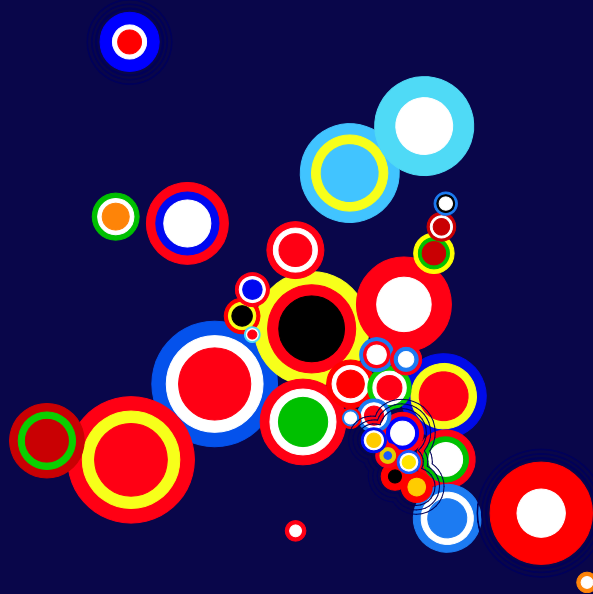




INSTRUMENT FOR PRE-ACCESSION ASSISTANCE (IPA II) 2014-2020

ALBANIA

Support to participation in
Union Programmes



Action Summary

The action will facilitate and enable the participation of Albanian institutions in the Union Programmes. It will promote the further alignment of Albania with European Union policies and working methods and it will increase the Albanian active participation and commitment to the Union Programmes. The Action will contribute to achieve the objectives of the Stabilisation and Association Agreement (SAA), and in particular those related with education and training, and cooperation in research and technological development. Cooperation shall take into account the priority areas related to the EU *acquis* in this field of research and technical development.

Action Identification	
Programme Title	IPA 2014 Action Programme for Albania
Action Title	Support to participation in Union Programmes
Action Reference	IPA 2014/32813.05/AL/Support to participation in Union Programmes
Sector Information	
ELARG Sectors	Democracy and Governance
DAC Sector	43082 – Research / Scientific Institutions
Budget	
Total cost (VAT excluded) ¹	1.606.338 Euro
EU contribution	1 Million Euro
Management and Implementation	
Method of implementation	Indirect management
Responsible Unit or National Authority/Implementing Agency	Ministry of Finance Central Finance and Contracting Unit (CFCU) National Public Body
Implementation responsibilities	Mrs. Anila Tanku, Head of CFCU
Location	
Zone benefiting from the action	Albania
Specific implementation area(s)	Not applicable
Timeline	
Deadline for conclusion of the Financing Agreement	At the latest by 31 December 2015
Contracting deadline	3 years following the date of conclusion of the Financing Agreement, with the exception of the cases listed under Article 189(2) Financial Regulation
End of operational implementation period	6 years following the date of conclusion of the Financing Agreement.

1. RATIONALE

CONTEXT ANALYSIS

¹ The total action 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.

With the prospect of enlargement of the European Union, in order to better prepare candidate countries for the adoption of the EU *acquis* and for accession in the European Union, the European Commission had proposed in 1997 the progressive opening-up to candidate countries of a broad range of Community programmes (now Union Programmes). Encompassing most Community policies, these programmes were a major pre-accession instrument that familiarises candidate countries and their citizens with the European Union policies and working methods.

Albania since IPA 2008 has benefited of financial assistance for co-financing entry tickets to a number of Union Programmes. However still Albanian Institutions cannot provide sufficient funding for covering all the costs of entry tickets.

After a thorough process of consultations with different institutions and stakeholders, and after taking into consideration the interest expressed by the relevant institutions for participating in the Union Programmes for 2014-2020, the Ministry of European Integration has prepared a short-list of Union Programmes where IPA II support would be considered:

- Customs 2020 – beneficiary: Ministry of Finance (Directorate General of Customs);
- Fiscalis 2020 – beneficiary: Ministry of Finance (Directorate General for Taxation);
- Programme for Employment and Social Innovation – beneficiary: Ministry of Social Welfare and Youth;
- Erasmus + - beneficiaries: Ministry of Education and Sports, Ministry of Social Welfare and Youth;
- COSME – beneficiary: Ministry of Economic Development, Trade and Entrepreneurship;
- Creative Europe, Sub-Programme “Culture” – beneficiary: Ministry of Culture;
- Creative Europe, Sub-Programme “Media” – beneficiary: Minister for Innovation and Public Administration;
- Europe for citizens – beneficiary: Ministry of Culture;
- Horizon 2020 - beneficiaries: Ministry of Education and Sports; Ministry of Environment; Minister for Innovation and Public Administration; Ministry of Economic Development, Trade and Entrepreneurship;

RELEVANCE WITH THE IPA II STRATEGY PAPER AND OTHER KEY REFERENCES

The Country Strategy Paper (CSP) 2014-2020 foresees the concentration of EU financial assistance over the next seven years on seven priority sectors: i) Democracy and governance, ii) Rule of law and fundamental rights, iii) environment, iv) transport, v) competitiveness and innovation, vi) education, employment and social policies and vii) Agriculture and rural development. The selected Union Programmes are all supporting the above mentioned priority sectors, more specifically: Erasmus +, Programme for Employment and Social Innovation, Horizon 2020, Creative Europe, Europe for Citizens support the priority sector of “Education, employment and social Policies”; the Programme COSME support the priority sector of “Competitiveness and innovation”; while the Programmes Fiscalis 2020 and Customs 2020 are in line with the priority sector of “Democracy and governance”.

The Country Strategy Paper, confirms that IPA may continue to co-finance Albania's contribution for its participation in Union Programmes and Agencies in the context of the on-going policy dialogue under the relevant sector and accession negotiations chapters.

Participation in COSME Programme - The “Albanian Business and Investment Strategy 2014-2020”, as an integral part of the National Strategy for Development and Integration (NSDI) is in line with the targets set in the Programme COSME 2014-2020.. Furthermore, the implementation of Business and Investment Development Strategy for the period 2014-2020 is followed by a complete Action Plan including three fundamental pillars: (i) Integrated growth; (ii) Smart growth; (iii) Sustainable growth.. In the light of all the above mentioned factors, COSME is seen as a major instrument for the

realization of the activities included in the Action Plan and, as a result, the support for the economic development of Albania's future.

Participation in EaSI Programme - The programme will support government initiatives and strategies, to modernize the labour markets, social security systems increase the rates of employment, in particular among young people, supporting job creation, promoting a highly skilled workforce, encouraging adaptation to change and the anticipation of restructuring, enhancing geographical mobility and promoting social innovation.. In accordance with Europe 2020 and the National Employment and Skills Strategy 2014-2020, the Programme will contribute to tackling the pressing problem of youth unemployment.

Participation in Erasmus + Programme - The new Erasmus+ programme aims to support actions in the areas of Education, Training, Youth and Sport for the period 2014-2020. Albania will fully participate in Erasmus Key Action 2 Capacity Building of Higher Education Institutions through Capacity Building Projects. Albania will also benefit from a Special Mobility Strand (SMS) In the specific case of Albania, Joint and Structural Projects may include a (SMS) for staff and students. Furthermore, Albania will fully participate in Jean Monnet Programme of Erasmus +.

Participation in Horizon 2020 Programme - Horizon 2020 is the EU's new framework programme for research and innovation that opens up a wide range of opportunities. This programme makes it possible for Albanian researchers to establish cooperation with the best international actors.

Albanian government's top priorities are to stimulate growth and create new jobs, to offer assistance to public universities to strengthen advice and carrier centers. Moreover, the government intends to undertake policies for synchronization of coordination of scientific research abroad with international development. Within this framework, it aims to grant support for cooperation among national scientific researchers and scientific researchers abroad. . The participation of Albania in Horizon 2020 will help the country to strengthen the current scientific, research and innovation capabilities on the first place and will contribute to further integrate the country into the European Research and Innovation area.

Participation in Fiscalis 2020 Programme - The request of General Directorate of Tax Administration to take part in EU Programs is in line with "Strategy Plan of Albanian Tax Administration 2014-2017", which is based on Draft-Strategy of the Management of the Public Finance of Albania 2013-2020. The expectations from participating in this program consist of:

1. Enhancing the administrative capacity of tax authority and advancing technical progress and innovation;
2. To ensure effectiveness of tax collection, on the fight against fiscal fraud and tax evasion
3. Reducing the administrative burden for tax authorities and the compliance costs for taxpayers

Participation in Customs 2020 Programme - The Customs 2020 program is an invaluable tool for capacity building and experience sharing for the Albanian Custom Administration. As the previous program Customs 2013 has achieved significant result toward in the capacity building of Albanian customs officers who have participated in the activities under the program, the *Customs 2020 Programme* will continue to impact in strengthening the cooperation with other EU countries participants in the program. It will be an important tool for creating networks with professionals from different countries of EU, which will provide to our administration specific technical knowledge and expertise sharing in: identification, developing and applying best working practices in all areas of customs processes.

Participation in Creative Europe Programme - the programme will contribute:

To meet the objectives of the Ministry of Culture to enhance artistic expression and creativity; promotes the cultural and linguistic diversity; increase the quality of art works; promote Albanian

writers and authors in Europe and vice versa; and elaborate an Albanian wide and inter-regional cultural agenda.

Regarding the participation in sub-programme “Media”, Albania has demonstrated that the national media legislation complies with directive 2010/13/EU, and therefore the respective institution (Minister for Innovation and Public Administration) is eligible for participating in the sub-programme.

Participation in “Europe for citizens” Programme – Since 2009 Albania has participated in “Europe for citizens”. For 2014-2020 the Programme will be focused in two thematic areas: (i) European Remembrance and (ii) Democratic engagement and civic participation. As a country that is leaving behind the transition period, Albania needs to enforce the democratic engagement and civic participation.

LESSONS LEARNED AND LINK TO PREVIOUS FINANCIAL ASSISTANCE

In 2007-2013 cycle Albania participated actively in 7 EU Programmes:

1. **7th Framework Programme (FP7)** for research, technological development and demonstration activities (MoU signed on 17 December 2007, effective as from 1 January 2008)
2. **Entrepreneurship and Innovation Specific Programme (CIP-EIP)** of the Competitiveness and Innovation Framework Programme (MoU signed on 27 June 2008, effective from 4 November 2008)
3. **Europe for Citizens Programme** (MoU signed on 02 February 2009, ratified by the Albanian Parliament on 19 March 2009)
4. **Culture Programme** (MoU signed on 20 December 2011, ratified by the Albanian Parliament on 16/07/2012)
5. **Customs 2013** (MoU signed on 16/07/2012)
6. **Life Long Learning Programme** (MoU signed on 15/07/2013)
7. **Youth in Action** (under implementation Decision No 1349/2008/EC of the European Parliament and of the Council on 16 December 2008, amending Decision No 1719/2006/EC establishing the Youth in Action programme for the period 2007 to 2013)

The main issue that has been common for all the Albanian institutions participating in these Programmes, has been the still low Albanian applicant success rate and the low number of submitted proposals by the Albanian institutions.

Experience from the enlargement context, shows that successful participation in Union Programmes requires a high degree of ownership and initiative by the beneficiary. Active involvement by the beneficiary in gathering the necessary information on programmes, procedures and working methods as well as in establishing networks and structures and informing the public are essential in order to reap the benefits of participation in programmes and agencies. Against this background it is thus very important, that the beneficiary continues to plan clearly and consequently the activities to be followed., The Albanian institutions which will manage the programmes should show maximum dedication and determination, including adequate staffing and budget resources, to implement their activities to the full satisfaction of the EU Commission and other stakeholders (such as programme partners).

2. DESCRIPTION AND IMPLEMENTATION ARRANGEMENTS

INTERVENTION LOGIC

Objective:

- To ensure participation of Albanian institutions in Union Programmes by co-financing the costs of the entry-tickets/participation fees to be paid in areas such as education, culture, innovation, environment, social welfare, finance, etc.

Result:

- Enhanced participation of Albanian Institutions in Union Programmes, including increased exchanges with EU Member States;
- Strengthened ownership and responsibility of Albanian Institutions (including in financial terms) for participation in Union Programmes.
- Further alignment of Albania with European Union policies and working methods promoted;
- Active participation and commitment to the Union Programmes enhanced.

Indicators:

- Number of Programmes for which an International Agreement has been concluded: 2015 – 2020
- Albanian institutions' participation rates in the different Union Programmes 2015 – 2020
- Reimbursement of 80% of the Albanian contribution (entry ticket) for participation in Erasmus +, Programme for Employment and Social Innovation, Creative Europe, Europe for Citizens, Fiscalis 2020, Customs 2020 and COSME for the year 2015.
- Reimbursement of 51.49 % of the Albanian contribution (entry ticket) for participation in Horizon 2020.

IMPLEMENTATION ISSUES

IPA funds of 2014 co-finance entry tickets / participation fees for year 2015.

The participation of Albania in Union Programmes, including payment by the country of the entry ticket/participation fees, shall follow the specific terms and conditions set out for each Programme in the relevant International Agreement. Co-financing rates from previous participation shall be taken into account, and in line with the principle of increasing Albania's ownership and responsibility IPA funding rates shall decrease over the years in real or relative terms.

Albania must not only provide the co-financing but also the funds necessary for the payment of the total entry ticket, prior to receiving the partial reimbursement from IPA II.

The National Authorizing Officer will send a specific request of funds to the EU Delegation for the participation in Union Programmes. Once funds have been transferred by the Commission, the National Fund will in turn transfer the IPA contribution for the 2015 entry tickets to the line-Ministries, which are responsible *vis-à-vis* the Commission to honour the annual cost of participation.

The NIPAC will regularly monitor the participation rates in Union Programmes by Albanian stakeholders ((universities, research centre, think tanks, foundations, associations, NGOs, local and central authorities) and report about that in the context of IPA monitoring committees.

3. BUDGET BREAKDOWN

	Total expenditure	IPA II contribution		IPA II beneficiary contribution	
	EUR	EUR	%	EUR	%
Entry ticket for Customs 2020 (2015)	50,000.00	40,000.00	80.00	10,000.00	20.00
Entry ticket for Fiscalis 2020 (2015)	25,000.00	20,000.00	80.00	5,000.00	20.00
Entry ticket for EaSI (2015)	50,000.00	40,000.00	80.00	10,000.00	20.00
Entry ticket for Erasmus + (2015)	90,000.00	72,000.00	80.00	18,000.00	20.00
Entry ticket for COSME (2015)	235,838.00	188,670.40	80.00	47,167.60	20.00
Entry ticket for Creative Europe, sub-Prog. Culture (2015)	55,000.00	44,000.00	80.00	11,000.00	20.00
Entry ticket for Creative Europe, sub-Prog. Media (2015)	85,500.00	68,400.00	80.00	17,100.00	20.00
Entry ticket for Europe for citizens (2015)	15,000.00	12,000.00	80.00	3,000.00	20.00
Entry ticket for Horizon 2020 (2015)	1,000,000.00	514,929.60	51,49	485,070.40	48,51
TOTAL for ACTION	1,606,338.00	1,000,000.00		606,338.00	

ANNEX

Overview of Albania's public institutions that have signed International Agreements with the European Commission and dates of entry into force or latest amendments to the International Agreements

- Customs 2020 – The International Agreement has been signed by the European Commission on 01.07.2014 and is sent to the Directorate General of Customs for counter-signature.
- Fiscalis 2020 – The communication with the EC will start soon regarding the signature of this Agreement. The Agreement will be signed by the Directorate General for Taxation within 2014.
- EaSI – The Ministry of Social Welfare and Youth has submitted the Letter of Interest for participation and is following the necessary procedures with the EC for finalising the Agreement. The Agreement will be signed by the Ministry of Social Welfare and Youth within 2014.
- Erasmus + - The International Agreement has been signed by the Ministry of Education and Sport on 19.06.2014.
- COSME – The Ministry of Economic Development, Trade and Enterperneurship has started the internal procedures for signing the International Agreement with EC. The Agreement will be signed by the Ministry of Economic Development, Trade and Enterperneurship within 2014.
- Creative Europe (Sub-Programme Culture) - The International Agreement has been signed by the Ministry of Culture on June 20, 2014.
- Creative Europe (Sub-Programme Media) - Albania has demonstrated that the national media legislation complies with directive 2010/13/EU. Albanian Authorities are waiting for a final confirmation and then start the procedures for signing the International Agreement within 2014.
- Europe for Citizens - The Agreement will be signed by the Ministry of Culture within 2014.
- Horizon 2020 - The International Agreement has been signed by the Ministry of Education and Sport on 01.07.2014.