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ANNEX to the Financing Decision

ANNUAL ACTION PROGRAMME FOR KOSOVO* FOR THE YEAR 2020

1 IDENTIFICATION

Beneficiary	Kosovo
Basic act: CRIS/ABAC Commitment references and budget line	Instrument for Pre-accession Assistance (IPA-II) 2020/042-089 EUR 21 100 000.00 - 22.02.01.01 2020/042-090 EUR 69 100 000.00 - 22.02.01.02
Total cost: EU Contribution:	EUR 138 837 277.60 EUR 90 200 000.00
Method of implementation	Direct management by the European Commission and Indirect management with an entity to be selected according to Article 62(1)(c) (i) or (ii) of the Financial Regulation – Action 01 EU acquis Approximation Facility Indirect management with United Nations International Children's Emergency Fund (UNICEF) - Action 03 EU4 Justice and Home Affairs Indirect management with Kreditanstalt für Wiederaufbau (KfW) - Action 04 EU4 Environment, Climate Action and Energy Indirect management with Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) - Action 04 EU4 Environment, Climate Action and Energy and Action 06 EU4 small business recovery following the COVID-19 crisis Indirect management with European Investment Bank (EIB) - Action 04 EU4 Environment, Climate Action and Energy Indirect management with Food and Agriculture Organization (FAO) - Action 05 EU4 Cultural Heritage and rural Development Indirect management with World Bank (WB) - Action 05 EU4 Cultural Heritage and rural Development. Indirect management with United Nations Development Programme (UNDP) – Action 05 EU4 Cultural Heritage

*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

	and rural Development Indirect management with United Nations Office for Project Services (UNOPS) - Action 07 EU4 Employment and Education
Final date for concluding <u>Financing Agreement(s)</u> with the IPA II beneficiary	At the latest by 31 December 2021
Final date for contracting, including the conclusion of contribution/delegation agreements	3 years following the date of conclusion of the Financing Agreement
Indicative operational implementation period	6 years following the date of conclusion of the Financing Agreement.
Final date for implementing the Financing Agreement (date by which this programme should be de-committed and closed)	12 years following the conclusion of the Financing Agreement.

2 DESCRIPTION OF THE ACTION PROGRAMME

2.1 SECTORS SELECTED UNDER THIS ACTION PROGRAMME

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

Following the COVID-19 outbreak, a major reprogramming and reorientation exercise of IPA funds was initiated, with the twofold objective of helping Kosovo acquiring emergency health supplies and equipment and addressing the social and economic fallout of the crisis on the short and medium term. This reprogramming exercise is in line with the “Communication on the global EU response to the COVID 19 - JOIN (2020) 11 final”, adopted on 8 April 2020 and the Communication on Support to the Western Balkans in tackling the COVID-19 and the post-pandemic recovery - Commission contribution ahead of the EU-Western Balkans leaders meeting on 6 May 2020 adopted on 29 April 2020 – COM(2020) 315 final.

Under the Action Programme for Kosovo for the Year 2020, the response to COVID-19 (EUR 11.6 million) will include additional urgent support through the EU Approximation Facility and support to start-ups and micro businesses to increase their resilience in the face of crisis. The following sectors will be supported: Democracy and Governance, Rule of Law and Fundamental Rights, Environment, Climate Action and Energy, Competitiveness, Innovation and Agriculture and Rural Development, and Education, Employment and Social Policies. The identified sectors are in line with the indicative strategy paper for Kosovo for 2014 - 2020 of 20 August 2014, revised on 10 August 2018¹.

- The aim of the first action under **democracy and governance** is to support Kosovo with approximation with the EU *acquis* through strengthening the technical and administrative capacity of the administration in relation to Kosovo's European Reform Agenda, in implementing measures related to urgent political priorities in the framework of Kosovo's European perspective, including those that may arise from the EU facilitated Dialogue for the normalisation of relations between Belgrade and Pristina. The action will also support the alignment of rules and procedures for mutual recognition of professional qualifications. In addition, it will support measures that the EU or the government of Kosovo could take in line with urgent political, economic, health or social needs and which cannot be identified at this stage, more specifically to respond to the COVID-19 outbreak. The second action will support Kosovo's participation in EU Programmes by co-financing the costs of entry-tickets and will strengthen the capacities of responsible governmental bodies to manage and participate in EU Programmes.
- The action under **rule of law and fundamental rights** will assist reforms in the justice and the home affairs sectors to strengthen institutions to align with European standards and practices and ensure public safety and security. In the justice sector, the action will invest in Information and Communication Technology and other supplies to strengthen the efficiency and governance of the institutions. In addition, the child protection system will be improved with particular focus on the most vulnerable and marginalised children. The action will support the implementation of a comprehensive reform of the home affairs

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

sector, strengthening overall governance and capacities in the fight against organised crime, corruption and terrorism.

- The action under **environment, climate action and energy** is to support Kosovo in preventing environmental land and air degradation and the negative impact on human health by reducing solid waste pollution and emissions from the production of energy. This action will support Kosovo institutions in aligning its waste management practices with EU standards. The action will support the increase of heating supply capacity of the Pristina District Heating system.
 - The aim of the first action under **competitiveness, innovation, agriculture and rural development** is to foster rural economic development by enhancing income generation of underdeveloped and vulnerable communities through the support of agriculture and the development of cultural tourism. The action will also support sustainable forest management, contribute to a sustainable irrigation sector through investments and technical assistance measures, support the vineyards and winery to become compliant with European Union standards, support the conservation works and touristic infrastructure of heritage sites in three municipalities in Kosovo and finally strengthen institutional and local capacities for cultural tourism management. The second action aims to assist start-ups and micro businesses with limited access to commercial loans to support new business ideas and the scaling up or recovery of existing businesses amidst the COVID-19 crisis and its aftermath. The action also provides support services for the digitalisation of Micro, Small and Medium Enterprises to increase their resilience in the face of crisis.
 - The action under **education, employment and social policies** aims to contribute to increase employment in Kosovo, particularly of youth and women through support of the development of active labour market measures and improve quality and effectiveness of public employment services. On Education, the Action aims to increase the quality of higher education with new infrastructure, capacity building of academic staff, and increased access to research grants and enhancement of quality assurance.
- Overview of past and on-going EU, other donors' and/or IPA II beneficiary's actions in the relevant sectors:
 - In the sector of **democracy and governance** previous assistance focused on strengthening the capacity of Kosovo institutions, in transposing, applying and implementing the EU *acquis*, especially in areas covered by the Stabilisation and Association Agreement. Furthermore, support was provided for the effective and efficient management and absorption of IPA funds, the implementation of the EU facilitated dialogue for the normalisation of relations between Belgrade and Pristina and increases in effectiveness, independence and accountability of Kosovo's civil service. Experience confirms that this type of assistance is particularly useful for responding quickly to urgent needs identified in the course of implementation of IPA assistance.

Following the COVID-19 outbreak, a major reprogramming and reorientation exercise of IPA funds was initiated, with the twofold objective of helping Kosovo acquiring emergency health supplies and equipment as soon as possible,

and addressing the social and economic fallout of the crisis on the short to medium term.

The COVID-19 response amounts to EUR 68 million, with EUR 5 million to address the immediate needs (medical supplies and equipment) and EUR 63 million for the social and economic response.

- The proposed support under the **rule of law and fundamental rights** will build on the results and recommendations of previous EU funded and other donors' projects which has focused on key institutional reforms and capacity building of the various actors in the justice sector. Thus support was given: to strengthen the administrative, policy making and legal drafting capacities within the Ministry of Justice and to reduce the backlog of cases in courts; the one time Kosovo wide vetting and re-appointment of judges and prosecutors was supported; international experts have supported the Constitutional Court; the Kosovo Judicial and Prosecutorial Councils were assisted with the purpose of creating an independent and impartial judiciary. Similarly, the areas of international legal cooperation, legal education, forensic medicine, execution of criminal sanctions, free legal professions and juvenile justice have also received support. Ongoing support also includes building a Criminal Records System and supporting the re-codification of a Civil Code for Kosovo. Areas in which the EU has been involved should be supported under this action in order to sustain previously achieved results of complex reforms that cannot realistically be achieved in a short period of only a few years.
- In the sector of **environment** during the last couple of years the Ministry of Environment and Spatial Planning and other relevant institutions like the Kosovo Environment Protection Agency have received financial support from the EU and other donors in the areas such as: transposition and implementation of EU environmental *acquis*, development of strategic sector documents, for the set-up and implementation of accompanying reform measures, and for the preparation and implementation of several environmental infrastructure projects. The donor support in the area of waste management included both technical assistance and investments in infrastructure, mainly aiming the improvement of municipal services and preparation of several technical documents e.g. feasibility and Environmental Impact Assessment studies, detailed design, etc. Under IPA 2014, a more specific study for the decommissioning of Kosovo A Thermal Power Plant was carried out with the main objective to advise the EU and assist the Kosovo Energy Corporation, the government and other stakeholders to prepare a decommissioning plan for the overaged, environmentally polluting and inefficient Kosovo A Thermal Power Plant. A project has been programmed under IPA 2019 II to support the decommissioning process.
- Previous EU funded support has contributed to institutional development and reform promotion in the **energy** including energy market regulatory framework development, alignment of the legal framework with the *acquis*, strategic planning in energy efficiency and renewable energy sources. Significant assistance was provided to Kosovo B power plant under the Community Assistance for Reconstruction, Development and Stabilisation instrument from 2000 to 2006 totalling to EUR 177 500 000.00. Further support under IPA I included support to the policy making process including legislation on transposing the EU directive on energy services (2006/32) and on the

implementation of energy efficiency measures in public buildings (67 schools and 3 hospitals). Other donors supporting the energy sector are World Bank, USAID, Kreditanstalt für Wiederaufbau (KfW).

- Previous EU assistance under **competitiveness and innovation** sector aimed to improve the competitiveness of the private sector, in particular through the improvement of municipal infrastructure and performance of Kosovo companies with the aim of increasing exports of products and services. Assistance also targeted Kosovo Small and Medium Enterprises to increase their performance, outputs, export capacities and employment by providing an alternative access to finance. In addition, support was provided to strengthen Kosovo's trade policy by enhancing the trade facilitation and negotiation expertise within the civil service and to reduce Kosovo's trade deficit by increasing exports of products and services.

In terms of the **agriculture and rural development** sector the EU has been investing in Kosovo since 1999 with most of the support to the Kosovo Food and Veterinary Agency. The agency has received support through IPA I and has managed to prepare and align its relevant legislation with the EU *acquis*, establish necessary organisational structures required to perform duties and tasks required by the legislation, established an animal identification and registration system, equipped and functionalised an animal health laboratory, increased capacities of the food and veterinary administration in general and enhanced diagnostic capacities of the Food and Veterinary Laboratory.

- Over the past 18 years the **education, employment and social policies** sector has received substantial EU and other donor (bilateral and multilateral) assistance aiming at the development of the education system. In terms of education support programs financed by multilateral and bilateral donors in Kosovo, some important lessons have been drawn and discussed among the donor community. Kosovo was supported in improving the quality and efficiency of education and training services by integrating information and communication technology into teaching and learning processes, thereby improving lifelong learning and employability perspectives. EU assistance contributed to poverty reduction through the enhancement of economic opportunities for Kosovo population, especially the most marginalized groups (achieving adequate minority representation in training and coaching, promoting adequate minority recruitment and representation in the civil service, the central and local administration and meeting the specific needs of Serbian, Roma, Ashkali, Egyptian and other communities).

List of Actions foreseen under the selected Sectors/Priorities:

Sector/Priority/Action	Direct management	Indirect management	
		With entrusted entity	With IPA II beneficiary
Democracy and Governance			
EU <i>acquis</i> Approximation Facility	EUR 8 100 000.00	EUR 2 500 000.00	EUR 0.00

Support to participation in Union Programmes	EUR 500 000.00	EUR 0.00	EUR 0.00
TOTAL	EUR 8 600 00.00²	EUR 2 500 000.00	EUR 0.00
Rule of Law and Fundamental Rights			
EU4 Justice and Home Affairs	EUR 7 800 000.00	EUR 2 200 000.00	EUR 0.00
TOTAL	EUR 7 800 000.00	EUR 2 200 000.00	EUR 0.00
Environment, Climate Action and Energy			
EU4 Environment, Climate Action and Energy	EUR 0.00	EUR 33 600 000.00	EUR 0.00
TOTAL	EUR 0.00	EUR 33 600 000.00	EUR 0.00
Competitiveness, Innovation, Agriculture and Rural Development			
EU4 Cultural Heritage and Rural development	EUR 3 800 000.00	EUR 13 500 000.00	EUR 0.00
EU4 small business recovery following the COVID-19 crisis	EUR 3 000 000.00	EUR 2 200 000.00	EUR 0.00
TOTAL	EUR 6 800 000.00	EUR 15 700 000.00	EUR 0.00
Education, Employment and Social Policies			
EU4 Employment and Education	EUR 1 500 000.00	EUR 11 500 000.00	EUR 0.00
TOTAL	EUR 1 500 000.00	EUR 11 500 000.00	EUR 0.00

2.2 DESCRIPTION AND IMPLEMENTATION OF THE ACTIONS

The envisaged assistance is deemed to follow the conditions and procedures set out by the restrictive measures adopted pursuant to Article 215 TFEU³.

SECTOR	<i>Democracy and Governance</i>	<i>EUR 11 100 000.00</i>
Action 1	<i>EU acquis Approximation Facility</i>	<i>EUR 10 600 000.00</i>

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

² Democracy and Governance includes the cost for evaluation of actions (EUR 200 000.00) as part of Action 1 EU *acquis* Approximation Facility

³ https://eeas.europa.eu/headquarters/headquarters-homepage/8442/consolidated-list-sanctions_en

- Description of the action and objectives

The main aim of the action is to support Kosovo with approximation with the EU *acquis* through strengthening the technical and administrative capacity of the administration in relation to Kosovo's European Reform Agenda, in implementing measures related to urgent political priorities in the framework of Kosovo's European perspective, including those that may arise from the EU facilitated Dialogue for the normalisation of relations between Belgrade and Pristina. The facility will also support the alignment of rules and procedures for mutual recognition of professional qualifications. In addition, this facility will support measures for urgent political, economic, health or social needs, amongst other to respond to the COVID-19 crisis.

- Expected results
 - Coordinated response put in place to meet urgent and unforeseen needs related to Kosovo's European perspective, support measures taken in response to political, economic, health or social needs including on COVID-19 response, and capacities for programming, implementation and evaluation of IPA funds;
 - Preparation and implementation of programming documents supported in Kosovo's relevant body of the public administration including the Office of the Prime Minister and relevant line ministries;
 - Relations between Kosovo and Serbia improved, based on progress made in the integration of the north of Kosovo with the approval and implementation of agreements;
 - Progress in Socio Economic development and economic integration of the north of Kosovo, facilitating normalisation and mutual trust between communities;
 - All relevant legislation harmonised in line with the Law on recognition of professional qualifications and the Directive 2005/36/EC.
- Key performance indicators
 - Number of projects developed (including support measures), implemented and evaluated under the facility;
 - Number of quality documents developed;
 - Number of projects (during the implementation of which beneficiaries will be disaggregated by gender) for socioeconomic development implemented and achieving expected results in the north of Kosovo and other municipalities with minority communities;
 - Percentage of legislation on certification and mutual recognition of professions aligned to international and EU *acquis*;
 - Percentage of educational programmes of professions falling under automatic recognition and corresponding to required standards revised.

(2) Assumptions and conditions

For the implementation of the action for the mutual recognition of professional qualification the following conditions should be met:

- The Ministry of Education Science and Technology will nominate the National Centre for Academic Recognition and Information of Kosovo as Coordinating body;
- The bylaws provided for in the Law on recognition of professional qualifications will be adopted;
- The Ministry will establish records of regulated professions in Kosovo no later than 31 December 2021; and
- The beneficiary will provide suitable premises in which modern IT equipment can be installed and there is sufficient appropriate office space for technical assistance staff.

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

(3) Implementation modalities:

(3)(a) Indirect management

A part of this action may be implemented in indirect management with an entity, which will be selected by the Commission services using the following criteria:

The entrusted entity would need to be pillar assessed by the EU, have the specific expertise required for the implementation of the entrusted tasks. The entity would need to have experience in Kosovo and a fully operational team.

This action is expected to have the following result: Coordinated response put in place to meet urgent and unforeseen needs related to Kosovo's European perspective, and support measures taken in response to political, economic, health or social needs including on COVID-19 response.

(3)(b) Direct management

Procurement:

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

- To strengthen the technical and administrative capacity of the Kosovo administration in relation to approximation with the EU *acquis* and to support the effective and efficient implementation and evaluation of IPA assistance;
- To support the implementation of existing or future agreements reached within the EU facilitated Dialogue for the normalisation of relations between Belgrade and Pristina;
- To harmonise the legislative framework on mutual recognition of professional qualifications with the EU *acquis*.

The global budgetary envelope reserved for procurement: EUR 5 600 000.00 (including EUR 200 000.00 for evaluation of actions). Part of the envelope will be used for visibility and communication purposes.

Grants including twinning

a) Purpose of the grant:

This part of the action will contribute to support preparation and/or implementation of interventions responding to the challenges identified in the Stabilisation Association

Agreement, the Economic Reform Programme, the European Reform Agenda, and the Kosovo Report as well as the EU facilitated Dialogue for the normalisation of relations between Belgrade and Pristina.

b) Type of applicants targeted:

Applicants must be legal entities, local authorities, public bodies, international organisations, Non-governmental Organisations (NGOs). In the case of twinning grants, applicants must be EU Member State administrations or their mandated bodies.

The global budgetary envelope reserved for grants: EUR 2 500 000.00

(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.

Action 2	<i>Support to Participation in Union Programmes</i>	EUR 500 000.00
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(1) Description of the Action, objectives, expected results and key performance indicators

- Description of the action and objectives

The overall objective of this action is access for participation in six selected EU Programmes by co-financing the costs of the entry-tickets/participation fees and support effective absorption of these programmes funds.

The action will specifically aim to enhance participation of Kosovo in EU Programmes, including increased exchanges with EU Member States and to strengthen the capacities of the Office of the Prime Minister, relevant governmental bodies, Kosovo contact points, and potential beneficiaries for participation in EU Programmes.

- Expected results

- Capacities of the Office of the Prime Minister and relevant governmental bodies, Kosovo Contact Points, and potential beneficiaries for participation in EU Programmes strengthened.
- Participation of Kosovo in the six above mentioned programmes enabled.

- Key performance indicators

- Kosovo's applications rate in the following Union Programmes: Europe for Citizens (2020-2021), COSME (2020-2021), Erasmus+ (2020-2021), Creative Europe (2020-2021), Fiscalis (2020-2021) and Customs (2020-2021).

(2) Assumptions and conditions

The following assumptions have been identified for this action to achieve the above results:

- Timely payment by the beneficiaries and timely preparation for all documents required for reimbursement;
- Commitment of all stakeholders for proper coordination and management of Union Programmes and timely signature and ratification of the framework agreements for the two new programmes FISCALIS and CUSTOMS.

(3) Implementation modalities

Direct management

Procurement:

The procurement will contribute to achieving the following specific objective: to enhance participation of Kosovo in EU Programmes, including increased exchanges with EU Member States and to strengthen the capacities of the Office of the Prime Minister, relevant governmental bodies, Kosovo contact points, and potential beneficiaries for participation in EU Programmes

The **global** budgetary envelope reserved for procurement: EUR 69 685.60

Other (Contribution to Union Programmes):

Reimbursement of maximum 90 % of the entry tickets for the FISCALIS and CUSTOMS (new selected Union programmes) and 70% for the entry tickets for Europe for Citizens, COSME, Erasmus+ and Creative Europe (the existing four selected Union Programmes), after the entry tickets have been paid and the relevant evidence provided.

The **global** budgetary envelope reserved for the reimbursement for the participation to Union Programmes: EUR 430 314.40.

Part of the overall enveloped will be used for visibility and communication purposes.

(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.

SECTOR	<i>Rule of Law and Fundamental Rights</i>	<i>EUR 10 000 000.00</i>
Action 3	<i>EU4 Justice and Home Affairs</i>	<i>EUR 10 000 000.00</i>

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

- Description of the action and objectives

To enhance the alignment of justice and home affairs sectors in line with the best European standards and practices and improve protection of human rights and public safety and security in Kosovo.

- Expected results

- Judicial and prosecutorial systems have management capacities and equipment to use their Information and Communication Technology systems and security level of judicial and prosecutorial Information and Communication Technology systems increased;
- Protection needs of disadvantaged boys and girls are addressed through interventions in the areas of justice for children, out of school children, children with disability and any form of neglect or violence against children;
- The organisational, analytical, policymaking and legislative capacities of the Ministry of Internal Affairs are improved and the legislative framework in the area of home affairs with view of bringing it closer to EU standards and best practices is further developed;

- Key performance indicators

- Disaster recovery centre for judicial and prosecutorial system set-up and operational;
- Number of boys and girls that benefit from child protection and other services;
- Percentage of citizens registered on correct (legal) address;

(2) Assumptions and conditions

The main assumptions for the implementation of the Action are:

- Coordination and cooperation between the involved parties in the launching and implementation of the Action;
- Maintaining and improving the cooperation between the political and technical level of beneficiary institutions;
- Maintaining political support to the Action.

Specific conditions for activities related to Justice:

- For investment in supplies related to Case Management Information System, the system must be deployed with all modules in all Kosovo Courts and Prosecution Offices and used for all new cases;
- Budget allocation for investment for Information and Communication Technology in the justice sector from the Kosovo budget is at least equivalent to the amounts invested by EU (estimated EUR 300 000.00 annually);

- Integration of Child Protection System at local and central level according to the provisions of the new Child Protection Law.

Specific condition for activities related to Home Affairs:

- The legal framework concerning the critical infrastructure for the development of the security plans for all operators is in place;
- Budget allocation from the Kosovo budget for investment in maintenance and consumables for equipment purchased under the home affairs action is sufficient (estimated EUR 150 000.00 annually);
- The Civil Registry Data Quality and connection with the unique address system must be ensured prior to development of the mobile applications.

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

(3) Implementation modalities

(3)(a) Indirect management

Protection and integration of disadvantaged children may be implemented in indirect management with United Nations International Children's Emergency Fund (UNICEF).

This implementation entails the following result: protection needs of disadvantaged boys and girls are addressed through interventions in the areas of justice for children, out of school children, children with disability and any form of neglect or violence against children. And contributes to the following activities: to strengthen Justice for children, including the following tasks: education services and life skills capacity building in line with the provisions of the new Juvenile Justice Code, identification and prevention services, counselling and protection services, as part of alternatives to detention.

The envisaged entity has been selected using the following criteria:

- UNICEF is mandated by the United Nations General Assembly to advocate for the protection of children's rights, to help meet their basic needs and to expand their opportunities to reach their full potential. The expertise of the organisation in this area together with its international network, implementation capacity and track-record in advising enlargement region makes it the most suitable organisation to implement the action.

Further, all the above activities are areas where UNICEF works extensively around the world and in Kosovo and they have the necessary expertise to ensure proper execution of these activities.

In case the envisaged entity would need to be replaced, the Commission's services may select another replacement entity using the same criteria.

(3)(b) Direct management

Procurement:

The procurement will contribute to achieving the following specific objective: to strengthen judiciary efficiency, including investment in IT related infrastructure and provide supplies for the Academy of Justice.

The global budgetary envelope reserved for procurement: EUR 1 300 000.00.

Part of the envelope will be used for visibility and communication purposes.

Grant

a) Purpose of the grant:

The call will contribute to EU Support to Home Affairs. It will strengthen capacities and improve performance of the Ministry of Internal Affairs and its dependant institutions in areas under their responsibility to align more closely with chapter 24 of the EU *acquis*, as well as increase public safety and security in general through technical assistance and improve operational capacities through delivery of equipment.

b) Type of applicants targeted:

Applicants must be government department, public body, or relevant mandated body of a government department or public body authority of a European Union Member State (including a consortium of Member States and EU agencies).

The global budgetary envelope reserved for grant: EUR 6 500 000.00

(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.

SECTOR	<i>Environment, Climate Action and Energy</i>	EUR 33 600 000.00
Action 4	<i>EU4 Environment, Climate Action and Energy</i>	EUR 33 600 000.00

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

- Description of the action and objectives

The objective of this action is to support Kosovo in preventing environmental land and air degradation and the negative impact on human health by reducing solid waste pollution and emissions from the production of energy.

- Expected results
 - Improved waste management infrastructure;

- Institutional development to modernise waste management in Kosovo;
- The heat production capacity in Termokos is improved to allow for extension of the district heating service to new areas and customers in Pristina with a direct impact on air quality by reduced the consumption of solid fuels, such as wood, coal etc., by final consumers;
- Key performance indicators
 - Percent of population benefiting from waste disposal services;
 - Three new landfills constructed;
 - Number of secondary legislation acts approved by the government regulating the Extended Producer Responsibility;
 - Percentage of population separating waste at household level;
 - Percentage of recycled waste;
 - Number of projects implemented in selected municipalities with low income;
 - Number of new customers (disaggregated by women and men) that will be connected to the district heating supply.

(2) Assumptions and conditions

The main assumptions for the implementation of the Action are:

- Skilled and motivated staff participate actively in the planned activities;
- Active participation of the key actors and general public is ensured;
- The government and international partners continue the development and financing of the performance grants in order to enhance the municipal good governance and waste service delivery in Kosovo;
- The consensus of the decision makers is essential for an integrated waste management system;
- Effective communication and active involvement among all sector institutions, donors and other stakeholders in order to make a maximum use of funds and avoid any duplication of activities;
- Following the adoption of the secondary legislation the necessary steps for implementation will be undertaken by all relevant institutions at central and local levels;
- The government and other stakeholders identify the International Financial Institutions and donors and prepare the project for implementation of extension of the district heating network in parallel with construction works included in this Action for increase of thermal energy capacity.

Specific conditions for activities related to Environment:

- Timely completion of the "Feasibility Study on waste Management" financed by the German Government under the Kreditanstalt für Wiederaufbau (KfW);
- Feasibility studies and detailed design for the investments must be prepared before tendering the works;

- The government ensures that suitable land, free of ownership and technical problems is available prior the start of designing activities;
- The government ensures that institutions responsible for operation and maintenance of the infrastructure is properly set up and in line with the requirements of the Kosovo legislation and the EU relevant legislation;
- Full commitment and support of the decision-making of the sector institutions to continue political reform and implement their obligations in line with the European perspective;
- Continuous commitment by the government regarding the implementation without delays of the underpinning environmental legislation and the revision/adoption of the Kosovo Waste Management Plan;
- There has to be an agreed methodology to calculate and set tariffs which ensure sustainable operation of all facilities and adoption of such tariffs by the government institutions;
- Full engagement of the Ministry of Environment and Spatial Planning and other relevant institutions in providing sufficiently human and financial resources necessary to carry out the planned interventions;
- Sufficient ownership, motivation and support from the Ministry of Environment and Spatial Planning and the municipalities to address the organisation of waste management at the local/regional level in line with EU requirements as well as willingness to increase tariffs if need be.

Specific conditions for activities related to Energy:

- The government, the municipality of Pristina and Termokos have secured financing for extension of the district heating network (around EUR 20 000 000.00) through grant and loan from European Investment Bank.
- The entity in charge of implementation will ensure that the potential environmental and social impacts of the Project are properly evaluated and the Project is implemented in line with the best practices related to Environmental and Social Standards.
- An appropriate Environmental Social impact assessment (ESIA) will be developed together with the design of the district heating extension.
- The government and KEK (Kosovo Energy Corporation) have allocated space for the new infrastructure to be installed as part of the project in the compound of the plant (i.e. for piping, installation of heat extraction station etc.);
- The government and municipality of Pristina and municipality of Obiliq/Obilić provide land and access rights for installation of the additional transmission pipeline to Kosovo B Thermal Power Plant (in parallel to existing pipeline).

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

(3) Implementation modalities

(3)(a) Indirect management

Improved waste transfer and disposal infrastructure may be implemented in indirect management with Kreditanstalt für Wiederaufbau (KfW).

This implementation entails the following result: improvement of waste disposal infrastructure, in particular closure/rehabilitation of the landfill in Mirash, construction of three new landfills in Gjilan, Prizren and Pristina region and provision of adequate infrastructure for an integrated waste management system such as facilities for construction and demolition waste, transfer and sorting stations.

The envisaged entity has been selected using the following criteria:

- Taking in consideration a very complex situation regarding the state of environment of the existing waste disposal infrastructure (in particular the situation of Mirash landfill, Pristina region), it is considered necessary to involve an IFI in the implementation of the project. The added value of involving KfW is bridging the financial gap in project financing, but also the experience of KfW in similar complexity projects, (such as the ongoing projects related to construction of the waste water treatment plants in Prizren and Gjakova).
- KfW is the only International Financial Institution operating in Kosovo which is actively working on the improvement of waste sector. Currently, KfW is funding a study for evaluation of state of infrastructure of waste disposal facilities managed by the Kosovo Landfill Management Company and is committed to provide financial support for rehabilitation of the existing landfills, closure and construction of new. The EU will enter into a contribution agreement with KfW, who will provide co-financing in order to ensure sufficient funding is available for the most needed interventions.

Improvement and modernisation of the collection, transport and disposal of municipal waste in Kosovo may be implemented in indirect management with Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ).

This implementation entails the following results: Institutional development to modernise waste management in Kosovo, in particular it will contribute to improved conditions for improvement of waste collection and disposal services, and to prevent further deterioration of the environment by uncontrolled treatment of waste. Support shall be provided to the institutions at central and local level and the operators of waste utilities and infrastructure in order to improve and modernise the performance in accordance with the best EU practice models.

The envisaged entity has been selected using the following criteria:

- GIZ is a pillar assessed Member State agency with extensive experience working in Kosovo and with the European Commission in implementation of IPA projects.
- GIZ has been providing assistance to the Kosovo Ministry of Environment and Spatial Planning and to the municipalities in the improvement of waste management practices in line with the EU norms and standards governing this sector. GIZ is currently providing support to ministry of environment and spatial planning in providing support in the development of the revised waste strategy.

In case the envisaged entity would need to be replaced, the Commission's services may select another replacement entity using the same criteria.

Increase of thermal energy production at Termokos may be implemented in indirect management with European Investment Bank.

This implementation entails the following result: the heat production capacity in Termokos is increased to allow for extension of the district heating service to new areas and customers in Pristina, in particular it will contribute to the rational use of energy resources and increase the heating supply capacity of the Pristina District Heating system

The envisaged entity has been selected using the following criteria:

- Given the size and complexity of the project (increase of production capacity and network extension), it is considered necessary to involve an International Financial Institution in the implementation of the project. The added value of involving an International Financial Institution is bridging the financial gap in project financing, but also the experience of the EIB in similar complexity projects worldwide and the possibility to offer management support to the beneficiary for improving the financial management and customer care in particular but also strategic planning in the beneficiary organisation. Furthermore, EIB is already present in Kosovo in other infrastructure projects and is familiar with policy and regulatory framework applicable in the energy sector.

In case the envisaged entity would need to be replaced, the Commission’s services may select another replacement entity using the same criteria.

(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.

SECTOR	<i>Competitiveness, Innovation, Agriculture and Rural Development</i>	<i>EUR 22 500 000.00</i>
Action 5	<i>EU4 Cultural Heritage and Rural Development</i>	<i>EUR 17 300 000.00</i>

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

- Description of the action and objectives

The overall aim of the action is to foster rural economic development by enhancing income generation of underdeveloped and vulnerable communities through the support of agriculture and the development of cultural tourism.

- Expected results

- Regulated use of forest resources and implementation of integrated forest management thus contributing to an increase of the contribution of the forest sector to the Kosovo economy;
- An economically, environmentally and financially sustainable irrigation sector is developed through investment and technical assistance measures that will increase the efficiency of water utilisation and boost agricultural productivity;
- Improved productivity of grape for wine and improved quality of wine;
- Conservation works and strengthening of touristic infrastructure of heritage sites are implemented;
- Improved capacities in tourism management and promotion of cultural heritage values.
- Key performance indicators
 - Number of cases reported to forest inspectorate and leading to legal proceedings;
 - Percentage of legal and regulated logging in accordance with forest management plans.
 - Economic contribution of the forest sector to Gross Domestic Product;
 - Area of arable land expressed in hectares included under new or improved irrigation systems;
 - Water users (households) provided with new/improved irrigation and drainage services;
 - Quantity of grape produced per ha of vineyards;
 - Number of wines with Protected Geographical Indications status listed on the E-Bacchus" database in accordance with bilateral agreements on trade in wine;
 - Percentage of cultural tourism infrastructure enhanced (in each site) and/or created;
 - Number of qualified and licenced tourist workers (guides, animators, and companions) and of the promotion activities.

(2) Assumptions and conditions

The main assumptions for the implementation of the Action are:

- Sufficient ownership, motivation and support from relevant ministries and municipalities involved must be secured;
- The consensus of the decision makers is essential for an integrated approach to all activities;
- The full engagement of the Kosovo authorities and the municipalities is critical in providing sufficient human resources to carry out the planned intervention;
- The government must be fully committed for the timely implementation of the underpinning legislation and the adoption of the necessary strategies (e.g. the Kosovo Tourism Strategy as well as the Heritage Management Plans for the selected sites).

- It is important to achieve effective communication and active involvement among all sector institutions, donors and other stakeholders in order to make maximum use of funds and avoid any duplication of activities.

Specific conditions for activities related to improvement of sustainable forest management:

- Drafting of a strategy for the forestry sector;
 - Co-financing by the government and Swedish International Development Cooperation Agency (SIDA) is secured;
- The ministry funds a programme for afforestation; and
- Commitment of government to enforce new forestry legislation and address issues of illegal logging and misuse of other forest resources.

Specific conditions for activities related to improvement and rehabilitation of the irrigation system:

- Timely completion and adoption of irrigation master plan;
- A pre-appraisal of the network pipeline for the irrigation system based on cost benefit analysis must be completed by the government;
- The irrigation company, targeted by the action, has the structure and governance and capacity to fulfil the tasks assigned to it;
- Greater involvement by the private sector through new institutional arrangements that support public-private partnership;
- All land that will be possibly necessary for the construction of the irrigation infrastructure must be made available by Kosovo government; and
- Stakeholder cooperation between Ministry of agriculture, forestry and rural development, water companies, Ministry of environment and spatial planning, and local government.

Specific conditions for activities related to the vineyards and wineries:

- For the implementation of Protected Geographical Indicator and Protected Denomination of Origin in the Vineyards and Winery sectors Kosovo wine producers must:
 - Have the ability to show that they are traditionally and entirely manufacture (prepared, processed and produced) within the specific region and thus acquire unique local properties;
 - Provide appropriate documentation and proofs that the quality and the properties of the proposed wines are significantly or exclusively determined by the geographical environment, including natural and human factors;
 - Must at least have one of the stages of production, processing or preparation taking place in the area;
- Appropriate institutional structure including an independent ISO 17025 laboratory for testing the wine; and
- A control system in place to avoid misuse of labelling that could mislead consumers.

Specific conditions for activities related to cultural heritage tourism:

- The Ministry of Culture, Youth and Sport will complete and make available the preliminary study.
- The Municipality of Lipjan/Lipljan will complete the restoration of the riverbed going through Janjevë/Janjevo village.
- The Ministry of Culture, Youth and Sport in coordination with the Municipality of Lipjan/Lipljan will be responsible for the identification, selection and access to private houses.
- The Ministry of Culture, Youth and Sport will resolve any issue related to private ownership and/or expropriation of land for further research and excavation.
- The Ministry of Culture, Youth and Sport in coordination with the Municipality of Prizren will be responsible for the identification, selection and access to private houses.
- In addition, the owners of other selected buildings located on the street will modify the style of the façade of the buildings in conformity with the restoration plan/original style of the street.
- Ownership issues and arrangements for public use of Lumbardhi cinema need to be clarified and confirmed by the Municipality of Prizren and the Ministry of Culture, Youth and Sport.

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

(3) Implementation modalities

(3)(a) Indirect management:

Improvement of sustainable forest management may be implemented in indirect management with Food and Agriculture Organization (FAO).

This implementation entails the following result: the activities will introduce a new legal framework for the forestry sector and enhanced integrated forest management practices. This will increase the contribution that the forest sector to the Kosovo economy through the sustainable use of forestry resources taking into account economic, environmental, social aspects and contributing to climate change mitigation.

The envisaged entity has been selected using the following criteria:

- The FAO has been working on the forestry sector in Kosovo for the past 15 years and has extensive experience and very good knowledge of the situation in the area. Considering the size and the nature of the problems to be addressed through this action, co-financing of the project with contributions from Swedish Agency for International Development and Food and Agriculture Organization is foreseen.
- Furthermore, the FAO has been a trusted partner of the Kosovo government and they are permanently based within the offices of Ministry of Agriculture, Forestry and Rural Development.

In case the envisaged entity would need to be replaced, the Commission's services may select another replacement entity using the same criteria.

Support for the Improvement and Rehabilitation of Irrigation System may be implemented in indirect management with the World Bank (WB).

This implementation entails the following result: an economically, environmentally and financially sustainable irrigation sector is developed through investment and technical assistance measures that will increase the efficiency of water utilisation and boost agricultural productivity.

The envisaged entity has been selected using the following criteria:

- The World Bank is actively involved in the areas of water security and agriculture through various programs. It is supporting the development of the irrigation master plan and investment framework, has the appropriate safeguards mechanisms to support infrastructure investments and the convening power to support policy dialogue and institutional reform processes.

In case the envisaged entity would need to be replaced, the Commission's services may select another replacement entity using the same criteria.

Support to Tourism and Cultural Heritage may be implemented in indirect management with the United Nations Development Programme (UNDP).

This implementation entails the following result: conservation works and strengthening of touristic infrastructure of heritage sites are implemented, in particular through investments in the tourism infrastructure, assistance to institutional tourism development and professional assistance for investments that will increase the offer of tourism products.

The envisaged entity has been selected using the following criteria:

- UNDP has been working on the culture heritage, job creation and good governance in Kosovo for the past 18 years and they have extensive experience and knowledge of the situation in the area, having already executed operations in the village of Janjevë/Janjevo. Furthermore, UNDP is currently implementing successfully an EU grant project on building confidence through cultural heritage. UNDP is proposed on the basis of its technical capacity and experience in multi-stakeholders environment necessary to implement this complex operation which requires a multi-dimensional approach.

In case the envisaged entity would need to be replaced, the Commission's services may select another replacement entity using the same criteria.

(3)(b) Direct management

Procurement:

The procurement will contribute to achieving the following specific objectives: supporting Vineyards and wineries in improving the quality of grape and wine produced; Conservation and regeneration of historic sites and the creation of a multi-purpose centre in Lumbardhi Cinema.

The global budgetary envelope reserved for procurement: EUR 2 800 000.00. Part of the enveloped will be used for visibility and communication purposes.

Grant

a) Purpose of the grant:

The grant will contribute to further develop tourism potential, through continual excavation in Ulpiana archaeological research site both for scientific reasons and for the enlargement of the area of the park (Activity 5.2 of result 5).

b) Direct grant award:

Under the responsibility of the Commission’s authorising officer responsible, the grant may be awarded without a call for proposals to Ecole Normale Supérieure of Paris (faculty of *Archéologie et Philologie d’Orient et d’Occident* - AOROC).

The recourse to an award of a grant without a call for proposals is justified in line with the following provisions of Article 195(f) of the Financial Regulation:

- f) "For activities with specific characteristics that require a particular type of body on account of its technical competence, its high degree of specialisation or its administrative powers, on condition that the activities concerned do not fall within the scope of a call for proposals";

The Ecole Normale Supérieure and its Institute of Archaeology is one of the most experienced institutes in archaeology in the Mediterranean and Central Asia. It has a worldwide reputation based on its cutting-edge scientific and technological methods and its highly qualified technicians. Archaeological missions are conducted in partnership with local authorities. The Ecole Normale Supérieure has cooperated with the University of Pristina and conducted supervisions of excavations at the “Ulpiana Arheological Park”.

The global budgetary envelope reserved for grant EUR 1 000 000.00

(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.

Action 6	<i>EU4 small business recovery following the COVID-19 crisis</i>	EUR 5 200 000.00
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(1) Description of the Action, objectives, expected results and key performance indicators

- Description of the action and objectives

The action will support small business recovery following the COVID-19 crisis. It covers support to start-ups and micro businesses with limited access to commercial loans to support new business ideas and the scaling up or recovery of existing small businesses amidst the COVID-19 crisis and its aftermath. The action also provides support services for the digitalisation of micro and small businesses to increase their resilience and capacity to face critical market conditions in the current and future crises.

- Expected results
 - Access to finance improved for the supported micro and small enterprises;
 - Increased engagement of youth and women in training/retraining programmes (e.g. ICT, entrepreneurship, skills needed by start-ups);
 - Increased number of Kosovo businesses digitalising their activities;
 - Increased capacity for e-learning activities among micro and small enterprises and (potential) entrepreneurs;
 - Innovation activities increased within targeted micro and small businesses.
- Key performance indicators
 - Number of eligible micro and small businesses supported by EU assistance, disaggregated by gender of business owner;
 - Number of youth (disaggregated by gender of training participants)/women upgrading new skills;
 - Number of eligible micro and small businesses digitalising their business process, disaggregated by gender of owner.

(2) Assumptions and conditions

For the implementation of the Action, the following assumptions are made:

- Coordination and cooperation between the involved parties in the launching and implementation of the action;
- Effective coordination of activities between stakeholders involved in the action;
- Full commitment and support of the start-ups;
- Commitment by international and local partners and sufficient funding ensured to allow continuation of similar schemes;
- Development of attractive start-up funding and business support services entirely dedicated to facilitate start-up growth by the implementing partners;
- Development of an attractive package for digitalisation of business processes by the implementing partners.
- Development of a plan for promotion of activities, by the implementing partners, in order to attract a sufficient number of good business ideas and good businesses in order to have the possibility to select the best candidates.

(3) Implementation modalities

(3)(a) Indirect management:

Digitalisation of micro and small businesses to increase their resilience in the crisis may be implemented in indirect management with the Gesellschaft für Internationale Zusammenarbeit (GIZ). The objective of this component is to support further the development of Kosovo businesses and increase their resilience and agility through the process of digitalisation and digital transformation.

- GIZ is developing an innovation and training park in Prizren on the site of a former camp for the NATO peacekeeping force "Kosovo Force" (KFOR) - based on the agreement between Kosovo and the German Government. The park will house companies in the following areas: ICT, processing of agricultural products and foodstuffs, and cultural and creative industries. The site will also provide services and space for start-ups, and training facilities, which will primarily focus on vocational training. A further benefit is that the park will offer business support services. The project is developing the park's organisational and operational structures, its management system and the advisory services required for businesses and training service providers. This also includes developing marketing and communication strategies for the park.
- In addition, GIZ is already implementing a project with the Kosovo Chamber of Commerce on digitalisation of Kosovo businesses and was supporting the establishment of the Centre for Digital Transformation.

The entity has been selected due to the following criteria: their previous experience, their technical capacities, regional presence, knowledge of the sector, existing offices. In addition, the fact that GIZ manages the Innovation and training park in Prizren is complementary to this Action..

In case the envisaged entity would need to be replaced, the Commission's services may select another replacement entity using the same criteria.

(3)(b) Direct management:

Grants:

a) Purpose of the grants:

The objective of this component is to support Kosovo's innovative micro and small enterprises to face the COVID-19 crisis through the facilitation of access to finance and business advisory services for their survival/viability and faster development and growth. More specifically the grant will:

- Provide financial and non-financial support to new start-up businesses to assist them with a small amount of capital for development of the business idea, business development services and infrastructure. In particular start-ups established by women and youth will be supported;

- Financial and non-financial support to established micro and small enterprises that have the possibility to scale up or have encountered financial difficulties during the crisis and require funds to re-start operations;
- Development and delivery of trainings in order to retrain people who have lost their job during the crisis to increase their opportunities for self-employment. In particularly women and youth will be targeted.

b) Type of applicants targeted:

The eligible applicants will be legal entities, Non-governmental Organisations and economic actors, profit, or non-profit organisations, public bodies and international organizations that are active in the field of providing business incubation and support services.

The **global** budgetary envelope reserved for grants: EUR 3 000 000.00

(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.

SECTOR	<i>Education, Employment and Social Policies</i>	<i>EUR 13 000 000.00</i>
Action 7	<i>EU4 Employment and Education</i>	<i>EUR 13 000 000.00</i>

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

- Description of the action and objectives

This Action aims to contribute to the increase of employment in Kosovo, particularly of youth and women. A specific component will target youth and women and aim at improved access to active labour market measures and improved quality and effectiveness of public employment services and vocational skills. On Education, the Action aims to increase the quality of higher education with new infrastructure, capacity building of academic staff, and increased access to research grants and enhancement of quality assurance.

- Expected results
 - The technical capacities of the Ministry of Labour and Social Welfare, Employment Agency, and other institutions strengthened to effectively design

- policies, improve quality of services and their implementation and evaluate Active Labour Market Measures;
- Active Labour Market Measures developed and implemented, with a specific focus on youth and women;
- Improved quality standards in higher education;
- Improved research capacities in Universities;
- Increase transparency and accountability in Higher Education Institutions.
- Key performance indicators
 - Number of Ministry of Labour and Social Welfare and Employment Agency staff effectively trained in line with the job descriptions and identified training needs;
 - Number of unemployed aged between 18-39 benefiting from active labour market measures (total, youth and % by gender);
 - Number of new employments created by implementation of Active Labour Market Measures (total, youth 18-39 and % by gender);
 - Number of students, studying in newly constructed buildings;
 - Academic Lecturer/ student Ratio;
 - Number of Kosovo Accreditation Agency staff trained for post-accreditation monitoring;
 - Number of research articles implemented in collaboration with reputable international higher education institutions submitted for publication in reputable peer reviewed international journals;
 - Legal framework against plagiarism is in place and software being utilised.

(2) Assumptions and conditions

Specific conditions for activities related to the increase of employment:

- The full functioning of the Employment Agency, i.e. optimal number of staff employed through a transparent, fair and merit-based recruitment process.
- Employment Agency secures co-finance of the implementation of Active Labour Market Measures in the amount of EUR 1 000 000.00 annually.

Specific conditions for activities related to the investment in higher education: a complete set of the following documents will be necessary, in original where possible:

- The government will make available appropriate land in the vicinity of Pristina University with all necessary ownership documents, land certificate/copy of the plan;
- Situation layout with all cadastral parcels and their respective numbers;
- Municipal decision on land property;
- Building permits issued by the relevant authorities;
- Consent for access to infrastructure, electrical, water and wastewater, etc.;

- Specific Programme for each municipality based on their real needs.

Specific conditions for activities related to the support to Kosovo Agency of Accreditation:

- Approval of the Law on the Kosovo Agency for Accreditation;
- Smooth functioning of the Agency, including sufficient number of employees;
- Progress in the area of adopting and implementing the legislation relevant to the higher education of Kosovo is a precondition to support the proper implementation of the University Codes of Conduct.

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

(3) Implementation modalities

(3)(a) Indirect management:

Support to increase of employment may be implemented in indirect management with an entity, which will be selected by the Commission services using the following criteria:

- (i) international organisations or their agencies, within the meaning of Article 156; and/or
- (ii) Public law bodies, including Member States organisations;
- operational capacity of the applicant (such as, presence in a beneficiary, experience in the employment sector);
- Technical expertise of the applicant, and the relevance, methodology and sustainability of the proposed action.

The implementation by this entity entails:

Strengthening technical capacities of the Ministry of Labour and Social Welfare, Employment Agency and other institutions to effectively design policies, improve the quality of their services, to implement and evaluate the Active Labour Market Measures. The activities will include preparation of Human Resource Development Plan for the Employment Agency, development of the internal training system and a capacity-building plan for the Agency and the staff of Ministry of Labour and Social Welfare and support to design the guidelines for implementation of Active Labour Market Measures, support potential beneficiaries in the application process, support the businesses participating in implementation of Active Labour Market Measures and deliver advisory services, monitoring and coaching of unemployed on their access to labour market.

Investment in Higher Education may be implemented in indirect management by the United Nations Office for Project Services (UNOPS).

The following result is expected to be achieved: Improved quality standards in higher education, in particular through the construction of new premises for the faculty of Mathematics and Natural Sciences and the Faculty of Economics of the University of Pristina.

The envisaged entity has been selected using the following criteria:

- UNOPS has been working the last 20 years in Kosovo, in project management, procurement, and particularly in the areas of infrastructure, administrative support, and advisory and fund management services. Prioritizing major infrastructure project implementation, UNOPS will provide project management support to the EU office in Kosovo for this specific action.

In case the envisaged entity would need to be replaced, the Commission's services may select another replacement entity using the same criteria.

(3)(b) Direct management

Procurement:

The procurement will contribute to improve quality of standards in higher and increase transparency and accountability in Higher Education Institutions. Further, it will contribute to achieving the following specific objectives:

- To strengthen the quality and relevance of higher education study programmes of Higher Education system of Kosovo in line with the EU *acquis* European Higher Education Area and to support the effective and efficient implementation of IPA assistance
- To enhance transparency within the Higher Education Institutions of Kosovo when it comes to academic activities (performance of professors and students)

The global budgetary envelope reserved for procurement: EUR 500 000.00. Part of the envelope will be used for visibility and communication purposes.

Grants:

c) Purpose of the grants:

Depending on the needs of the beneficiary, one or more call(s) for proposal may be organised in line with the objectives of the EU *acquis* on Research and Innovation (Output 2.2):

- to provide small research grants for research and innovation activities undertaken jointly between academic staff from Kosovo and reputable higher education institutions outside of Kosovo;
- to increase research skills, research quality and foster internationalisation of research work conducted by Kosovo's academia.

d) Type of applicants targeted:

Applicants must be natural persons involved in research or research organisations/institutions in Kosovo (including universities involved in research) in partnership with European research organisations/institutions involved in research, educational activities and or cultural activities.

The **global** budgetary envelope reserved for grants: EUR 1 000 000.00

(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.

3 BUDGET

3.1 INDICATIVE BUDGET TABLE - ANNUAL ACTION PROGRAMME FOR KOSOVO

		Indirect management with entrusted entity	Direct management	Total EU contribution (EUR)	IPA-II beneficiary or other third party contribution (EUR)	Total (EUR)
		EU contribution (EUR)	EU contribution (EUR)			
Objective 1 2020/042-089	1 Democracy and Governance	2 500 000.00	8 600 000.00⁴	11 100 000.00	157 277.60	11 257 277.60
	Action 1 EU <i>acquis</i> Approximation Facility	2 500 000.00	7 900 000.00	10 400 000.00	0.00	10 400 000.00
	Evaluation of actions	0.00	200 000.00	200 000.00	0.00	200 000.00
	Action 2 Support to Participation in Union Programmes	0.00	500 000.00	500 000.00	157 277.60	657 277.60
	2 Rule of Law and Fundamental Rights	2 200 000.00	7 800 000.00	10 000 000.00	300 000.00	10 300 000.00
	Action 3 EU4 Justice and Home Affairs	2 200 000.00	7 800 000.00	10 000 000.00	300 000.00	10 300 000.00
Objective 2 2020/042-090	3 Environment and Climate Action	33 600 000.00	0.00	33 600 000.00	20 400 000.00	54 000 000.00
	Action 4 EU4 Environment, Climate Action and Energy	33 600 000.00	0.00	33 600 000.00	20 400 000.00	54 000 000.00
	6 Competitiveness and Innovation	15 700 000.00	6 800 000.00	22 500 000.00	21 700 000.00	44 200 000.00
	Action 5 EU4 Cultural Heritage and Rural Development	13 500 000.00	3 800 000.00	17 300 000.00	21 400 000.00	38 700 000.00
	Action 6 EU4 small business recovery following the COVID-19 crisis	2 200 000.00	3 000 000.00	5 200 000.00	300 000.00	5 500 000.00
	7 Education Employment and Social Policies	11 500 000.00	1 500 000.00	13 000 000.00	6 080 000.00	19 080 000.00
	Action 7 EU4 Education and Employment	11 500 000.00	1 500 000.00	13 000 000.00	6 080 000.00	19 080 000.00

⁴ Democracy and Governance includes the cost for evaluation of actions as part of Action 1 EU *acquis* Approximation Facility

TOTAL	65 500 000.00	24 700 000.00	90 200 000.00	48 637 277.60	138 837 277.60
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4 PERFORMANCE MONITORING ARRANGEMENTS

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

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

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

5 EVALUATION

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

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

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