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ANNEX

PREPARATORY MEASURES FOR THE PARTICIPATION OF CROATIA IN THE LIFELONG LEARNING AND YOUTH IN ACTION PROGRAMMES UNDER THE IPA-TRANSITION ASSISTANCE AND INSTITUTION BUILDING COMPONENT FOR 2009

1. IDENTIFICATION

Beneficiary	Republic of Croatia
CRIS number	IPA/2009/021-666
Year	2009
Cost	EUR 2 500 000 ¹
Implementing Authority	European Commission. The implementation of this programme will be cross-delegated from DG ELARG to DG EAC.
Final date for concluding the financing agreements	at the latest by 31 December 2010
Final dates for contracting	2 years following the date of conclusion of the Financing Agreement. No deadline for audit and evaluation projects covered by this Financing Agreement, as referred to in Article 166(2) of the Financial Regulation. These dates apply also to the national co-financing.
Final dates for execution	2 years following the end date for contracting. These dates apply also to the national co-financing.
Sector Code	11330
Budget line(s) concerned	22.020100
Programming Task Manager	DG ELARG.B1
Implementation Task Manager	DG EAC

2. PRIORITY AXES / PROJECTS

2.a Priority axes

This programme consists in one project, "Preparatory measures for the LifeLong Learning and Youth in Action programmes", which contributes to the 4th priority axis,

¹ Out of the EUR 45 601 430 allocation under IPA 2009 component I for Croatia, and in addition to this programme amounting to EUR 2 500 000, a separate Financing Decision of EUR 42 101 430 will cover the National programme for Croatia under the IPA-Transition Assistance and Institution Building Component for 2009. The remaining EUR 1 000 000 will support activities in the area of Nuclear Safety and Radiation Protection, which, to facilitate the management of assistance, will be coordinated and implemented under the relevant IPA 2009 Multi-Beneficiary programme.

"Supporting Programmes", of the Multi-Annual Indicative Planning Document (MIPD) 2009-2011 for Croatia. Supporting Programmes may indeed provide for capacity building to reinforce institutional capacity for the management of the Lifelong Learning and Youth in Action programmes.

2.b Description of projects grouped per priority axis

This programme consists in one project: "Preparatory measures for the LifeLong Learning and Youth in Action programmes."

Croatia has expressed the wish to participate in the Lifelong Learning and Youth in Action Community programmes. Such participation is conditional on the fulfilment by the candidate countries of requirements concerning the capacity of national structures – called the national agencies – to ensure sound financial management of the programmes. The objective of this project is to assist Croatia in the fulfilment of these requirements.

The preparatory measures will consist of a range of activities which will be implemented according to a work plan to be agreed between the Croatian "Agency for Mobility and EU Programmes" (legally established by Croatia to be the National Agency in charge of the Lifelong Learning and Youth in Action programmes) and the Commission Directorate General responsible for these programmes (DG EAC).

The preparatory measures have three main purposes:

- preparing the national agency to manage the programmes through capacity building measures (by completing the recruitment and training of the staff);
- information campaigns for the potential beneficiaries (translation and publication of the main documents, publication of leaflets, seminars, etc.);
- participation in pilot activities, which will allow to test at a sufficient scale the capacity of the national agency to manage the programmes and give stakeholders the possibility to participate in some projects according to the programme rules.

It is envisaged that two grants agreements for a beneficiary in a *de jure* monopoly² – the Croatian National Agency - will be concluded without call for proposals³ for a total of EUR 3 350 000 (consisting of EUR 2 500 000 of IPA contribution and EUR 850 000 of national co-financing), namely EUR 2 650 000 (consisting of EUR 2 000 000 of IPA contribution and EUR 650 000 of national co-financing) regarding preparatory measures to the Lifelong Learning Programme, and EUR 700 000 (consisting of EUR 500 000 of IPA contribution and EUR 200 000 of national co-financing) regarding preparatory measures to the Youth in Action Programme, in the first quarter of 2010.

² Article 6 of Decision No 1720/2006/EC of the European Parliament and of the Council of 15 November 2006 establishing an action programme in the field of lifelong learning; Article 8 of Decision No 1719/2006/EC of the European Parliament and of the Council of 15 November 2006 establishing the 'Youth in Action' programme for the period 2007 to 2013; Croatian Act of 27 October 2007 establishing the "Agency for Mobility and EU Programmes" as a single National Agency in charge of both the LLP and Youth in Action programmes.

³ As provided by article 168 (c) of the implementing rules of the Financial Regulation applicable to the general budget of the European Communities, as the National Agency has a *de jure* monopoly in this area of intervention as set out in the legal bases indicated in footnote 2 *supra*.

2.c Overview of past and on going assistance (EC / IFI / Bilateral and national assistance) including lessons learned

Preparatory measures for participation in LifeLong Learning and Youth in Action Community programmes were implemented in the past with other candidate countries before their accession to these programmes. Experience shows that thorough preparation is needed before full participation in the programmes.

In the case of Croatia, this country has established a National Agency, which has started to recruit and train its staff, to inform potential beneficiaries and to implement some pilot projects. These preparatory measures, financed under IPA 2007, need to be extended and strengthened in order to allow the National Agency to complete its training and to test its capacity to manage pilot projects at a wider scale.

In addition, Croatia benefited in the past from substantial EC financial assistance under the Tempus Programme, which has contributed to preparations for its future participation in the Lifelong Learning Programme.

2.d Horizontal issues

- *Equal opportunities and non-discrimination*

The Director of the National Agency should ensure that the principle of equal opportunity is duly respected in the staff policy of the National Agency.

In the implementation of the Lifelong Learning and Youth in action programmes (pilot projects), due regard shall be paid to ensuring that they contribute fully to promoting equality between men and women and combating all forms of discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation. Particular efforts shall be made with regard to learners with special needs and young people who have particular difficulties taking part in the programmes for educational, social, physical, psychological, economic or cultural reasons or because they live in remote areas.

- *Support to minority and vulnerable groups*

This programme does not directly involve activities with a minority's impact, although the respect of equal opportunities and non-discrimination will be guaranteed.

2.e Conditions

- (1) Before the Financing Agreement is signed, the National IPA Coordinator will confirm the availability of the national co-financing.
- (2) A work plan will be prepared by Croatia in consultation with the Commission (Directorate General for Education and Culture), which will be attached to the grant agreements.
- (3) The minimum requirements with regard to internal control standards applicable to the national agencies and to their management of the projects should be fulfilled before the Commission transfers to the national agency the funds allocated to the pilot projects.

2.f Benchmarks

	2009	2010 (cumulative)	2011 (cumulative)
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	EU	NF	EU	NF	EU	NF
Number of conclusion of direct grants (without call for proposals)	0		2		2	
Contracting Rate (%)	0 %		100 %		100 %	

2.g Roadmap for the decentralisation of the management of EC funds without *ex ante* controls by the Commission

Croatia was conferred management powers for the decentralised management of IPA – component I assistance with *ex ante* controls by a Commission Decision of 28 October 2008 which established conditions that Croatia must fulfill within specified deadlines. These conditions will need to be addressed before Croatia is able to reach the next stage, that is to say full decentralisation with only *ex post* controls by the Commission.

Taking into account these requirements, the Croatian authorities are preparing a roadmap for the decentralisation of the management of IPA funds without *ex ante* controls by the Commission. The authorities envisage moving to full decentralisation by the end of 2010.

3. BUDGET (AMOUNTS IN EUR)

3.1. Indicative budget table

<u>Centralised management</u>	Institution Building (IB)					Investment (INV)					Total (IB + INV)	Total IPA Community contribution	
	Total expenditure	IPA Community contribution		National contribution*		Total expenditure	IPA Community contribution		National contribution*				
	EUR (a)=(b)+(c)	EUR (b)	% ⁽¹⁾	EUR (c)	% ⁽¹⁾	EUR (d)=(e)+(f)	EUR (e)	% ⁽¹⁾	EUR (f)	% ⁽¹⁾	EUR (g)=(a)+(d)	EUR (h)=(b)+(e)	% ⁽²⁾
Priority axis "Supporting Programmes"	3 350 000	2 500 000	74.63	850 000	25.37	0	0	0	0	0	3 350 000	2 500 000	100
Project: "Preparatory measures for the Lifelong Learning and Youth in Action programmes"	3 350 000	2 500 000	74.63	850 000	25.37	0	0	0	0	0	3 350 000	2 500 000	100
TOTAL	3 350 000	2 500 000	74.63	850 000	25.37	0	0	0	0	0	3 350 000	2 500 000	100

* contribution (public and private national and/or international contribution) provided by national counterparts

(1) Expressed in % of the Total expenditure IB or INV (column (a) or (d)).

(2) Priority axis rows only. Expressed in % of the grand total of column (h). It indicates the relative weight of the priority with reference to the total IPA Community contribution of the entire FP.

3.2. Principle of co-financing applying to the projects funded under the programme

The Community contribution, which represents 74.63% of the total budget allocated to this programme, has been calculated in relation to the **eligible expenditure**, which in the case of centralised management is based on the **total expenditure**. Parallel co-financing will be used.

4. IMPLEMENTATION ARRANGEMENTS

4.1. Method of implementation

The programme will be implemented on a centralised basis by the European Commission in accordance with Article 53a of the Financial Regulation⁴ and the corresponding provisions of the Implementing Rules⁵, as it consists in preparatory measures for the future participation of Croatia in two Community Programmes – LifeLong Learning and Youth in Action - under the responsibility of DG EAC. The implementation of the programme will therefore be cross-delegated from DG ELARG to DG EAC.

4.2. General rules for procurement and grant award procedures

Procurement shall follow the provisions of Part Two, Title IV of the Financial Regulation and Part Two, Title III, Chapter 3 of its Implementing Rules as well as the rules and procedures for service, supply and works contracts financed from the general budget of the European Communities for the purposes of cooperation with third countries adopted by the Commission on 24 May 2007 (C(2007)2034).

Grant award procedures shall follow the provisions of Part One, Title VI of the Financial Regulation and Part One, Title VI of its Implementing Rules.

The Commission shall also use the procedural guidelines and standard templates and models facilitating the application of the above rules provided for on DG BUDG website at the date of the initiation of the grant award.

5. MONITORING AND EVALUATION

5.1. Monitoring

The Commission may undertake any actions it deems necessary to monitor the programmes concerned.

5.2. Evaluation

Programmes shall be subject to ex ante evaluations, as well as interim and, where relevant, ex post evaluations in accordance with Articles 57 and 82 of IPA Implementing Regulation, with the aim of improving the quality, effectiveness and consistency of the assistance from Community funds and the strategy and implementation of the programmes.

The results of ex ante and interim evaluation shall be taken into account in the programming and implementation cycle.

The Commission may also carry out strategic evaluations.

⁴ Regulation 1605/2002 (OJ L 248, 16.9.2002, p.1).

⁵ Regulation 2342/2002 (OJ L 357, 31.12.2002, p. 1).

6. AUDIT, FINANCIAL CONTROL AND ANTI-FRAUD MEASURES

The accounts and operations of all parties involved in the implementation of this programme, as well as all contracts and agreements implementing this programme, are subject to, on the one hand, the supervision and financial control by the Commission (including the European Anti-Fraud Office), which may carry out checks at its discretion, either by itself or through an outside auditor and, on the other hand, audits by the European Court of Auditors. This includes measures such as ex-ante verification of tendering and contracting carried out by the Delegation in the Beneficiary Country.

In order to ensure the efficient protection of the financial interests of the Community, the Commission (including the European Anti-Fraud Office) may conduct on-the-spot checks and inspections in accordance with the procedures foreseen in Council Regulation (EC, Euratom) 2185/96⁶.

The controls and audits described above are applicable to all contractors, subcontractors and grant beneficiaries who have received Community funds.

7. NON SUBSTANTIAL REALLOCATION OF FUNDS

The authorising officer by delegation (AOD), or the authorising officer by sub-delegation (AOSD), in line with the delegation of powers conferred upon him by the AOD, in accordance with the principles of sound financial management, may undertake non substantial reallocations of funds without an amending financing decision being necessary. In this context, cumulative reallocations not exceeding 20% of the total amount allocated for the programme, subject to a limit of EUR 4 million, shall not be considered substantial, provided that they do not affect the nature and objectives of the programme. The IPA Committee shall be informed of the above reallocation of funds.

8. LIMITED ADJUSTMENTS IN THE IMPLEMENTATION OF THE PROGRAMME

Limited adjustments in the implementation of this programme affecting elements listed under Article 90 of the Implementing Rules to the Financial Regulation, which are of an indicative nature⁷, may be undertaken by the authorising officer by delegation (AOD), or by the authorising officer by sub-delegation (AOSD), in line with the delegation of powers conferred upon him by the AOD, in accordance with the principles of sound financial management without an amending financing decision being necessary.

⁶ OJ L 292; 15.11.1996; p. 2.

⁷ These essential elements of an indicative nature are, for grants, the indicative amount of the call for proposals and, for procurement, the indicative number and type of contracts envisaged and the indicative time frame for launching the procurement procedures.