

<b>2011 Annual Programme</b> <b>Support measures and technical assistance facility : 17-2011/4</b>
---

## 1. Basic information

<b>1.1 CRIS number:</b>	2011/022-939
<b>1.2 Title:</b>	Support measures and technical assistance facility
<b>1.3 ELARG statistical code:</b>	04.40
<b>1.4 Location:</b>	Kosovo*

### Implementing arrangements

<b>1.5 Contracting authority:</b>	European Commission Liaison Office to Kosovo
<b>1.6 Implementing agency:</b>	European Commission Liaison Office to Kosovo
<b>1.7 Beneficiary:</b>	The newly established Ministry of European Integration, plus line ministries and public institutions directly involved in Kosovo's EU reform agenda.

### Financing

<b>1.8 Overall cost (VAT excluded):</b>	EUR 3.05 million
<b>1.9 EU contribution:</b>	EUR 3.05 million
<b>1.10 Final date for contracting:</b>	3 years after signing the financing agreement
<b>1.11 Final date for execution of contracts:</b>	2 years following the final date for contracting
<b>1.12 Final date for disbursements:</b>	1 year after the final date for execution of contracts

## 2. Overall objective and project purpose

### 2.1 Overall objective

An effective, efficient and transparent public administration at all levels that ensures sustained socio-economic development, strengthens sectoral approximation and constructively engages in regional cooperation.

### 2.2 Project purpose

The purpose of the GTA facility is to support the Ministry of European Integration, line ministries and beneficiaries in preparing action linked to the priorities for EU integration, socio-economic development, sectoral approximation and regional cooperation.

### 2.3 Link with European Partnership/Stabilisation and Association Process Dialogue/Progress Reports

The four most recent reference documents are:

- The *European Partnership Action Plan* (EPAP — 2010), which calls for upgrading the institutions' authority and powers to lead the process of European integration in Kosovo effectively.
- The *European Commission's 2010 Progress Report on Kosovo*, published in November 2010, which identifies the challenges the government needs to address as part of its efforts to advance with EU approximation and its EU reform agenda.

\* Under UNSCR 1244/1999.

## **2.4 Link with the Multiannual Indicative Planning Document (MIPD)**

EU assistance must be directly linked to Kosovo's development and action plans set in a clear European perspective, e.g. the Action Plan for implementation of the European Partnership priorities and Kosovo's Medium-Term Expenditure Framework.

Greater local ownership of EU assistance to Kosovo is essential for effective targeting and for achieving agreed results in line with EU standards. The planning and project preparation capacity of Kosovo's authorities therefore has to be improved.

## **2.5 Link with National Development Plan**

The objective of Kosovo's Medium-Term Expenditure Framework (MTEF) is for Kosovo to become more economically integrated into Europe. The MTEF therefore refers to standards necessary for EU integration and linked to policies and measures under the EPAP. The MTEF is also closely linked to the public administration reform strategy in the area of European integration, specifically policy area 8 'Policies and legislation'.

## **2.6 Link with national/sectoral investment plans**

Not applicable (as a follow-up facility, this could support several different plans). To be clarified during the project identification phase.

## **3. Description of project**

### **3.1 Background and justification**

The European Union has repeatedly stated its commitment to stepping up its role in Kosovo. The December 2007 European Council underlined the EU's readiness to play a leading role in implementing a settlement, including a CSDP mission (EULEX) and a contribution to an international civilian office as part of the international presence. The importance of economic and political development in Kosovo, in line with the European perspective of the region, was also stressed. Implementing the European agenda is the key to long-term stability in Kosovo and the wider region. The UN has consistently highlighted the importance of the European approximation process for Kosovo's development.

EU Member States decide on their relations with Kosovo in accordance with their national laws and procedures. Twenty-two EU Member States have recognised Kosovo, five have not. The Commission maintains a 'status neutral' position. All EU Member States agree that Kosovo shares an EU perspective with the rest of the Western Balkans, as confirmed by a series of Council conclusions, most recently in December 2009.

In February 2008, the EU appointed an EU Special Representative (EUSR) in Kosovo, 'double-hatted' as the international civilian representative. Council Joint Action 2008/123/CFSP of 4 February 2008 was updated in February 2009 and 2010. The EUSR's mandate expires at the end of August 2010.

The EU also deployed its rule of law mission (EULEX) in Kosovo, which mentors, monitors and advises Kosovo on police, justice and customs matters. EULEX also performs some executive functions. EULEX has been fully operational throughout Kosovo since April 2009. The legal basis for EULEX is Council Joint Action 2008/124/CFSP of 4 February 2008, which expires in June 2010.

Following the General Affairs Council conclusions of December 2009 and in line with its October 2009 Communication 'Kosovo — Fulfilling its European perspective', the Commission has upgraded Kosovo's participation in the EU's Stabilisation and Association Process. High-level dialogues take place at plenary and sectoral levels. This process allows the Commission to follow legislative developments and comment on issues relevant to compliance with EU standards. Kosovo also benefits from substantial financial assistance from the EU.

The European Commission Liaison Office was opened in September 2004 and plays a key role in implementing EU policy in Kosovo by deploying all the enlargement tools provided by the Stabilisation and Association Process, maintaining a permanent technical and political dialogue with Kosovo and managing a substantial financial assistance budget from the IPA.

The 2010 Progress Report on Kosovo identifies the challenges Kosovo needs to address and the measures the EU can take to help Kosovo advance along the path of its European perspective. These aim, on the one hand, to help prepare and implement action responding to the challenges identified in the 2010 Progress Report, which cannot be specified at this stage, and, on the other, any action found necessary to support the measures the EU could take in line with the Commission's Kosovo Communication, but which cannot be identified at this stage as they will depend on the progress made with Kosovo's legislation and institutions.

### **3.2 Assessment of project impact, catalytic effect, sustainability and cross-border impact**

Not applicable. The individual measures to be financed under this project cannot be identified yet.

### **3.3 Results and measurable indicators**

Due to the fact that the actions foreseen under this facility are still to be identified it is very difficult to indicate concrete results to be achieved, nevertheless the general results include:

- Kosovo's Ministry of European Integration and relevant line ministries capable of rapidly preparing and carrying out urgent and unforeseen action related to Kosovo's EU approximation efforts and EU reform agenda.
- Kosovo's institutional and socio-economic development more sustainable, including its macro-economic and fiscal framework, private-sector development, improvement of employment and social policies and higher standards for education, training and research.
- Increased capacity of Kosovo's institutions to attract investment, stimulate growth and ensure sound socio-economic development.

### **3.4 Activities**

The GTA facility will support preparation and/or implementation of action identified as necessary within the IPA programme and Kosovo's EU reform agenda. Action supported will target, in particular, but not exclusively, areas such as the rule of law, decentralisation, trade, economic development and revitalisation (including macro-economic and fiscal mechanisms), private-sector development, public administration reform, employment and social policies, education, training and research, culture and the EU perspective and minority communities, sectoral approximation (energy, the environment and transport) and building institutional capacity. Implementation will follow three guiding principles:

- Action will be based on priorities identified in the Commission's annual Progress Reports or related strategy papers, notably the Communication 'Kosovo — Fulfilling its European perspective'.
- Action will include institution-building and support for investment directly related to the EU approximation process and Kosovo's EU reform agenda.
- Action will target specific, achievable and sustainable results.

Standard PRAG implementation rules will apply, taking due account of the standard derogations they allow. Action financed under this heading can take the form of services, supplies, or works.

### **3.5 Conditionality and sequencing**

Beneficiary institutions should be fully associated with any action financed under either facility and should cooperate in planning all activities. Project selection should be based on the selection procedure and checklists (project selection criteria) approved by the Steering Committee and agreed with DG ELARG C3.

### **3.6 Linked activities**

Not applicable.

### **3.7 Lessons learned**

Many projects have been successfully implemented under previous programmes, including CARDS and the 2007-09 IPA programmes. Experience confirms that this type of assistance is particularly useful for responding quickly to urgent needs identified in the course of implementation of the IPA and EU approximation. It gives Kosovo the possibility of addressing unforeseen tasks linked to further strengthening its administrative capacity in order to advance with its EU reform process.

#### 4. Indicative budget (amounts in EUR million)

			SOURCES OF FUNDING									
			TOTAL EXP.	IPA EU CONTRIBUTION		BENEFICIARY CONTRIBUTION					PRIVATE CONTRIBUTION	
ACTIVITIES	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)
GTA Facility			1.5	1.5	100							
GTA facility	X		1.5	1.5	100							
Programme Support Measures			1.55	1.55	100							
Programme Support Measures	X		0.77	0.77	100							
Programme Support Measures		X	0.78	0.78	100							
TOTAL IB			2.27	2.27	100							
TOTAL INV			0.78	0.78	100							
<b>TOTAL PROJECT</b>			<b>3.05</b>	<b>3.05</b>	<b>100</b>							

NOTE: Amounts net of VAT

(1) In the Activities column use 'X' to identify whether institution building (IB) or investment (INV).

(2) Expressed in % of the **total** expenditure (EXP) (column (a))

## **5. Indicative implementation schedule (periods broken down by quarter)**

Contracts (10-15 services, supplies, works)      Q4 2011 - Q4 2014

## **6. Cross-cutting issues**

### **6.1 Equal opportunities**

**Equal opportunities and non-discrimination against women, minority and vulnerable groups** (including children, disabled and elderly people) will be taken into consideration in all aspects of EU-funded activities, particularly in relation to public services, legislative matters and socio-economic support programmes.

### **6.2 Environment**

**Environmental considerations** will be duly reflected in all IPA-financed activities, in addition to specific action on the environment, in particular environmental impact assessments. This is particularly relevant where there could potentially be a strong environmental impact, such as in the case of co-financing of investments, new legislation, etc.

### **6.3 Minorities**

The aim will be to contribute to **multi-ethnic** representation in the institutions benefiting from this project, which will address the ethnic groups fairly and equitably in accordance with the law, along with other marginalised groups.

## **ANNEXES**

Annex I- Log frame in standard format

Annex II- Amounts contracted and disbursed per quarter over the full duration of the programme

**ANNEX I: Logical framework matrix**

<b>LOGFRAME PLANNING MATRIX FOR Project:</b>		Programme name: Support measures and technical assistance facility	2011
		<b>Total budget: EUR 3.05 million</b>	<b>IPA budget: EUR 3.05 million</b>
<b>Overall objective</b>	<b>Objectively verifiable indicators</b>	<b>Sources of verification</b>	
An effective, efficient and transparent public administration at all levels that ensures sustained socio-economic development, strengthens sectoral approximation and constructively engages in regional cooperation.	<ul style="list-style-type: none"> <li>• EU integration structures in place and operational.</li> <li>• Level of FDI in Kosovo invested in the private sector.</li> <li>• Number of regional cooperation initiatives undertaken by Kosovo institutions.</li> </ul>	<ul style="list-style-type: none"> <li>• Contractors' regular reports.</li> <li>• European Commission Progress Reports on Kosovo.</li> <li>• Policies and mechanisms developed and adopted by the government.</li> </ul>	
<b>Project purpose</b>	<b>Objectively verifiable indicators</b>	<b>Sources of verification</b>	<b>Assumptions</b>
The purpose of the GTA facility is to support the Ministry of European Integration, line ministries and institutional beneficiaries in preparing action linked to the priorities for EU integration, sustained socio-economic development, increased sectoral approximation and increased regional cooperation.	<ul style="list-style-type: none"> <li>• EPAP priorities implemented as planned.</li> <li>• Increase in MEI's capacity to take responsibility for coordination and management of EU assistance programmes.</li> </ul>	<ul style="list-style-type: none"> <li>• Monitoring reports on implementation of the EPAP.</li> <li>• Regular reports from contractors.</li> <li>• IPA 2011 and 2012 project factsheets and ToRs.</li> </ul>	Government allocates sufficient resources to implement the output of the project. Commitment from the beneficiaries to implement the project. Coordination of donors ensured by the government.
<b>Results</b>	<b>Objectively verifiable indicators</b>	<b>Sources of verification</b>	<b>Assumptions</b>
<ul style="list-style-type: none"> <li>• The MEI is able to initiate and prepare timely capacity-building or other urgent and unforeseen action.</li> <li>• Increased capacity of Kosovo's institutions to trade and attract investment, stimulate growth and ensure socio-economic development.</li> <li>• Socio-economic development more sustainable, including the macro-economic and fiscal framework, private-sector</li> </ul>	<ul style="list-style-type: none"> <li>• EPAP priority milestones achieved.</li> <li>• IPA programmes implemented with increased local ownership and involvement compared with previous years.</li> <li>• Level of progress made by the government on conducting effective trade policy.</li> </ul>	<ul style="list-style-type: none"> <li>• Monitoring reports on implementation of the EPAP.</li> <li>• Project implementation reports and indicators.</li> <li>• Independent monitoring exercises.</li> <li>• Number of reports.</li> <li>• Strategy paper.</li> </ul>	EU integration is the priority of the government and of the Assembly of Kosovo. Institutional framework in place. Kosovo makes progress towards negotiating and benefiting from the trade agreement. Progress made with document security, fighting organised crime, migration and border security. Progress made in the dialogue on



<p>development, improvement of employment and social policies and higher standards for education, training and research.</p> <ul style="list-style-type: none"> <li>• Increased capacity of Kosovo’s institutions for adapting the legislation to process readmission requests and to implement an effective reintegration strategy.</li> </ul>	<ul style="list-style-type: none"> <li>• Number of laws aligned in the areas of intellectual property rights and copyright.</li> <li>• Number of macro-economic and fiscal policies developed and implemented by the government.</li> <li>• Number of economic and fiscal reports prepared by the government.</li> <li>• Comprehensive strategy developed and put in place to guide Kosovo’s efforts to meet EU requirements for visa liberalisation.</li> </ul>		<p>visas.</p>
<b>Activities</b>	<b>Means</b>	<b>Cost</b>	<b>Assumptions</b>
<p>The GTA measures in this project will support preparation and/or implementation of action under the IPA programme.</p> <p>Action supported will target, in particular, but not exclusively, areas such as the rule of law, decentralisation, trade, economic development and revitalisation (including macro-economic and fiscal mechanisms), private-sector development, public administration reform, employment and social policies, education, training and research, culture and the EU perspective and minority communities, sectoral approximation (energy, the environment and transport) and building institutional capacity.</p>	<p>Standard PRAG implementation rules will apply, taking due account of the standard derogations they allow.</p>	<p>EUR 3.05 million — for the ‘Kosovo Communication’ follow-up facility.</p>	<p>Government provides financial and political support to the beneficiary institutions. Beneficiaries show commitment to the project and allocate sufficient and appropriate staff. Public administration is capable of absorbing the activities.</p>

**Preconditions:** Beneficiary institutions should be fully associated with any action financed under either facility and should cooperate in planning all activities. Project selection should be based on the selection procedure and checklists (project selection criteria) approved by the Steering Committee and agreed with DG ELARG C3.

**ANNEX II: Amounts (in EUR million) contracted and disbursed by quarter for the project**

<b>Contracted</b>	<b>2012 Q1</b>	<b>2012 Q2</b>	<b>2012 Q3</b>	<b>2012 Q4</b>	<b>2013 Q1</b>	<b>2013 Q2</b>	<b>2013 Q3</b>	<b>2013 Q4</b>	<b>2014 Q1</b>	<b>2014 Q2</b>	<b>2014 Q3</b>	<b>2014 Q4</b>
GTA Facility					1.5							
Programme Support Measures						0.77						
Programme Support Measures						0.78						
<b>Cumulated</b>					<b>1.5</b>	<b>3.05</b>						
<b>Disbursed</b>												
GTA Facility					0.3		0.3		0.3	0.3	0.3	
Programme Support Measures										0.77		
Programme Support Measures									0.78			
<b>Cumulated</b>					<b>0.3</b>	<b>0.3</b>	<b>0.6</b>	<b>0.6</b>	<b>1.68</b>	<b>2.75</b>	<b>3.05</b>	