



Brussels, 28.12.2020
C(2020) 9654 final

COMMISSION IMPLEMENTING DECISION

of 28.12.2020

**amending Commission Implementing Decision C(2019) 8410 of 19.11.2019 adopting a
Multi-country Action Programme for Western Balkans Guarantee for the years 2019-
2020**

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amending Commission Implementing Decision C(2019) 8410 of 19.11.2019 adopting a Multi-country Action Programme for Western Balkans Guarantee for the years 2019-2020

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012⁽¹⁾, and in particular Article 110 thereof,

Having regard to Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014 laying down common rules and procedures of the implementation of the Union's instruments for financing external action⁽²⁾, and in particular Article 2(1) thereof,

Whereas:

- (1) By its Decision C(2019) 8410 of 19.11.2019, the Commission adopted the Multi-country Action Programme for Western Balkans Guarantee for the years 2019-2020, including one action. The Decision was last amended by Decision C(2020) 4295 of 23.06.2020.
- (2) There is a need to support the post-pandemic socio-economic recovery of the Western Balkans. It is therefore appropriate to expand the targeted priority sectors to the health sector.
- (3) Enhancing access to affordable, sustainable and high quality services, such as health care is among the thematic priorities set out in Annex II – thematic priorities for assistance of Regulation (EU) No 231/2014⁽³⁾.
- (4) It is appropriate to modify the Decision in order to: (i) introduce a new Action 2 “EU4Health: Contribution to the availability and access to vaccines against COVID-19 in the Western Balkans”; and (ii) reallocate EUR 70 million (2020 allocation) from Action 1 “Western Balkans Guarantee” to Action 2.
- (5) It is appropriate to authorise the award of grants without a call for proposals, pursuant to Article 195 of Regulation (EU, Euratom) 2018/1046.
- (6) Therefore, Decision C(2019) 8410 of 19.11.2019 should be amended accordingly.

⁽¹⁾ OJ L 193, 30.7.2018, p.1.

⁽²⁾ OJ L 77, 15.03.2014, p. 95.

⁽³⁾ Regulation (EU) No 231/2014 of the European Parliament and of the Council of 11 March 2014 establishing an Instrument for Pre-accession Assistance (OJ L 77, 15.03.2014, p. 11).

- (7) The envisaged assistance is to comply with the conditions and procedures set out by the restrictive measures adopted pursuant to Article 215 TFEU⁴.
- (8) This amendment is in accordance with the opinion of the IPA II Committee set up by Article 13 of Regulation (EU) No 231/2014,

HAS DECIDED AS FOLLOWS:

Sole Article

Commission Implementing Decision C(2019) 8410 of 19.11.2019 adopting a Multi-country Action Programme for Western Balkans Guarantee 2019-2020 as last amended by Decision C(2020) 4295 of 23.06.2020 is amended as follows:

a) Article 5 – Grants is added:

“Grants may be awarded without a call for proposals pursuant to Article 195 of Regulation (EU, Euratom) 2018/1046 to the bodies referred to in the Annex.”

b) The Annex is replaced by the Annex to this Decision.

Done at Brussels, 28.12.2020

For the Commission
Frans TIMMERMANS
Executive Vice-President

⁽⁴⁾ 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.

ANNEX

to Commission Implementing Decision amending Commission Implementing Decision C(2019) 8410 of 19.11.2019 adopting a Multi-country Action Programme for Western Balkans Guarantee for the years 2019-2020

1 IDENTIFICATION

Beneficiary	Republic of Albania, Bosnia and Herzegovina, Kosovo [*] , Montenegro, Republic of North Macedonia and Republic of Serbia
Basic act: Total cost: EU contribution: CRIS/ABAC commitment references, EU Contribution and budget line:	Instrument for Pre-accession assistance (IPA II) EUR 120 000 000 EUR 120 000 000, of which: <ul style="list-style-type: none"> • IPA 2019/041-956.01/MC/WB GUARANTEE EUR 50 million 22.020401 – Multi-country programmes, regional integration and territorial cooperation; • IPA 2020/041-957.02/MC/EU4Health: COVID-19 vaccines EUR 70 million 22.020401 – Multi-country programmes, regional integration and territorial cooperation.
Method of implementation	- Direct management by the European Commission and: - Indirect management with: The entity(-ies) to be selected in accordance with the criteria set out in section 2.2(3)(a)(i).
Final date for contracting including the conclusion of delegation/contribution agreements	For the budgetary commitment of 2019 at the latest by 31 December 2020; For the budgetary commitment of 2020 at the latest by 31 December 2021.
Indicative operational implementation period	241 months from the adoption of the original Financing Decision.(until 19/12/2039)

^{*} 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.

2 DESCRIPTION OF THE ACTION PROGRAMME

2.1 PRIORITIES SELECTED UNDER THIS ACTION PROGRAMME

- Rationale for the selection of the specific priorities under this Action Programme

In the context of considerable investment needs and constrained fiscal space, the purpose of the EUR 50 000 000 guarantee for 2019-2020 is to enable scaling-up of investments in areas that directly contribute to sustainable socio-economic development and regional integration, particularly boosting the region's competitiveness and job creation. The Guarantee will achieve this in particular by crowding-in private capital and by supporting private investment, e.g. by households, start-ups and Small and Medium Enterprises (SMEs), innovative corporate or public-private partnerships (PPPs). The instrument will enable investors, particularly from the private sector, to implement projects at a lower risk. Directorate General for Neighbourhood & Enlargement Negotiations (DG NEAR) Units D5 and A3 conducted a 'reality check' of the ex-ante evaluations results (summarised above) through direct dialogues with stakeholders of the Western Balkans Investment Framework (WBIF)¹, local private sector representatives and EU Delegations. The results were contrasted with the priority areas identified under the Flagship Initiatives and based on their suitability for a guarantee-type intervention, the following target sectors – although only indicatively – were prioritised:

- Unlocking adequate diversified finance for early-stage SMEs/start-ups and for innovative investments in established SMEs, including for digitalisation;
- Stimulating cross-border investments as well as trade within the region and with the EU, in particular through export-oriented investments that increase local employment, local value creation and that enable companies to reach EU standards and shape the regional economic area;
- Enabling investment into agriculture, rural development and food processing (e.g. in conjunction with IPARD), including instruments such as leasing and insurance;
- Kick-starting non-sovereign financing (mobilising private capital) for municipal investment in support of WBIF's pillars, including environmental, social or urban infrastructure as well as smaller-scale PPP projects where feasible;
- Scaling up green investments that boost environmental and climate actions in innovative and economically viable ways (e.g. recycling, renewable energy or energy/resource efficiency) and supporting green entrepreneurship, including the circular dimension of economic development;
- Promoting innovative ways to support social entrepreneurship, impact investment and SMEs focused on strengthening the social dimension of economic development (e.g. concepts to address informality, vulnerable and marginalised groups, youth employment, empowering women).

In order to alleviate the economic consequences of the COVID-19 pandemic, the Western Balkans Guarantee will be reoriented to provide a "specific fit for purpose

¹ Information about WBIF, available at: <https://wbif.eu/>

COVID-19 response” across the priority areas identified. In practical terms, proposals targeting the liquidity needs of SMEs will be prioritised which will allow to deploy this type of support swiftly to tackle the short and medium term economic impact of the pandemic. This is in line with the “*Communication on the Global EU response to COVID-19*”², and contributes to the implementation of the COVID-19 economic reactivation package in close cooperation with the International Financial Institutions outlined in the “*Communication on Support to the Western Balkans in tackling COVID-19 and the post-pandemic recovery - Commission contribution ahead of the EU-Western Balkans leaders meeting on 6 May 2020*”³.

A vaccine will be key to the resolution of the COVID-19 crisis. Immunisation is one of the most effective public health interventions – both in terms of lives saved and in terms of economic benefits. Large-scale inoculation will allow the Western Balkans to rebuild and continue to work towards meeting the Copenhagen criteria, alongside significant re-investment. Access to vaccines is therefore of primary importance.

The EU has been at the forefront of the creation of the Access to Covid-19 Tools Accelerator (ACT A) at the end of April, to ensure equitable access to tests, treatments and vaccines around the globe. The “vaccine pillar” of ACT-A, COVAX, was set up following these principles. COVAX, the global alliance to purchase vaccines now gathers 189 country members, including the 27 EU Member States. The EU has encouraged the Western Balkans partners to join COVAX as the key source of vaccines for third countries, and all of them have done so (all as self-paying countries with the exception of Kosovo). These vaccines are likely to become available in the second half of 2021.

In parallel, through its Joint Vaccine Strategy, the EU has supported the ramp up of the development and the production, and secured doses of several promising vaccines. The European Commission has concluded six legally binding agreements on behalf of the 27 EU Member States reserving around 1.3 billion doses to be delivered throughout 2021. Some of these vaccines are due to become available by the end of 2020, after the European Medicines Agency’s (EMA) approval and the European Commission market authorisation. This means that European Member States will - in the coming weeks - have access to vaccines considered safe and efficient to be able to start a vaccination campaign for their priority groups.

It would be essential that our partners in the Western Balkans are also given access to a limited stock of the vaccines as early as possible to enable them to start their vaccination campaigns at the same time as the EU, based on vaccination strategies and plans. Our economies and people are closely linked and vaccinations in the Western Balkans will be an important health security measure for the EU, as well as a sign of strong solidarity and EU’s continuous commitment vis-à-vis the region. It will also help promote the most efficacious and safest vaccines (on the basis of EMA authorisation) available on the market to be used in the region and to avoid any potential health risks related with the use of insufficiently verified alternatives.

To be effective in terms of quantities, logistics and timing, the provision of the vaccines to the region will have to be based on a mix of donations from the Member States and

² JOIN (2020) 11, 08.04.2020

³ COM(2020) 315, 29.04.2020

EU funding support, accompanied by possible assistance to the region in the deployment of the vaccine.

- Overview of past and ongoing EU's, other donors' and/or IPA II beneficiary's actions in the relevant sectors

The EU closely assists the Western Balkans region through several dedicated financial programmes and a Team Europe approach. EU financial assistance is channelled mainly through the Instrument for Pre-accession Assistance (IPA), which supports the Western Balkans Strategy, the 2030 Agenda, and the Sustainable Development Goals.

Amongst the instruments under IPA II, the WBIF supports *socio-economic development* and the European perspective across the region through the provision of technical assistance and investment grants to strategic projects in the energy, environment, social, transport, enterprise development and, since December 2017, digital infrastructure sectors.

Evaluations stress among the WBIF's strengths its capacity to encourage national ownership, the strategic prioritisation of investments, sharing of expertise, cooperation among all stakeholders, and transparency. The Management Information System (MIS) is also considered a best practice to follow.

While WBIF focuses on technical assistance and investment grants for sovereign lending, the Western Balkans Enterprise Development and Innovation Facility⁴ (EDIF) aims at improving access to finance SMEs by addressing major gaps in this field. One of its instruments, the WB EDIF Guarantee Facility incentivises selected financial intermediaries to build up new SME loan portfolios and thereby improves SMEs' access to bank lending in their respective beneficiary economies. The guarantees ensure transferred benefits for SMEs including longer loan maturities, lower cost of borrowing and reduction of collateral requirements.

The WB EDIF Guarantee has proved to be a valuable tool to leverage private capital, as for instance an EU contribution of EUR 60 000 000 can trigger potentially more than EUR 400 000 000⁵ in loans, reaching underserved SME sectors.

As underlined by the ex-ante evaluation for the new guarantee, existing EU guarantees in the region are designed specifically as SME portfolio guarantees (i.e. guaranteeing a bank-lending portfolio for SMEs). The new WB Guarantee pilot is the only EU guarantee in the region that will also be open to non-SME investments across all sectors under the WBIF umbrella (e.g. non-sovereign/PPP financing for municipal infrastructure investment, or scaling-up household investments in renewables or energy efficiency). The cross-sector approach of the new guarantee is in line with the strategic development of the WBIF 2.0 to be an integrated blending platform. In addition, this guarantee can be used as a pilot phase for ambitious, innovative ways to use guarantees that, if proven successful, could be scaled up under the future European Fund for Sustainable Development + (EFSD+), expected to be further harmonised across regions in the next Multiannual Financial Framework. The design will be in line with the rationale developed under the current EFSD, and draw on the best practices developed for the

⁴ Information about WB EDIF, available at <http://www.wbedif.eu/about-wbedif/>

⁵ EDIF annual report 2018, p. 20 <http://www.wbedif.eu/library/wb-edif-annual-report-2018/>

existing EFSD and EFSI guarantees. In the spirit of the EFSD, to avoid over-subsidising and crowding-out while introducing market-based mechanisms, the Commission would ask IFIs to charge guarantee beneficiaries (e.g. private financial intermediaries) a market-compatible premium, to the extent appropriate. The design will also draw on best practices to reward an achievement of concrete EU objectives and to align the interests of all stakeholders.

With regard to the existing EU portfolio guarantees, the ex-ante evaluation for the new guarantee shows that, despite the existence of specific risk-sharing vehicles such as the WB EDIF, the GGF, the EFSE, the REEP, the COSME, the EaSI and the InnovFin, a general need remains to enhance access to finance for a broad range of SMEs across sectors. This is mainly due to the fact that: i) an overall volume of available guarantees is small in relation to needs; ii) instruments are fairly generic in nature and broadly target the SME sector which can result in mostly strong, well-established SMEs benefiting; iii) not all instruments are present in all beneficiary economies of the region.

Taking these results into account, the new WB Guarantee will use the same MIS as the WBIF and, to the extent of possible consult WBIF stakeholders and governance structures, to ensure national ownership and the strategic prioritisation of investments. With regard to non-SME investments, it will ensure complementarity with the WBIF across all sectors. With regard to SME portfolio guarantees, the WB Guarantee will draw on existing instruments to ensure an adequate target leverage, while ensuring complementarity at the final beneficiary level (e.g. by targeting specific groups of entrepreneurs from vulnerable or marginalised backgrounds; underserved sectors such as agriculture or start-ups).

In addition, the WB Guarantee foresees a feature that no other guarantee in the region presents, which is a grant component dedicated to technical assistance (TA) to increase the impact of the Guarantee where needed. TA could be used at different levels to i) assist guarantee beneficiaries (e.g. local financial intermediaries) in designing and/or adapting their products; ii) helping final beneficiaries (e.g. SMEs, entrepreneurs) strengthen viable projects through the provision of business development services; iii) fast-track reforms or support institutional capacity necessary to unlock private investment.

In the field of *health*, the European Centre for Disease Prevention and Control (ECDC) has been developing its cooperation with the Western Balkans and Turkey since 2008, gradually involving their representatives in its work, financed by funding agreements with the European Commission. Since 2008, ECDC has implemented five IPA funded projects for this purpose. Currently two contribution agreements are being implemented for beneficiaries from the Western Balkans. As a result of the gradual involvement of representatives from Western Balkans and Turkey in the work of ECDC, when the COVID-19 pandemic broke out, IPA II beneficiaries were able to benefit from the guidance and advice of the Centre.

Support to the health sector in the Western Balkans has been stepped in the wake of the COVID-19 pandemic. The EUR 3.3 billion COVID-19 response for the Western Balkans developed at the beginning of the pandemic included reallocations from IPA II of EUR 38 million of immediate support for the health sector, in particular through delivering essential supplies such as personal protective equipment, tests and ventilators. Most of this assistance has been delivered to the Beneficiaries. The key problem

encountered in the delivery of this type of assistance was the scarcity of supply of certain types of medical equipment (e.g. Personal Protection Equipment, ventilators). Therefore ensuring a secure supply chain is essential for timely delivery of the assistance. This is being done through negotiations with Member States that will share their allocations with the Western Balkans.

In order to improve resilience of the health system, support will also be provided as part of the COVID-19 response to enable the World Health Organisation (WHO) to provide support to the Western Balkans. In line with the WHO European Region Resolution EUR/RC68/R7 and its Action Plan to Improve Public Health Preparedness and Response, WHO/Europe led work in the development of health security capacity in the region across three pillars. These are to build, strengthen and maintain core capacities in line with the core requirement set in the International Health Regulation (IHR) (2005); strengthen event management and compliance with the IHR requirements; and measure progress and promote accountability. The new programme will develop these elements as well as support the Western Balkans in the development of their vaccination strategies and plans.

The EU support to the Western Balkans to handle the COVID-19 pandemic represents – together with the substantial assistance to health services and recovery - an unprecedented opportunity for economic development and job creation in the region, based on the EU criteria and values. The envisaged assistance will be effectively explained and strategically communicated across the region, using the most advanced communication practices including Team Europe approach.

2.2 DESCRIPTION AND IMPLEMENTATION OF THE ACTIONS

The envisaged assistance is to comply with the conditions and procedures set out by the restrictive measures adopted pursuant to Article 215 TFEU⁶.

PRIORITY 1	<i>Western Balkans Guarantee</i>	<i>EUR 50 000 000</i>
Action 1	<i>Western Balkans Guarantee</i>	<i>EUR 50 000 000</i>

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

- Description of the action and objectives

The Western Balkans Guarantee will contribute to accelerating progress towards meeting the European perspective in the Western Balkan region by enabling the scaling-up of investments in areas that directly contribute to sustainable socio-economic

⁶ 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.

development and regional integration, particularly boosting the region's competitiveness and job creation.

In order to alleviate the economic consequences of the COVID-19 pandemic, and in line with the “*Communication on the Global EU response to COVID-19*”² and the “*Communication on Support to the Western Balkans in tackling COVID-19 and the post-pandemic recovery - Commission contribution ahead of the EU-Western Balkans leaders meeting on 6 May 2020*”³, the Western Balkans Guarantee will be reoriented to provide a “specific fit for purpose COVID-19 response” across the priority areas identified. In practical terms, proposals targeting the liquidity needs of SMEs will be prioritised which will allow to deploy this type of support swiftly to tackle the short and medium term economic impact of the pandemic.

- Expected results and key performance indicators

Five specific objectives have been set in order to achieve the overall objective:

SPECIFIC OBJECTIVE 1 – Improve job creation, innovation and competitiveness, in particular at the level of early-stage SMEs, digital sector, greening business (including green performers and innovators), and social entrepreneurship (including SMEs led by high impact target groups) and rural sector SMEs (including agriculture and agri-businesses);

SPECIFIC OBJECTIVE 2 – Reduce of local pollution and greenhouse gases emissions, including through more recycling;

SPECIFIC OBJECTIVE 3 – Increase trade and cross-border investments within the region and with the European Union;

SPECIFIC OBJECTIVE 4 – Diversify the financial sector, including development of non-bank or non-loan financing for SMEs;

Due to the wide variety of sectors and areas of potential project proposals, final indicators will be agreed with the implementing partners based on their project proposals and, to the extent of possible, in line with the EU Platform for Blending in External Cooperation (EUBEC) and Regional Cooperation Council (RCC) indicators to ensure the reliability of the sources of verification. As an indication, these could be some of the general key performance indicators to be used:

- Number of beneficiaries, disaggregated by sex, age and regions where relevant (EUBEC 7.1);
- Number of jobs created, supported or sustained in employment by the investment(s), disaggregated by sex (EUBEC 6.6);
- Amount of greenhouse gas emissions induced, avoided, reduced or sequestered per year (CO₂ tons/year) (EUBEC 7.3);
- Intraregional trade and trade with the EU (export and imports) RCC indicators for South East Europe;
- Amount of private sector investment mobilised through the Guarantee to support non-bank and/or non-loan financing for SMEs.

(2) Assumptions and conditions

For an effective and timely implementation of the action, both the regional stability and the quality of projects are essential.

In order to attract and leverage private sector, investments a stable or improving macroeconomic and market environment is needed in the Western Balkan economies. Stable political and security climate, as well as legal certainties on the regional and on beneficiary level are also fundamental to secure investments. An economic crisis as the one that could be produced by the COVID-19 pandemic can potentially reduce private sector investments hence having an adverse effect on the action in terms of final beneficiaries reached and leverage achieved.

It is also crucial that project proposals are of sufficient quality and volume, provide sufficient added value and are mature enough to be implemented. In addition, local counterparts and beneficiaries need to be aware of and supportive of the projects prepared by the eligible implementing partners. The TA elements, if delivered effectively and according to the needs of the instrument and the implementing partners, will cater for ensuring a strong pipeline of projects while creating awareness of the action.

(3) Implementation modalities

Indirect management with Member States' organisations and/or international organisations

This action may be implemented in indirect management with an entity(-ies), which will be selected by the Commission services through a competitive procedure using the following selection criteria: policy relevance, breadth, quality and sustainability of the impact, and clarity and efficiency of the instrument design including alignment of interests. The call will be open to partner financial institutions pillar-assessed for the implementation of Financial Instruments and, linked to the Western Balkans Investment Framework, i.e. Agence française de Développement (AFD); the Council of Europe Development Bank (CEB); the European Bank for Reconstruction and Development (EBRD); the European Investment Bank Group (EIB); Kreditanstalt für Wiederaufbau (KfW); and World Bank Group.

The implementation by this entity(-ies) entails the selection, including the capacity and risk assessment, and allocation, including contracting and monitoring, of the Western Balkans Guarantee to intermediary financial institutions (banks and non-bank financial institutions), including the management of the TA component, in order to crowd-in private capital. Added capital will enable to scale-up investments in pre-identified areas that directly contribute to sustainable socio-economic development and regional integration, particularly boosting the region's competitiveness and job creation. In order to alleviate the economic consequences of the COVID-19 pandemic, the Western Balkans Guarantee will be reoriented to provide a "specific fit for purpose COVID-19 response" meeting the liquidity needs of SMEs to tackle the short and medium term economic impact of the pandemic.

(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.

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of products and services in the markets of the Beneficiaries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

PRIORITY 2	<i>Health sector</i>	<i>EUR 70 000 000</i>
Action 2	<i>EU4Health: Contribution to the availability and access to vaccines against COVID-19 in the Western Balkans</i>	<i>EUR 70 000 000</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 mitigate the social and economic impact of COVID-19 in the Western Balkans.

The action may provide support to the Western Balkans by contributing to the availability and early access to reliable, effective and EU authorised COVID-19 vaccines at the same time as they are made available to EU Member States. They will be used for the vaccination of priority groups (primarily medical staff, and elderly groups, primarily with pre-existing conditions and other high risk and vulnerable groups).

Under most of the EU Advance Purchase Agreements with vaccine producers, the EU Member States have the option of donating or reselling part of their allocation to third countries, subject to certain conditions, including the agreement of the manufacturers. IPA II financing will be used to provide grants to the Western Balkans - according to their population size or based on identified needs - to cover the amount paid by the Western Balkans partners for the vaccines but not more than the purchase price negotiated by the EU in the Advance Purchase Agreements to purchase the vaccines doses that will be made available to Western Balkans partners.

A part of the assistance (maximum 15%) may also be used for the purchase of equipment, medical devices, material and consumables necessary for the delivery of the COVID-19 vaccines.

The specific objective of the action is to ensure that vaccines purchased through the EU-funded intervention are administered in the Western Balkans, especially to identified priority groups (e.g. healthcare workers, elderly, vulnerable and high-risk people).

- Expected results and key performance indicators

The expected result is that identified priority groups in the Western Balkans are vaccinated against COVID-19.

The key performance indicator is:

“number of COVID-19 vaccines administered (disaggregated by relevant Western Balkans partner, priority group targeted, sex).

(2) Assumptions and conditions

For an effective and timely implementation of the action, the main assumptions are the following:

- Effective and safe vaccines are available on the market in a timely manner and in the appropriate quantity.
- EU Member States are willing to donate/sell.
- Logistical and supply chain barriers addressed.

Additionally, partner governments are to be fully supportive and take full responsibility and act to ensure preparation of vaccination plans, including effective information campaigns to the public, and identification of gaps in terms of equipment or medical consumables needs that will have to be procured for a successful vaccination campaign.

(3) Implementation modalities

Direct management

Grants “EU4Health: Contribution to the availability and access to vaccines against COVID-19 in the Western Balkans”:

a) Purpose of the grants:

The grants awarded will contribute to the purchase of COVID-19 vaccines and to the administration of COVID-19 vaccines in the Western Balkans, especially to identified priority groups (e.g. healthcare workers, elderly, vulnerable and high-risk people).

b) Direct grant award:

Under the responsibility of the Commission’s authorising officer responsible, the grants may be awarded without a call for proposals to:

- The Ministry of Health and Social Protection in Albania;
- The Ministry of Civil Affairs in Bosnia and Herzegovina;
- The Ministry of Health in Kosovo;
- The Ministry of Health in Montenegro;
- The Ministry of Health in North Macedonia;
- The Ministry of Health in Serbia.

The recourse to an award of a grant without a call for proposals is justified because the above-mentioned bodies have a de jure monopoly in purchasing and distributing the vaccines and the ancillary equipment. Grants may be awarded without a call for proposals

to bodies with a de jure monopoly based on Article 195 (c) of the Regulation (EU, Euratom) 2018/1046.

Considering that the action is implemented in a crisis situation and that it is an action with the objective to mitigate the social and economic impact of COVID-19 in the Western Balkans by urgently protecting health of people, it is deemed that financing in full is essential to carry out the action. Therefore, the EU financing rate shall be 100% of the eligible costs in line with Article 190(3) of Regulation (EU, Euratom) 2018/1046.

The **global** budgetary envelope reserved for grants: EUR 70 000 000.

(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.

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of products and services in the markets of the Beneficiaries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

In view of the current COVID-19 pandemic crisis situation, the purchase of vaccines may entail exceptions to the geographical eligibility of origin of the vaccines, provided that they are approved by EMA and the European Commission has given market authorisation.

3. INDICATIVE BUDGET TABLE - MULTI-COUNTRY PROGRAMME

2019				2020				Total Financing Decision
	EU Contribution	IPA II beneficiary or other third party co-financing ⁷	Total expenditure		EU Contribution	IPA II beneficiary or other third party co-financing	Total expenditure	
Priority 1 Western Balkans Guarantee	50 000 000	0	50 000 000	Priority 1 Western Balkans Guarantee	0	0	0	50 000 000
Action 1 - Western Balkans Guarantee	50 000 000	0	50 000 000	Action 1 - Western Balkans Guarantee	0	0	0	50 000 000
Priority 2 Health	0	0	0	Priority 2 Health	70 000 000	0	70 000 000	70 000 000
Action 2 – EU4Health: Contribution to the availability and access to vaccines against COVID-19 in the Western Balkans	0	0	0	Action 2 – EU4Health: Contribution to the availability and access to vaccines against COVID-19 in the Western Balkans	70 000 000	0	70 000 000	70 000 000
TOTALS 2019	50 000 000	0	50 000 000	TOTALS 2020	70 000 000	0	70 000 000	120 000 000

⁷ At this stage, the total cost including other contributions is unknown. Potential additional financing from partner financial institutions as well as leverage effect will depend on the nature of the approved project proposal.

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.

In the specific context of indirect management by IPA II beneficiaries, National IPA Coordinators (NIPACs) will collect information on the performance of the actions and programmes (process, output and outcome indicators) and coordinate the collection and production of indicators coming from national sources.

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.