
- Key performance indicators
 - Degree of MEI's responsibility for coordination and management of EU assistance programmes;
 - Number of projects developed and implemented under the EU *acquis* approximation facility of 2019;
 - Quality documents developed and well defined IPA annual programmes;
 - Degree of implementation of Agreements reached within the Belgrade-Pristina dialogue;
 - Number of YCS grantee completing their academic programme/s;
 - % of female YCS graduates employed.

(2) Assumptions and conditions

- Continued political commitment for ongoing EU reforms and IPA implementation;
- Continuation of Belgrade-Pristina dialogue;
- Sufficient resources allocated to implement the agreements reached in the Belgrade-Pristina dialogue.
- Availability of EU MS tertiary education institutions for the enrolment of the YCS grantees
- Young Cell Alumni Association is sustainable to mentor and monitor the YCS grantees.

The implementation of this action is subject to the following conditions:

- MEI as National IPA Coordinator to take the responsibility to secure employment for the YCS graduates;
- MEI to secure a commitment of the co-financing for the next rounds.

Failure to comply with the requirements set out above may lead to a recovery of funds under this programme and/or the re-allocation of future funding.

(3) Implementation modalities:

(3)(b) Direct management

Procurement:

This part of the action will contribute to achieving the following specific objective:

- To strengthen technical and administrative capacity of the Kosovo administration in relation to approximation with the EU *acquis* and to support the effective and efficient implementation of IPA assistance
- To support the implementation of existing or future agreements reached within the Belgrade-Pristina dialogue

The **global** budgetary envelope reserved for procurement: *EUR 1 500 000*

Grants (including Twinning):

a) Purpose of the grants:

Depending on the needs of the beneficiary, one or more call(s) for proposal for twinning contracts or grants may be organised in line with the objectives of the EU *Acquis* Approximation Facility and Young Cell Scheme:

- To strengthen technical and administrative capacity of the Kosovo administration in relation to approximation with the EU *acquis* and to support the effective and efficient implementation of IPA assistance
- To support the implementation of existing or future agreements reached within the Belgrade-Pristina dialogue.
- Improve professional capacity of the civil service to better serve Kosovo citizens in the European perspective, promoting absorption of young professionals ensuring innovation and leadership, and balanced representation of men and women.

b) Type of applicants targeted:

In the case of twinning grants, applicants must be EU Member State administrations or their mandated bodies.

For the grant contracts the applicants must be legal entities, local authorities, public bodies, international organisations, Non-Governmental Organisations, economic actors such as profit or non-profit organisations and agencies based in EU Member States involved in cultural and educational activities.

The **global** budgetary envelope reserved for grant: *EUR 4 500 000*

(4) Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

SECTOR	<i>Environment, Climate Action and Energy</i>	<i>EUR 38 360 000</i>
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Action 2	<i>EU for Environment</i>	<i>EUR 38 360 000</i>
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(1) Description of the Action, objective, expected results and key performance indicators

- Description of the action and objectives

The overall objective of the action is the protection of environment in compliance with the relevant EU *acquis* and best practices.

The specific objective of the action is the decommissioning of the facilities of TPP Kosovo A that are no longer in operation (gasification plant, fertilizer production plant and heating plant with associated facilities).

- Expected results
 - Gasification, fertiliser and heating parts and all other associated facilities of Kosovo A TPP are dismantled, safely transported and stored within the compound of Kosovo A TPP;
 - The affected area is cleaned and recovered to be re-used for industrial purposes (brown field level).
- Key performance indicators
 - The obsolete facilities of gasification, nitrogen processing and heating plants in the compound of TPP Kosovo A are dismantled, transported and stored;
 - All remains, including the hazardous waste, are systemised and stored;
 - An area of approx. 130 ha was cleaned and transferred to the brown field.

(2) Assumptions and conditions

- Skilled and motivated staff is actively involved in the planned activities;
- Effective communication and active involvement among all sector institutions, donors and other stakeholders in order to make a maximum use of funds and avoid any duplication of activities;
- Full participation of KEK, Ministry of Economic Development, Ministry of Environment and Spatial Planning and other relevant institutions in providing sufficient human and financial resources necessary to carry out the planned interventions (involvement of present workers, adequate information and communication about the decommissioning process).

The implementation of this action is subject to the following conditions:

- Space will be made available within the KEK compound to set up an appropriate temporary storage facility for hazardous material coming from the decommissioning;
- The government of Kosovo provides the needed support and ensures that activities are timely implemented.

(3) Implementation modalities

Procurement:

The action will be implemented through public procurement procedure and will contribute to achieving the following specific objective: the decommissioning of the facilities within the compound of TPP Kosovo A that are no longer in operation.

The **global** budgetary envelope reserved for procurement: *EUR 38 360 000*

(4) Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

SECTOR	<i>Competitiveness, Innovation, Agriculture and Rural Development</i>	<i>EUR 4 000 000</i>
Action 3	<i>EU for Innovation</i>	<i>EUR 4 000 000</i>

(1) Description of the Action, objective, expected results and key performance indicators

- Description of the action and objectives

The overall objective of the action is to increase the efficiency and productivity of the private sector through increased use of ICT, create proper and safer e-business/e-commerce ecosystem, and improve electronic service delivery for citizens and businesses to promote products or services on websites, and accept online payments and instant orders.

The specific objective of the action is to improve performance of businesses by increased ICT usage.

- Expected results
 - Environment for e-commerce/e-business is improved;
 - Support to digitalisation of Medium Small and Micro Enterprises is increased.
- Key performance indicators
 - Common specifications for the eID framework within public administration tested and implemented;
 - eID system - in line with the EU electronic Identification and Trust Services (eIDAS) regulation - operational for private sector and citizens;
 - Number of Medium Small and Micro Enterprises (supported with ICT advisory services);
 - Number of Medium Small and Micro Enterprises implementing e-business strategies;
 - Number of ICT trainings delivered.

(2) Assumptions and conditions

The proposed action continues on already established cooperation between different government institutions, private sector representatives and representatives of the donor community in the form of the Steering committee.

The action is based on the Kosovo Information Technology strategy, which is the main document for development of the IT sector and will contribute to reaching the objectives set.

The implementation of this action is subject to the following conditions:

- Adoption of legislation/law on transposing eIDAS in Kosovo including the setup of the e-commerce unit in Ministry of Economic Development.

Failure to comply with the requirements set out above may lead to a recovery of funds under this programme and/or the re-allocation of future funding.

(3) Implementation modalities

Procurement:

The action will be implemented through public procurement procedures and will contribute to achieving the following specific objective: to improve performance of businesses by increased ICT usage.

The **global** budgetary envelope reserved for procurement: *EUR 4 000 000*

(4) Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

3 BUDGET

3.2 INDICATIVE BUDGET TABLE - ANNUAL ACTION PROGRAMME FOR KOSOVO

		Direct management	Total EU contribution (EUR)	IPA-II beneficiary (EUR)	Total (EUR)
		EU contribution (EUR)			
Objective 1	1 Democracy and Governance	6 000 000	6 000 000	/	
2019 / 041 247	Action 1: EU <i>Acquis</i> Approximation and Young Cell Scheme	6 000 000	6 000 000	1 000 000	7 000 000
Objective 2	3 Environment and Climate Action	38 360 000	38 360 000	/	38 360 000
2019 / 041 248	Action 2: EU for Environment	38 360 000	38 360 000	/	38 360 000
	6 Competitiveness and Innovation	4 000 000	4 000 000	/	4 000 000
	Action 3: EU for Innovation	4 000 000	4 000 000	/	4 000 000
	TOTAL	48 360 000	48 360 000	1 000 000	49 360 000

* The EU *Acquis* Approximation facility will cover the costs for the evaluation if such arise.

4 PERFORMANCE MONITORING ARRANGEMENTS

As part of its performance measurement framework, the Commission shall monitor and assess progress towards achievement of the specific objectives set out in the IPA II Regulation on the basis of pre-defined, clear, transparent measurable indicators. The progress reports referred to in Article 4 of the IPA II Regulation shall be taken as a point of reference in the assessment of the results of IPA II assistance.

The Commission will collect performance data (process, output and outcome indicators) from all sources, which will be aggregated and analysed in terms of tracking the progress versus the targets and milestones established for each of the actions of this programme, as well as the Indicative Strategy Paper.

The overall progress will be monitored through the following means: a) Result Orientated Monitoring (ROM) system; b) IPA II Beneficiaries' own monitoring; c) self-monitoring performed by the EU Delegations; d) joint monitoring by the European Commission (DG NEAR) and the IPA II Beneficiaries, whereby the compliance, coherence, effectiveness, efficiency and coordination in implementation of financial assistance will be regularly monitored by an IPA II Monitoring committee, supported by Sectoral Monitoring committees, which will ensure a monitoring process at sector level.

5 EVALUATION

Having regard to the nature of the actions of this annual programme, a mid-term evaluation will be carried out for the actions or its components via independent consultants contracted by the Commission. It will be carried out for accountability and learning purposes at various levels, in particular with respect to ensuring the sustainability of the actions.

The Commission shall inform the implementing partner at least 2-3 months in advance of the dates foreseen for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the IPA II beneficiary and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the IPA II beneficiary, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.