

ANNEX

**to the Commission Implementing Decision
amending Commission Implementing Decision C(2018) 8186 final of 29.11.2018
adopting the Technical Assistance and Information Exchange (TAIEX) Action
Programme under the IPA II Multi-country envelope for the years 2018 - 2020**

Multi-annual Work Programme This document constitutes the multi-annual work programme in the sense of Article 110(2) of the Financial Regulation (Regulation (EU)2018/1046)
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TITLE OF THE ACTION PROGRAMME:

**Technical Assistance and Information Exchange (TAIEX) Action Programme
under the IPA II Multi-country envelope for the years 2018 – 2020 and Support
Regional Economic Integration**

1 IDENTIFICATION

Beneficiary	IPA II beneficiaries
Basic act: Total cost EU contribution: CRIS/ABAC commitment references, EU Contribution and budget line	Instrument for Pre-accession assistance (IPA-II) EUR 17.65 million EUR 17.65 million, of which: 2018/041325 EUR 5 000 000 22.020401 2019/041326 EUR 650 000 22.020401 2020/041327 EUR 12 000 000 22.020401 Estimations for year 2020 are subject to the availability of appropriations for the respective financial years following the adoption of the relevant annual budget or as provided for in the system of provisional twelfths.
Method of implementation	- Direct Management by the European Commission for Action 1 <i>and</i> - Indirect Management with Deutsche Gesellschaft fuer Internationale Zusammenarbeit (GIZ) GmbH for Action 2.
Final date for contracting including the conclusion of delegation/contribution agreements	For the budgetary commitment of 2018 at the latest by 31 December 2019 For the budgetary commitment of 2019 at the latest by 31 December 2020 For the budgetary commitment of 2020 at the latest by 31 December 2021
Indicative operational implementation period	96 months from the adoption of this Financing Decision

2 DESCRIPTION OF THE ACTION PROGRAMME

2.1 PRIORITIES SELECTED UNDER THIS ACTION PROGRAMME

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

TAIEX assistance supports IPA II beneficiaries to align progressively with the EU *acquis* and to improve their working methods in line with the EU standards, as monitored by the European Commission's country specific screening and/or annual reports as well as through peer reviews.

Technical assistance for regional economic integration and support the implementation of the ratified Agreements by the Central European Free Trade Agreement (CEFTA) Parties, enhancing the implementation of trade facilitation and the trade in services in the Western Balkans in line with additional protocols to the CEFTA agreement. This will result in the reduction of cost and increased competitiveness of the CEFTA Parties' economic operators in the regional markets and in trade with the EU.

The Action programme was also designed to support the implementation of the February 2018 Western Balkan Strategy where the European Commission reaffirmed the firm, merit-based prospect of EU membership for the Western Balkans (*A credible enlargement perspective for and enhanced EU engagement with the Western Balkans*- COM(2018) 65 final).

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

TAIEX was set up in 1996 as a follow-up to the European Commission's White Paper on the preparation of the associated countries for integration into the internal market. The enlargement process for each IPA II beneficiary is unique and progresses according to individual needs, and on a sector-by-sector basis. TAIEX assistance helps the IPA II beneficiaries' public sector institutions to identify and analyse the gaps with the EU *acquis*, and supports them as they reform. Assistance is mainly demand driven – in other words, IPA II beneficiaries identify their priority needs and accordingly request specific and targeted assistance. Assistance may also be deployed upon request of the European Commission services and the European External Action Service (EEAS) as they see it fit, but the success of TAIEX events ultimately depends on the IPA II beneficiary's will to undertake all the necessary reforms to achieve their objectives of EU accession and on the political situation in each of the beneficiaries.

The TAIEX instrument is well received and perceived in the IPA II beneficiaries as past evaluations¹ and the feed-back provided by the participants² following the organisation of TAIEX events have shown. At the same time, continuous efforts are made to adapt and improve the way TAIEX assistance is implemented. The IPA Multi Beneficiary Programmes' evaluation³, carried out from December 2012 to May 2013, promotes TAIEX as an institution-building instrument. Furthermore, a specific evaluation on the

¹ .E.g. external evaluations by Ramboll Management "Evaluation of the TAIEX instrument and development of an evaluation tool" (December 2009/January 2010) and by SACO Consortium "Evaluation of EU support for *acquis* alignment and preparation implemented and funded through the TAIEX instrument for the benefit of the Turkish Cypriot community" (from September 2013 to March 2014) as well as an internal evaluation of the sound management of the instrument in 2010.

² See Section 4 on performance measurement for further details.

³ "Interim evaluation and meta-evaluation of IPA assistance", implemented by Ecorys and funded by the European Commission, DG Enlargement, unit A3. http://ec.europa.eu/enlargement/pdf/financial_assistance/phare/evaluation/2013/23914_rep_mbp.pdf

TAIEX Instrument was published in August 2015⁴. The conclusions of this evaluation were overall positive and its recommendations have been useful for the continuous improvement of the assistance provided. Improvement in the medium term shall include, but not be limited to, adopting an environmentally friendly approach to TAIEX assistance, wherever appropriate⁵, and improved knowledge management.

During the Trieste Summit (12 July 2017), the leaders of the Western Balkans six adopted a Multiannual Action Plan (MAP) for the development of a Regional Economic Area (REA)⁶. It is based on the CEFTA legal framework and relevant Stabilisation and association agreements (SAAs), in the areas of trade, investment, mobility and digital that would ultimately enable unobstructed flow of goods, services, investment and highly skilled labour throughout the region.

This Action Plan contains a detailed section on trade aspects, which is building upon the CEFTA agreement and should ensure that goods, services, investments, and skilled people can move freely in the region without tariffs, quotas or other unnecessary barriers, where trade is facilitated by higher than World Trade Organisation (WTO) Rules. It aims at the recognition of all border documents, where applicable, procedures, and programmes related to trade once the EU alignment by one or more CEFTA Parties is reached.

The main achieved results in this period are:

- A regional roaming agreement has been adopted lowering down towards elimination of roaming charges over the region,
- The region has adopted an ambitious trade facilitation agreement, which will boost regional trade.
- The region has as well adopted a regional investment reform agenda, which will allow harmonising investment policies over the region and facilitate investments flow within it.
- Good progress on trade figures: regional trade increased by 20% in 2018 compared to 2016.

The EU puts a special emphasis on the successful implementation of the Regional Economic Area in the Western Balkans. After the EU, CEFTA is for each of the Western Balkan partners the second most important market and the possibilities to increase intra CEFTA trade is very significant. Western Balkans' six exports to the EU are different; they do not compete directly with each other for the same EU markets or for Foreign Direct Investments from the same EU firms. The differences in product specialisation offer opportunities for more regional integration, including integration into value chains in such sectors as food, automobiles, or tourism. Clearly, these opportunities will be opened up by further development of the regional economic area.

It is also an opportunity for the region to demonstrate its readiness to start operating in a wider market, based on the EU *acquis* and to prepare itself to the competitive pressure of

⁴ "Evaluation of TAIEX Instrument"(2014/346665/1) implemented by AETS Consortium.

⁵ The mobilisation of experts from different EU Member States to beneficiary countries – the instrument's core task - has a notable carbon foot print, particularly if the travel is by air.

⁶ "Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions - A credible enlargement perspective for and enhanced EU engagement with the Western Balkans", COM(2018) 65 final of 6.2.2018

the EU single market. Moreover, consolidating a market of 18 million people, functioning on the same rules and well integrated with the EU will enable the region attractiveness for investments.

Trade integration is a long-term process that requires high political will and technical competences by all involved Parties. Stand-alone initiatives not duly placed in a broader strategic context have often led to limited results. The support to regional economic integration builds on priorities identified and endorsed at the highest political level by Western Balkans leader in the context of the action plan adopted at the Trieste Summit.

The European Commission has been providing support to CEFTA structures and actions over recent years. This support has been instrumental in ensuring the success of negotiations on trade facilitation (Additional protocol 5) and on liberalisation in trade in service (additional protocol 6), by allowing parties to have access to high level expertise at the time when they needed it most in their negotiations.

2.2 DESCRIPTION AND IMPLEMENTATION OF THE ACTIONS

The envisaged assistance to the TAIEX and regional economic integration programme Action Programme under the IPA II Multi-country envelope for the years 2018 - 2020 is deemed to follow the conditions and procedures set out by the restrictive measures adopted pursuant to Article 215 TFEU⁷.

PRIORITY 1	<i>Technical Assistance and Information Exchange (TAIEX) and Support Regional Economic Integration</i>	<i>EUR 17 650 000</i>
Action 1	TAIEX	<i>EUR 13 300 000</i>
Action 2	Support to Regional Economic Integration	<i>EUR 4 350 000</i>

⁷ www.sanctionsmap.eu Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

PRIORITY 1		
Action 1	TAIEX	<i>EUR 13 300 000</i>

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

- Description of the action and objectives
TAIEX supports regional integration and territorial cooperation involving IPA II beneficiaries, Member States and, where appropriate, third countries within the scope of Regulation (EU) No 231/2014 establishing the Instrument for Pre-Accession Assistance II.

The specific objective of the action is to support IPA II beneficiaries in the approximation with, and implementation of the EU *acquis*.

- Expected results and key performance indicators
TAIEX activities include seminars, workshops, expert mobilisations, including peer-based assessment missions, and study visits. These activities target national administrations, the judiciary, parliaments, regional and local administrations, public and semi-public entities as well as representatives of trade unions and employers' associations and civil society organisations in case they play a role in the transposition, implementation and enforcement of specific EU legislation.
In addition, provisions are made to organise regular meetings of IPA II beneficiaries, in particular of National IPA Coordinators, to discuss regional and horizontal programming matters.

Expected results:

- 1) Alignment of IPA II beneficiaries with EU legislation enhanced
- 2) Working methods in line with EU standards improved

Key performance indicators:

- 1) Degree of alignment with EU *acquis*
- 2) IPA II beneficiaries overall professional satisfaction on quality of TAIEX workshops, expert missions and study visits

The results and key performance indicators will be monitored and verified by the European Commission in country-specific screening and / or annual progress reports, as well as through peer review missions.

(2) Assumptions and conditions

Environment and climate change, equal opportunities and gender-mainstreaming, support to minority and vulnerable groups and digital transformation of society are all subjects that are directly or indirectly part of the EU *acquis* for which TAIEX is supporting implementation and enforcement. Those subjects are also directly addressed in specific TAIEX seminars.

Furthermore, TAIEX ensures that civil society organisations with a role to play in the transposition, implementation and enforcement of EU legislation are represented, should the topic or the issues addressed be relevant.

(3) Implementation modalities:

(3)(a) Direct management (project approach)

Procurement:

The procurement will contribute to achieving results 1 and 2 of Action 1 in Section 1, i.e. 1) Alignment of IPA II beneficiaries with EU legislation enhanced, and 2) Working methods in line with EU standards improved

The global budgetary envelope reserved for procurement: EUR 13 300 000.

(4) Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

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

PRIORITY 1		
Action 2	Support to Regional Economic Integration	<i>EUR 4 350 000</i>

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

- Description of the action and objectives

The action aims at increasing the efficiency and competitiveness of the CEFTA Parties' economic operators, notably, but not exclusively by: sustainable implementation of the

measures from the CEFTA Agreement, its Additional Protocols and the activities related to the implementation of the Multi-annual Action Plan for a Regional Economic Area (MAP REA).

- Expected results and key performance indicators (indicative):
 - Support to the implementation of the trade-related pillar of REA MAP
 - Provide support and assistance to CEFTA structure
 - Support to the implementation of Additional Protocols as negotiated by CEFTA parties (indicatively: Trade Facilitation, trade in services)
 - Support in other REA MAP-related technical aspects, such as (indicatively): public-private dialogue, advocacy and awareness on Additional Protocols, promotion of benefits of the implementation of protocols for growth and jobs.

(2) Assumptions and conditions

Capacities of CEFTA and progress of protocols negotiations will be key to the achievement of the expected results. In addition, the technical capability and added value of the implementing partner of this action will also be central.

(3) Implementation modalities:

(3)(a) *Indirect management* with a Member State organisation.

This action may be implemented in indirect management with Deutsche Gesellschaft fuer Internationale Zusammenarbeit (GIZ) GmbH. This implementation entails the full activities of the Action 2. The envisaged entity has been selected using the following criteria.

Selection criteria of implementing body to support regional economic integration:

- Entity with extensive track-record in support to trade facilitation and regional economic integration in the West Balkans region.
- Demonstrable experience in support to the implementation of the MAP REA, preferably in the Trade pillar.
- Possession and ability to keep, develop and further strengthen joint work relations with all relevant stakeholders and actors in the region.

In case the envisaged entity would need to be replaced, the Commission's services may select a 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

countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

3. INDICATIVE BUDGET TABLE

MULTI-COUNTRY PROGRAMME

2018				2019				2020				
	where applicable	where applicable	Total expenditure		where applicable	where applicable	Total expenditure		where applicable	where applicable	Total expenditure	Total
	EU Contribution	IPA II beneficiary or other third party co-financing			EU Contribution	IPA II beneficiary or other third party co-financing			EU Contribution	IPA II beneficiary or other third party co-financing		Financing Decision
Action 1	650 000	0	650 000	Action 1	650 000	0	650 000	Action 1	12 000 000	0	12 000 000	13 300 000
Action 2	4 350 000	0	4 350 000	Action 2	0	0	0	Action 2	0	0	0	4 350 000
TOTALS year 2018	5 000 000	0	5 000 000	TOTALS year 2019	650 000	0	650 000	TOTALS year 2020	12 000 000	0	12 000 000	17 650 000

4 PERFORMANCE MONITORING ARRANGEMENTS

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

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

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

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