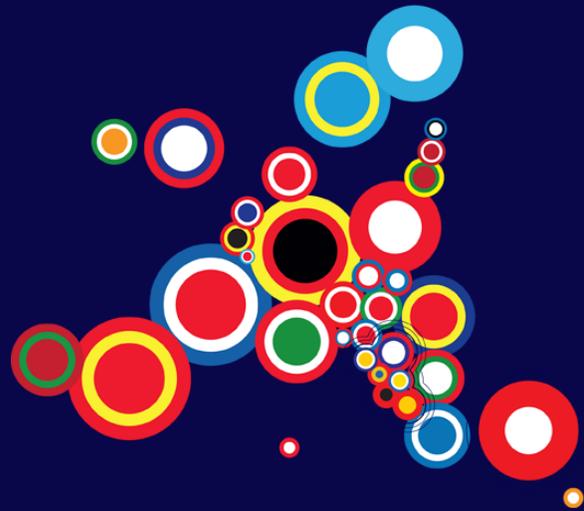




INSTRUMENT FOR PRE-ACCESSION ASSISTANCE (IPA II) 2014-2020

MONTENEGRO

Support to participation in
Union Programmes



Action summary

This Action will ensure and facilitate Montenegro's participation in EU Programmes by co-financing costs of the "entry-tickets" to be paid by Montenegro in areas such as education, science, culture, employment, entrepreneurship and innovation, taxation, custom system etc.

The Action will enhance participation of Montenegro in Union Programmes, including strengthened ownership and responsibility of Montenegro (including in financial terms) for participation in Union Programmes, and will contribute to an increase in the exchanges with EU Member States.

The focus of the Action will be on the following Union Programmes: COSME, Creative Europe, Europe for Citizens, ERASMUS+, Customs, Horizon 2020, , Fiscalis and EaSI.

Action Identification			
Action Programme Title	Annual Action Programme for Montenegro for the year 2017		
Action Title	Support to participation in Union Programmes		
Action ID	IPA 2017/040-216.02/ME/Union Programmes		
Sector Information			
IPA II Sector	1. Democracy and Governance		
DAC Sector	43010 (multisector aid)		
Budget			
Total cost	EUR 1,914,705		
EU contribution	EUR 970,853		
Management and Implementation			
Method of implementation	Indirect management		
<i>Indirect management:</i> National authority or other entrusted entity	National Fund, Ministry of Finance		
Implementation responsibilities	/		
Location			
Zone benefiting from the action	Montenegro		
Specific implementation area(s)	/		
Timeline			
Final date for concluding Financing Agreement(s) with IPA II beneficiary	At the latest by 31 December 2018		
Final date for concluding procurement and grant contracts	3 years following the date of conclusion of the Financing Agreement, with the exception of cases listed under Article 189(2) of the Financial Regulation		
Final date for operational implementation	6 years following the 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		
Policy objectives / Markers (DAC form)			
General policy objective	Not targeted	Significant objective	Main objective
Participation development/good governance	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Aid to environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gender equality (including Women In Development)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Trade Development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Reproductive, Maternal, New born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
RIO Convention markers	Not targeted	Significant objective	Main objective
Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Climate change mitigation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Climate change adaptation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

1. RATIONALE

PROBLEM AND STAKEHOLDER ANALYSIS

The Union Programmes are a series of integrated measures promoted by the European Union, aimed at strengthening the co-operation among the Member States regarding EU policies for a period of time. Union Programmes are financed from the general budget of the European Union, covering different areas: from environmental protection, research and innovation, energy and transport to the development of entrepreneurship and competitiveness, and they represent significant instruments for defining and conducting internal EU policies. For Montenegro, as candidate country which negotiates accession to EU, the participation in these programmes represents an opportunity to be better prepared for accession and also to familiarise itself with the EU policies and operating methods.

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

Consequently, Framework Agreements have been signed with all the Western Balkan countries to establish the general principles for their participation in the Union programmes. The former State Union of Serbia and Montenegro signed Framework Agreement between the European Community and Serbia and Montenegro on the general principles for the participation of Serbia and Montenegro in Community programmes on 22 November 2004, which came into force on 27 July 2005. Following Montenegro's independence, as Montenegro was not covered any more by the Framework Agreement signed with Serbia and Montenegro, its provisions were included in the *Stabilisation and Association Agreement* signed with Montenegro, as its Protocol 8¹. In order to establish the legal basis for participation in each individual Programme, an International Agreement (previously a Memorandum of Understanding) needs to be concluded between the EC and Montenegro, defining the conditions of participation, including its administrative aspects (financial control, financial resources for participation, eventual inclusion in the programme management etc.). In order to participate in EU programmes, Montenegro has to pay an annual financial contribution in the form of an “entry ticket” to the general budget of the EU.

Through its participation in the Union Programmes, Montenegro has the opportunity to build knowledge and capacities of different stakeholders dealing with European issues; actively participate in the implementation of the EU policies; support different activities of institutions, small and medium enterprises; intensify international cooperation and initiate mobility in relation to EU countries and thus become deeper involved into the European integration process. Participation in the Union Programmes encourages the active involvement of public and private institutions, NGOs, civil society institutions and universities to benefit from the EU accession process. It is expected that the knowledge and skills developed through participation in Union Programmes will be retained within the participating institutions and within the responsible ministries.

OUTLINE OF IPA II ASSISTANCE

Participation in a wide range of programmes in different areas before its accession is beneficial for Montenegro's progressive integration into EU networks. However, the amount of the entry tickets to be paid would have constituted a serious obstacle in obtaining the agreement for participation from the authorities of Montenegro, if they would have to be covered entirely by the State budget. Such a participation in a wide range of programmes in different areas would not have been possible without the guarantee of IPA partial reimbursement.

¹ In Article 1 of the Protocol 8, it is stipulated that Montenegro shall be allowed to participate in the Community Programmes listed in the Annex to the *Framework Agreement between the European Community and Serbia and Montenegro on the general principles for the participation of Serbia and Montenegro in Community Programmes (OJ L192, 22. 7. 2005)* and in the programmes established or renewed after 27 July 2005 as well as in those that contain an opening clause which foresees the participation of Montenegro.

Montenegro should carefully plan financial contributions, since the part of the entry ticket which is financed from the State budget should increase progressively during the participating years. Moreover, IPA programming experience has shown that line ministries should increase their planning capacities. In order for IPA funds to be available for reimbursement during the participation of the country in a given year, IPA funds need to be earmarked in the IPA national programme of the previous year. This Action will therefore provide IPA II support to Montenegro's participation in the following Union Programmes in 2018:

- *Erasmus+* is the EU Programme in the fields of education, training, youth and sport. It brings together the Lifelong Learning programme, Youth in Action, Erasmus Mundus and Tempus programme. It is designed to support Programme Countries efforts to efficiently use the potential of Europe's human and social capital, while confirming the principal of lifelong learning by linking support to formal, non-formal and informal learning throughout the education, training and youth fields. The programme also enhances the opportunities for cooperation and mobility with partner countries, notably in the fields of higher education and youth.
- *Horizon 2020* is the EU Research and Innovation programme established by the Regulation (EU) No 1291/2013 of the European Parliament and the Council of 11 December 2013. It brings together Framework Programme for Research and Technological Development (FP), the Competitiveness and Innovation Framework Programme (CIP) and the European Institute of Innovation and Technology (EIT). The goal of the programme is to ensure Europe produces world-class science, removes barriers to innovation and makes it easier for the public and private sectors to work together in delivering innovation.
- *COSME* is the Programme for the Competitiveness of Enterprises and Small and Medium-Sized enterprises is the EU Programme established by the Regulation (EU) No 1288/2013 of the European Parliament and the Council of 11 December 2013 with the goal to strengthen the competitiveness and sustainability of the Unions enterprises and to encourage an entrepreneurial culture and promote creation and growth of SMEs.
- *Creative Europe* is the EU programme established by the Regulation (EU) No 1295/2013 of the European Parliament and the Council of 11 December 2013 with the goal to support to the cultural and creative sector. It brings together the previous Culture, Media and Media Mundus programmes and supports: culture sector initiatives, audio-visual sector initiatives and a cross-sectorial strand.
- *Europe for Citizens 2014-2020* is the successor of the previous *EfC* Programme and is established by the Council Regulation (EU) No 390/2014 of 14 April 2014 with the goal to support two areas: European Remembrance and Democratic engagement and civic participation.
- *EU Programme for Employment and Social Innovation (EaSI)* is established by the Regulation (EU) No 1296/2013 of the European Parliament and of the Council of 11 December 2013 with the goal to promote a high level of quality and sustainable employment, guaranteeing adequate and decent social protection, combating social exclusion and poverty and improving working conditions. It brings together three EU programmes managed separately by the EC between 2007 and 2013: PROGRESS, EURES and Progress Microfinance.
- *Fiscalis 2020* is an EU cooperation programme enabling national tax administrations to create and exchange information and expertise. It allows developing and operating major trans-European IT systems in partnership, as well as establishing various person to person networks by bringing together national officials from across Europe.
- *Customs 2020* is an EU cooperation programme providing national customs administrations with the possibility to create and exchange information and expertise. It allows developing and operating major trans-European IT systems in partnership and establishing various human networks by bringing together national officials from across Europe.

The main direct beneficiaries are the governmental institutions (ministries) which are in charge of the coordination of the selected Union Programmes. The Directorate General for EU Funds within the Ministry of European Affairs is in charge of the overall coordination of the Union programmes. The Ministry of Finance / National Fund is in charge of ensuring that the defined percentage of entry ticket is reimbursed to the national budget. The main beneficiaries are the national stakeholders (e.g. institutions and organizations from the public, private and civil sector) who are eligible participants in the actions implemented under the EU Programmes.

RELEVANCE WITH THE IPA II STRATEGY PAPER AND OTHER KEY REFERENCES

The Action will contribute to all IPA II sectors defined in the *Indicative Strategy Paper for Montenegro (2014-2020)*, by encouraging Montenegro's participation in several Union Programmes before its accession, thus contributing to its preparation and to better absorption of funds and better implementation of projects after its accession, and more specifically: the *Erasmus +*, *EaSI*, *Horizon 2020*, *Creative Europe*, and *Europe for Citizens* programmes support the priority sector Education, Employment and Social Policies; *COSME* supports the priority sector Competitiveness and Innovation; while the programmes *Fiscalis 2020* and *Customs 2020* are in line with the priority sector Democracy and Governance.

LESSONS LEARNED AND LINK TO PREVIOUS FINANCIAL ASSISTANCE

Previous annual IPA programmes, under the Multi-annual Financial Framework (MFF) 2007-2013, were used to co-finance the financial contribution (*entry-ticket*) paid in the previous years by Montenegro for its participation in the Community/Union programmes, such as the *Seventh Framework Programme for Research and Development (FP7)*, the *Entrepreneurship and Innovation Programme (EIP)*, *Culture 2007-2013*, *ICT Policy Support Programme 2011*, *Customs 2013*, *Europe for Citizens* and *Lifelong Learning*. Even though these programmes have been concluded in the MFF 2007-2013, the lessons learned from them are significant for the successful participation in EU programmes in the MFF 2014-2020.

The experience shows that participation in the Union programmes is an extremely important feature of a successful pre-accession strategy. Joining a wide range of programmes before its accession is useful in terms of the country's progressive integration into EU networks. The participation of Montenegro in Union programmes in the period 2007-2013 has contributed to a greater engagement of its different stakeholders with European issues and projects and to the strengthening of their capacities and knowledge regarding EU policies and the underpinning values.

2. DESCRIPTION AND IMPLEMENTATION ARRANGEMENTS

INTERVENTION LOGIC

Objective:

- To ensure participation of Montenegro in Union Programmes by co-financing the costs of the entry-tickets/participation fees to be paid in areas such as set out in the respective international agreements governing the participation to Union programmes or agencies.

Result:

- Enabled and enhanced participation of Montenegro in Union Programmes, including increased exchanges with EU Member States;
- Strengthened ownership and responsibility of Montenegro (including in financial terms) for participation in Union Programmes.

Indicators:

- Number of programmes for which an International Agreement has been concluded;
- Montenegro's participation rates in the different Union Programmes.

IMPLEMENTATION ISSUES

IPA funds of year N co-finance entry tickets / participation fees for year N+1 or in case of front-loading also for years N+1 and N+2 [e.g. participation fees for 2014 are co-financed by IPA 2013; IPA 2014-2020 would co-finance 2015-2021 fees, i.e. the last year of IPA co-financing is falling outside this financial framework].

The overall coordination of EU Programmes in Montenegro is in the mandate of the National IPA Coordinator Office, whose responsibilities include: the programming of IPA funding in order to cover parts of entry tickets, informing the general public about EU programmes, and communication with the EC on one part, and the line ministries on the other, concerning Montenegro's participation in the EU programmes.

In accordance with the rules of individual EU programmes, the participation in them is coordinated by the responsible national line ministries. The national contact points within the line ministries perform different tasks related to the programme coordination, including dissemination of information to potential applicants and the general public, strengthening the capacities of eligible applicants and providing the necessary support in the application processes.

The participation of the IPA II beneficiary 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 Montenegro's ownership and responsibility IPA funding rates shall decrease over the years in real or relative terms. Montenegro 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 reimbursement will be paid as a grant to Montenegro. The Ministry of Finance / National Fund is in charge of ensuring that the defined percentage of entry ticket is reimbursed to the national budget. The main beneficiaries are the national stakeholders (e.g. institutions and organizations from the public, private and civil sector) who are eligible participants in the actions implemented under the EU Programmes.

The NIPAC will regularly monitor the participation rates and reports on them as well as on co-financing trends in the context of IPA monitoring committees.

COMMUNICATION AND VISIBILITY

Communication and visibility activities shall be implemented in accordance with the rules of each Union programme. The relevant programme managing entity shall be responsible for monitoring of the visibility activities. The NIPAC office ensures that the national institution participant of the respective Union programme, establishes direct contacts with the EU Delegation in order to plan and implement together visibility actions linked to the implementation of the respective Union programme.

In every visibility event of individual EU Programme specific attention of the participants, the general public and the media will be drawn to the IPA contribution to participation fees enabling Montenegro to participate in that programme. The communication and visibility activities shall demonstrate the benefits of the action for the general public.

3. BUDGET BREAKDOWN

	Total expenditure	IPA II contribution	
	EUR	EUR	%
Entry ticket for COSME 2018	79,705.00	39,853.00	50.00
Entry ticket for Europe for Citizens 2018	15,000.00	7,500.00	50.00
Entry ticket for ERASMUS+ 2018	50,000.00	25,000.00	50.00
Entry ticket for Customs 2018	175,000.00	87,500.00	50.00
Entry ticket for Fiscalis 2018	35,000.00	21,000.00	60.00
Entry ticket for Horizon 2020 2018	1,400,000.00	700,000.00	50.00
Entry ticket for Creative Europe 2018	60,000.00	30,000.00	50.00
Entry ticket for EaSi 2018	100,000.00	60,000.00	60.00
TOTAL for ACTION	1,914,705.00	970,853.00	

ANNEX

Overview of Montenegro'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

Union Programme	Line Ministry in charge of coordination and contact person	Date of entry into force / latest amendments to the International Agreement
Horizon 2020	Ministry of Science Smilja Kažić-Vujačić Head of the Directorate for International Programs and European Integration e-mail: smilja.kazic@mna.gov.me phone: +382 20 405 351	July 1 st 2014
COSME	Ministry of Economy Maja Jakanović Directorate for Industry and Entrepreneurship e-mail: maja.jakanovic@mek.gov.me phone: +382 20 482 302	June 25 th 2014
Erasmus +	Ministry of Education Vanja Drljević National Erasmus+ Office Coordinator e-mail: vanja.drljevic@mps.gov.me phone: +382 20 405 346	June 19 th 2014
Creative Europe	Ministry of Culture Milena Ražnatović Directorate for Cultural and Artistic Creativity e-mail: milena.raznatovic@mku.gov.me phone: +382 41 232 583	July 22 nd 2014
EaSI	Ministry of Labour and Social Welfare Biljana Krstajić Senior Advisor, Department for Programming and Implementation of EU Funds e-mail: biljana.krstajic@mrs.gov.me phone: +382 20 482 244	February 17 th 2015
Europe for Citizens	Ministry of Culture Milena Ražnatović Directorate for Cultural and Artistic Creativity e-mail: milena.raznatovic@mku.gov.me phone: +382 41 232 583	October 27 th 2014
Customs	Ministry of Finance Azra Bećović Custom Administration Head of the Department for International Customs Cooperation and European Integration e-mail: azra.becovic@carina.gov.me phone: +382 20 442 021	October 16 th 2014
Fiscalis	Ministry of Finance Veljko Blagojević Tax Administration Assistant Director of the Tax Administration e-mail: veljko.blagojevic@tax.gov.me phone: +382 20 448 180	December 23 rd 2014