IPA National Programme 2011 for Albania  
Project Fiche no 9  
“Support for participation to Union Programmes”

1. Basic information

1.1 CRIS Number: IPA/2011/ 023-035/9
1.2 Title: Support for participation to Union Programmes
1.3 ELARG Statistical code: 04.65
1.4 Location: Albania

Implementing arrangements:

1.5 Contracting Authority: The European Union represented by the European Commission on behalf of the Government of Albania.
1.6 Implementing Agency: Delegation of the European Union to Albania
1.7 Beneficiary:
The beneficiaries are governmental institutions, such as Ministry of Tourism, Culture, Youth and Sports, Ministry of Economy, Ministry of Education & Science, Ministry of Innovation Information Technologies and Communications, Ministry of European Integration and ARTI.

Project Manager:
Mrs. Patris HIDA, Director, IPA Department,

Address: Ministry of European Integration, Rruga Papa Gjon Pali II 3, Tirana  
Tel: +355 4 2225 399, Fax: +355 4 2256 267,

Email: patris.hida@mie.gov.al, pkraja74@gmail.com.

Website: www.mie.gov.al

Financing:

1.8 Overall cost (VAT excluded)\(^1\): EUR 3 256 000
1.9 EU contribution: EUR 2 435 000

1.10 Final date for contracting: Two years following the date of the conclusion of the Financing Agreement

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\(^1\) The total cost of the project should be net of VAT and/or other taxes. Should this not be the case, the amount of VAT and the reasons why it should be considered eligible should be clearly indicated (see Section 7.6)
1.11 Final date for execution of contracts: Two years following the end date of contracting

1.12 Final date for disbursements: One year following the end date for the execution of contracts

2. Overall Objective and Project Purpose

2.1 Overall Objective

The overall objective is to promote the further alignment of Albania with European Union policies and working methods.

2.2 Project purpose

The project purpose is to increase the Albanian active participation in and commitment to the Union Programmes.

2.3 Link with AP/NPAA / EP/ SAA

Link with European Partnership

This project will contribute to promote and to strengthen the regional cooperation in the fields of research, technological innovation, culture, education, and training, as foreseen in the European Partnership (EP) priority: "Albania must ensure successful participation in the Community Programmes…"

The EP underlines the need to strengthen the efforts to improve the quality of education and to create a modern vocational education and training system, and promote regional cooperation in the field of higher education.

Link with Stabilisation and Association Agreement

This project will contribute to achieve the objectives of the Stabilisation and Association Agreement (SAA), which was signed on 12 June 2006 and entered into force on 1 April 2009, and in particular those mentioned in article 100, education and training, and in the article 109, cooperation in research and technological development. Cooperation shall take into account the priority areas related to the EU acquis in this field of research and technical development.

2.4 Link with MIPD

The Multi-Annual Indicative Planning Document (MIPD) 2011-2013 foresees the concentration of EU funds over the next three years on six priority sectors, which are i) Justice and Home Affairs, ii) Public Administration Reform, iii) Transport, iv) Environment and Climate Change, v) Employment and Social Inclusion as well as vi) Agriculture and Rural Development. According to the MIPD IPA may finance actions that fall outside the scope of these sectors such as participation in Union programmes to which the country becomes eligible.

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2 "The European Partnership Document for Albania adopted by Council Decision of 18 February 2008 on the principles, priorities and conditions contained in the European Partnership with Albania and repealing Decision 2006/54/EC.;

- 2 -
2.5 Link with National Development Plan

This project will contribute to achieve the strategic goals of the National Strategy of Science, Technology and Innovation 2009-2015 that are summarised and quantified below:

1. Increase public spending on research to 0.6% of GDP by 2015. A number of observers found this target too modest. However, it would represent a significant increase compared to the current situation. Equally, it would be a higher relative share than a number of less developed EU countries, some Western Balkan countries and many emerging economies.

2. Increase the share of gross expenditure on R&D from foreign sources notably from the EU (FP, etc.) and international donors to cover 40 per cent of all research spending in the years 2010–2015.

3. Create 4-5 Albanian Centres of Excellence in Science (ACES) including dedicated laboratory equipment or workspaces that could be used for new technology based firms (pre-incubation, testing, certification, etc.).

4. Double the number of researchers, through ‘brain gain’ incentives and training of new researchers (establishment of graduate schools; train 500 PhDs). This will involve the creation, in synergy with the Higher Education Strategy action plan, of up to three new ‘PhD schools’ (or doctoral programmes) in Albanian universities. New PhD schools are planned to be opened this year with curricula and standards comparable to those stipulated in the Bologna Charter.

5. Increase innovation activity in 100 companies (this figure may be revised once the results from the first business RTDI survey are published) through investment in R&D through own laboratories, or via consortia with the academic RIs or in partnership with foreign partners.

2.6 Link with national/sectoral investment plans

Not applicable

3. Description of project

3.1 Background and justification

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

In the Thessaloniki Agenda, the EU agreed to open participation in Community Programmes to Western Balkan countries, following the approach used in the past for candidate countries. The Commission proposed concrete steps in its Communication of 3 December 2003, highlighting the need for a selective and gradual approach.

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Further to the Thessaloniki Agenda for the Western Balkans and in line with its Communication “Preparing for the participation of the Western Balkan countries in Community programmes and agencies” the Commission negotiated respective Framework Agreements with the beneficiaries. Consequently, EU funds may be used to prepare for participation in and to co-finance the costs of Community Programmes.

These agreements were signed on 22 November 2004, on the occasion of the EU Western Balkans Forum, assent was then given by the European Parliament on 10 May 2005 and, finally, Council proceeded with the conclusion of the agreements on 2 June 2005. The Framework Agreement has been ratified by the Parliament of the Republic of Albania by the law No. 9404 on 19 May 2005 and finally entered into force in June 2005.

The beneficiary currently participates in the following Union Programmes:

- 7-th Research Framework Programme
- Competition and Innovation Framework Programme (CIP)
- Europe for Citizens

Furthermore, the beneficiary has expressed interest to participate in the “Culture” and "Youth in Action" Union Programmes.

The participation of the beneficiary in Union Programmes follows specific terms and conditions set out for each such programme in a so called Memorandum of Understanding (MoU).

For the 7th Research Framework Programme, a Memorandum of Understanding was signed between the European Community and the Republic of Albania on 17th December 2007 confirming Albania's participation for the duration of FP7 as of 1st January 2008.

For CIP, a Memorandum of Understanding was signed between the European Community and the Republic of Albania on 27th June 2008 confirming Albania's participation until 2013. The conditions for the entry into force of the agreement were fulfilled with effect from 4th November 2008.

A Memorandum of Understanding for the Community Programme 'Europe for Citizens' was signed between the European Community and the Republic of Albania on 2nd February 2009. The Memorandum of Understanding entered into force following its ratification by the Albanian Parliament on 19th March 2009.

This Project Fiche covers the participation of Albania in the Union Programme FP 7 for the years 2011 and 2012 and for Europe for Citizens for the years 2012 and 2013.

The beneficiaries institutions are in charge of the coordination of the selected Union Programmes and the Ministry of European Integration is in charge of the overall coordination of these programmes.

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4 COM(2003) 748 final of 03/12/2003
5 The Council decisions and the framework agreements have been published in the Official Journal OJ L 192 of 22.07.2005
3.2 Assessment of project impact, catalytic effect, sustainability and cross border impact

The impact of the project will be manifold, reflecting the diversity of the listed Union Programmes in which the beneficiary intends to participate. The aim and supported activities of each programme can be found on the European Union's internet homepage.

On the one hand, it is expected that participation in Union Programmes will support the country’s efforts towards faster integration and cohesion by facilitating transfer of know-how and good practice, particularly in those areas which are key reference points for the reform process. On the other hand, the projects implemented will enhance public awareness and information on the EU. Citizens, companies and national administrations of beneficiary country will have the possibility of joining in co-operation and exchange networks in very different areas covered by those Union Programmes, thus benefiting from diverse and complementary experiences of other partners.

These programmes can help to spread more “European feeling” among ordinary Albanian citizens; they can be suitable also to bring in Albanian assets and thus improve Albania’s image in the EU. Participation in Union Programmes as outlined above will most likely generate a series of positive catalytic effects. For instance, enlarged personal or institutional networks also broaden the scope for follow-up activities and offer access to a wider information market. In cases of transfer of know-how and best practices, especially in more innovative areas, positive spill-over effects multiplying the value added of the initial output may be expected.

3.3 Results and measurable indicators

Activity 1:

Expected Result 1:

Cost of "entry tickets" for Union Programmes co-financed

Objectively Verifiable Indicators:

Reimbursement of 75% of the Albanian contribution (entry ticket) for participation in FP7 for the years 2011 and 2012, and for 60% and 55% respectively of the Albanian contribution for participation in the Europe for Citizens programme in 2012 and 2013.

Expected Result 2:

Participation of beneficiaries in FP 7 will achieve.

Objectively Verifiable Indicators:

- Number of applications submitted for funding;
  - at least 1 FP7 application with an Albanian lead applicant
  - at least 15 FP7 applications with an Albanian partner
  - comparison of these indicators with past experience and other beneficiaries

Participation of beneficiaries in Europe for Citizens will achieve:
Objectively Verifiable Indicators:
- Number of applications submitted for funding;
  - at least 2 applications projects funded
- comparison of these indicators with past experience and other beneficiaries.

3.4 Activities

The aim is to co-finance the participation of the beneficiary in, the selected Union Programmes—until 2012 (FP7) and 2013 (Europe for Citizens) and, depending on the availability of funds, in subsequent years.6

For each programme, the Commission has concluded a Memorandum of Understanding with the beneficiary country wishing to take part in the programme. The Memorandum of Understanding lay down the rules governing participation, in particular the administrative capacities required, the planned financial contribution, the mechanism for taking part in the management of the programme and the financial control provisions. The exact financial allocation to be paid by the beneficiary for participating in Union Programmes and Agencies are determined in the relevant MoU signed between the beneficiary and the respective line DG. The EU’s contribution to the entry ticket for FP 7 programme for the year 2011 and 2012 will be 75 % and that of the beneficiary 25 %. For the programme “Europe for citizes” for the year 2012, the EU contribution to the entry ticket will be 60% and that of the beneficiary 40 % and for the year 2013 the EU contribution to the entry ticket will be 55 % and that of the beneficiary 45 %.

The contracting arrangements are as follows:

Following the signature of the MoU between the Beneficiaries and the line DGs and following a request by the beneficiary, the EU Delegation signs one or more grant contracts with the beneficiary over the co-financing amount. Main activities are the following:

- Participation in Union Programmes advertised to target groups
- Possible contribution made towards Albanian participation in selected Programmes through grant agreements with the beneficiary

3.5 Conditionality and sequencing

The main conditionality is the fulfilment of the Memorandum of Understanding on participation in selected Union Programmes between the European Commission and the Government of Albania.

The responsible line ministries and agencies must ensure co-financing for entry ticket. In addition, potential applicants should provide co-financing of projects within a specific Union Programme.

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6 Where appropriate and depending on the availability of funds the participation in Community Programmes other than those mentioned in the list may be supported.
3.6 Linked activities

CARDS 2005 (EUR 0.5 million) and CARDS 2006 (EUR 0.37 million), funds have been used to pay the entry tickets for participating in Community Programmes in the first year of participation. IPA 2007 has not envisaged any financing for covering the entry tickets for participation in CP and financing technical assistance activities. IPA 2008 has foreseen EUR 1.3 millions and IPA 2009 has foreseen EUR 2.2 millions.

3.7 Lessons learned

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

4. Indicative Budget (amounts in EUR)

<table>
<thead>
<tr>
<th>ACTIVITIES</th>
<th>TOTAL EXP.RE</th>
<th>IPA EU CONTRIBUTION</th>
<th>NATIONAL CONTRIBUTION</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>IB (1)</td>
<td>INV (1)</td>
<td>EUR (a)=(b)+(c)+(d )</td>
</tr>
<tr>
<td>Activity 1: Entry ticket for FP 7</td>
<td></td>
<td></td>
<td>EUR (a)</td>
</tr>
<tr>
<td>FP 7 (2011)</td>
<td>X –</td>
<td>1 410 000</td>
<td>1 057 500</td>
</tr>
<tr>
<td>FP 7 (2012)</td>
<td>X –</td>
<td>1 806 000</td>
<td>1 354 500</td>
</tr>
<tr>
<td>Europe for Citizens (2012)</td>
<td>X -</td>
<td>20 000</td>
<td>12 000</td>
</tr>
<tr>
<td>Europe for Citizens (2013)</td>
<td>X -</td>
<td>20 000</td>
<td>11 000</td>
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<td>......</td>
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<tr>
<td>TOTAL IB</td>
<td>3 256 000</td>
<td>2 435 000</td>
<td>75</td>
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<tr>
<td>TOTAL INV</td>
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</tr>
<tr>
<td>TOTAL PROJECT</td>
<td>3 256 000</td>
<td>2 435 000</td>
<td>75</td>
</tr>
</tbody>
</table>
5. Indicative Implementation Schedule (periods broken down per quarter)

[Only refer to EU funded contracts in consistency with Annex II]

<table>
<thead>
<tr>
<th>Contracts</th>
<th>Start of Tendering</th>
<th>Signature of contract</th>
<th>Project Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract 1.1 Entry tickets FP7 and Europe for Citizens</td>
<td>N/A</td>
<td>2Q 2012</td>
<td>2Q 2014</td>
</tr>
</tbody>
</table>

All projects should in principle be ready for tendering in the 1\textsuperscript{ST} Quarter following the signature of the Financing Agreement.

6. Cross cutting issues

6.1 Equal opportunity

The beneficiary has to ensure that selection of and selection criteria for participants to Union Programmes are based on the principle of equal treatment and non-discrimination for grounds as outlined in the European Charta of Fundamental Rights.

6.2 Environment

The European Union has a longstanding commitment to address environmental concerns in its assistance programmes (as part of a wider commitment to sustainable development). Key references include art. 6 of the Treaty and also the Cardiff process, which foresees the systematic consideration of environmental aspects in EC development cooperation and in other policies.

5.3 Minorities

As regards minorities, the beneficiary has to ensure that selection of and selection criteria for participants to Union Programmes are based on the principle non-discrimination of minorities.
ANNEXES

I Log frame in Standard Format

II Amounts contracted and Disbursed per Quarter over the full duration of Programme

III Description of Institutional Framework

IV Reference to laws, regulations and strategic documents

Reference list of relevant laws and regulations

Reference to AP / NPAA / EP / SAA

Reference to MIPD

Reference to National Development Plan

Reference to national / sectoral investment plans

V Details per EU funded contract (*) where applicable:
**ANNEX I: Logical framework matrix**

<table>
<thead>
<tr>
<th>LOGFRAME PLANNING MATRIX FOR Project Fiche</th>
<th>Programme name: Participation in Union Programmes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Union Programmes 2011 and 2012.</td>
<td></td>
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<tr>
<td></td>
<td>Contracting period expires: Two years following the date of the conclusion of the Financing Agreement</td>
</tr>
<tr>
<td></td>
<td>Disbursement period expires: One year following the end date for the execution of contracts</td>
</tr>
<tr>
<td>CRIS Number:</td>
<td>Total budget: 3 256 000 IPA budget: 2 425 000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Overall objective</th>
<th>Objectively verifiable indicators</th>
<th>Sources of Verification</th>
</tr>
</thead>
<tbody>
<tr>
<td>To promote the further alignment of Albania with European Union policies and working methods.</td>
<td>Positive assessment by European Commission progress report; Positive assessment during SAA subcommittees meetings</td>
<td>European Commission progress report Minutes of SAA subcommittees meetings</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project purpose</th>
<th>Objectively verifiable indicators</th>
<th>Sources of Verification</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>To increase the Albanian active participation in and commitment to the Communities Programmes.</td>
<td>Increased number of organisations participating in FP 7 and Europe for Citizens Union Programme: • amount of total funding relative to the respective entry ticket; • comparison of these indicators with past experience.</td>
<td>• EU records • Relevant Albanian administration records</td>
<td>1. Increased public spending on research to 0.6% of GDP by 2015. 2. Increased share of gross expenditure on R&amp;D from foreign sources 3. Creation of 4-5 Albanian Centres of Excellence in Science (ACES) 4. Increased number of researchers 5. Increased innovation activity in 100 companies</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Results</th>
<th>Objectively verifiable</th>
<th>Sources of Verification</th>
<th>Assumptions</th>
</tr>
</thead>
</table>

**EU records**

**Relevant Albanian administration records**
<table>
<thead>
<tr>
<th>Cost of &quot;entry tickets&quot; for Union Programmes co-financed</th>
<th><strong>indicators</strong></th>
<th>EU Receipts of Payments by line DG.</th>
<th>Responsible line Ministries and Agencies must ensure co-finance for entry ticket</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reimbursement of 75% of the Albanian contribution (entry ticket) for participation in FP7 for the years 2011 and 2012, and for 60% and 55% respectively of the Albanian contribution for participation in the Europe for Citizens programme in 2012 and 2013.</td>
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<table>
<thead>
<tr>
<th>Participation of beneficiaries in FP 7 and Europe for citizens achieved.</th>
<th><strong>indicators</strong></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Number of applications submitted for funding for FP 7; - at least 1 FP7 application with an Albanian lead applicant - at least 15 FP7 applications with an Albanian partner</td>
<td>comparison of these indicators with past experience and other beneficiaries.</td>
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<tr>
<td>Number of applications submitted for funding for Europe for Citizens; - at least 2 applications projects funded</td>
<td>- EU records - Relevant Albanian administration records</td>
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<tr>
<td></td>
<td>- comparison of these indicators with past experience and other beneficiaries.</td>
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<tr>
<td></td>
<td><strong>Activities</strong></td>
<td><strong>Means</strong></td>
<td><strong>Costs</strong></td>
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</tbody>
</table>
| **Contributing financially to Albanian participation in Union Programmes** | **Grants with the beneficiaries** | **Total cost: 3 256 000 EUR**  
IPA contribution: 2 425 000 EUR | **Fullfillment of the MoU on participation in CPs between EC and GoA** |
ANNEX II: Amounts (in EUR) Contracted and disbursed by quarter for the project

<table>
<thead>
<tr>
<th>Contracted</th>
<th>Q2 2012</th>
<th>Q3</th>
<th>Q4</th>
<th>Q1</th>
<th>Q2 2013</th>
<th>Q3</th>
<th>Q4</th>
<th>Q1</th>
<th>Q2 2014</th>
<th>Q3 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>FP7 (2011)</td>
<td>1,057,500</td>
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<td>FP7 (2012)</td>
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<td>1,354,500</td>
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<td>Europe for Citizens (2012)</td>
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<td>12,000</td>
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<td>11,000</td>
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<td>Europe for Citizens (2013)</td>
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<td><strong>Cumulated</strong></td>
<td>1,057,500</td>
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<td>2,424,000</td>
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<td>2,435,000</td>
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<tr>
<td>Disbursed</td>
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<td></td>
<td>1,057,500</td>
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<td>1,366,500</td>
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<td>11,000</td>
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<tr>
<td>FP7 (2011)</td>
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<td>1,354,500</td>
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<td>FP7 (2012)</td>
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<td>12,000</td>
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<td>Europe for Citizens (2012)</td>
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<td>Europe for Citizens (2013)</td>
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<td><strong>Cumulated</strong></td>
<td>1,057,000</td>
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<td>2,435,000</td>
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ANNEX 3: Description of the Institutional Framework

A reform of the research system is almost completed. It will closely link the existing research institutes to the universities. Among the priorities of Albania are research in support to SME’s, regional co-operation with the other Western Balkan countries, mobility of researchers and the development of reliable sciences and technology indicators. The Albanian Government has approved the National Strategy of Science, Technology and Innovation, by the Decision of Council of Ministers no. 863, dated 29.07.2009. According to the action plan of this Strategy among priorities are the adoption of a new law on research and science, establishment of an Agency for Research, Technology and Innovation (ARTI) and building capacities in some of the university research centres, which have been recently created by the reform of former scientific institutes of the Academy of Science. All these will be matched with an increase in the national research funding.

Given the relatively low level of successful applications to FP7 from Albania ARTI will assist in the implementation of the programs FP7, COST, Life, Eureka, IPA, Interreg etc., which would also increase effectiveness in the use of FP7 funds especially for the projects ERA, ERA PLUS, INCO-NET, etc.

- The participation of Albania in the Union programme on Competitiveness and Innovation Programme (CIP), for the period 2007-2013. According the decision of European Parliament No. 1639/2006/EC regarding the starting of the programme for Competitiveness and Innovation, Competitiveness Innovation Programme, (CIP) for the period 2007-2013 it is allowed to apply even Albania. Within CIP programme there are three main sub-programmes which are focused in SMEs with that type of technology that protect the environment:
  - Entrepreneurship and Innovation Programme (EIP).
  - ICT policy support programme
  - The intelligent energy-europe programme (IEE).

METE has agreed in participating in the first and third sub-programme, respectively EIP and IEE.

With the Government Decree No. 713, date 24.10.2007, on the approval of the participation of Albania in the community programme “Competitiveness and Innovation Framework Programme” (CIP) was approved the participation of Albania in (CIP).

Minister of Economy, Trade and Energy Mr. Genc Ruli and Vice/President of European Commission Mr. Günter Verheugen, on 27 June 2008, have signed the memorandum of understanding for the participation of Albania in the first sub-programme Entrepreneurship and Innovation Programme (EIP).

MoU was ratified with the Law no.9984, dated 11.09.2008 “On ratification of Memorandum of Understanding between Albanian Republic and European Community on the participation of Albanian Republic in the community programme Entrepreneurship and Innovation Programme (EIP) of the framework programme of competitiveness and Innovation, 2007-2013 which was published on the Official Journal no.143 dated 22 September 2008 and has entered into force on 7 October 2008.

On 16 December 2008, METE for the participation to EIP, has paid the financial contribution to EU General Budget, in the value of 36,738 EUR.
Also METE/Albinvest applied in the programme Services in support of Business and Innovation ENT/CIP/07/0001, but the application of Albania was not approved by the Evaluating Committee. We are waiting for a new “call proposal” in order to make possible for Albania to be part of the European network for BIC.

Regarding the third component IEE, METE is in process of negotiating for signing the memorandum of understanding.

ANNEX 4: Reference to laws, regulations and strategic documents:

4.a) Reference list of relevant laws and regulations

- Decision of Council of Ministers no. 713, date 24.10.2007, “Approving the participation of Albania in the community programme Competitiveness and Innovation Framework Programme”;
- Decision of Council of Ministers no. 578, dated 05.09.2007 “Approving the participation of Albania in the community programme FP 7”
- Decision of Council of Ministers no. 863, dated 29.07.2009 “Approving the National Strategy of Science, Technology and Innovation”;

4.b) Reference to AP / NPAA / EP / SAA

Link with EP

This project will contribute to promote and to strengthen the regional cooperation in the fields of research, technological innovation, culture, education, and training, as foreseen in the EP priority: Albania must ensure successful participation in the Community Programmes,

The European Partnership\(^7\) underlines the need to strengthen the efforts to improve the quality of education and to create a modern vocational education and training system, and promote regional cooperation in the field of higher education.

Link with SAA

This project will contribute to achieve the objectives of the SAA, which was signed on 12 June 2006 and entered into force on 1 April 2009, and in particular those mentioned in article 100, education and training, and in the article 109, cooperation in research and technological

\(^7\) The European Partnership Document for Albania adopted by Council Decision of 18 February 2008 on the principles, priorities and conditions contained in the European Partnership with Albania and repealing Decision 2006/54/EC;
development. Cooperation shall take into account the priority areas related to the Community acquis in this field of research and technical development.

4.c) Reference to MIPD

The Multi-Annual Indicative Planning Document (MIPD) 2011-2013 foresees the concentration of EU funds over the next three years on six priority sectors, which are i) Justice and Home Affairs, ii) Public Administration Reform, iii) Transport, iv) Environment and Climate Change, v) Employment and Social Inclusion as well as vi) Agriculture and Rural Development. According to the MIPD IPA may finance actions that fall outside the scope of these sectors such as participation in Union programmes to which the country becomes eligible.

4.d) Reference to National Development Plan

This project will contribute to achieve the strategic goals of the National Strategy of Science, Technology and Innovation 2009-2015 that are summarised and quantified below:

1. Increase public spending on research to 0.6% of GDP by 2015. A number of observers found this target too modest. However, it would represent a significant increase compared to the current situation. Equally, it would be a higher relative share than a number of less developed EU countries, some Western Balkan countries and many emerging economies.
2. Increase the share of gross expenditure on R&D from foreign sources notably from the EU (FP, etc.) and international donors to cover 40 per cent of all research spending in the years 2010–2015.
3. Create 4-5 Albanian Centres of Excellence in Science (ACES) including dedicated laboratory equipment or workspaces that could be used for new technology based firms (pre-incubation, testing, certification, etc.).
4. Double the number of researchers, through ‘brain gain’ incentives and training of new researchers (establishment of graduate schools; train 500 PhDs). This will involve the creation, in synergy with the Higher Education Strategy action plan, of up to three new ‘PhD schools’ (or doctoral programmes) in Albanian universities. New PhD schools are planned to be opened this year with curricula and standards comparable to those stipulated in the Bologna Charter.
5. Increase innovation activity in 100 companies (this figure may be revised once the results from the first business RTDI survey are published) through investment in R&D through own laboratories, or via consortia with the academic RIs or in partnership with foreign partners.

4.e) Reference to national / sectoral investment plan

Not applicable

ANNEX 5

The annual financial contribution to be paid by Albania to the budget of the European Union to participate in the Seventh Framework Programme for Research and Technological
Development (FP7) programme and the Europe for Citizens programme are outlined in the Memoranda of Understanding signed by the European Commission and the Government of Albania on 17th December 2007 and 2nd February 2009 respectively.

Albania finances its contributions partly from Albania's State Budget, and partly from Albania's pre-accession funds, subject to annual programming procedures within the framework of Council Regulation (EC) No 2666/2000 of 5th December 2000, as amended by Regulation (EC) No 2415 of 10th December 2001 on assistance for Albania, Bosnia and Herzegovina, Croatia, the Federal Republic of Yugoslavia and the former Yugoslav Republic of Macedonia, and Council Regulation (EC)1085/2006 of 17th July 2006. The requested pre-accession funds will be transferred to Albania each year, as a reimbursement of part of the annual financial contribution actually paid in response to annual calls for funds from the Commission.