

ANNEXES

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ANNEX 1: Statement of the Resources Director

"I declare that in accordance with the Commission's communication on clarification of the responsibilities of the key actors in the domain of internal audit and internal control in the Commission¹, I have reported my advice and recommendations to the Director-General on the overall state of internal control in the DG.

I hereby certify that the information provided in Parts 2 and 3 of the present AAR and in its annexes is, to the best of my knowledge, accurate and exhaustive."

Brussels, 31 March 2015

Signed

Colette COTTER

¹ Communication to the Commission: Clarification of the responsibilities of the key actors in the domain of internal audit and internal control in the Commission; SEC(2003)59 of 21.01.2003.

ANNEX 2: Human and Financial resources

Human Resources by ABB activity				
Code ABB Activity	ABB Activity	Establishment Plan posts	External Personnel In FTEs equivalent	Total
22 02	Enlargement process and strategy	181	535	717
22 03	Encouraging the economic development of the Turkish Cypriot Community (TCC)	10	23	33
22 AWBL-01	Administrative support for the Directorate-General for Enlargement	24	12	36
22 AWBL-02	Policy strategy and coordination for the Directorate-General for Enlargement	57	24	80
Total		272*	594	866

*This figure includes the 261 posts as foreseen in the 2014 final allocation and 11 surcharges granted to DG ELARG, now DG NEAR, during the reference period

Implementation of decentralised administrative authorised operations (payments and revenues) of the Global envelope as of 31 December 2014 (budget lines: XX 01 02 11 00 01 to XX 01 02 11 00 06).

NOM	ELARG				
	C1	C1	C8	C8	
	CREDIT	EXECUTION	ENGAGEMENT	PAIEMENT	<i>PERTE C8/Poste</i>
LIGNE MERE	1,152,167.00				
MISSIONS		840,728.89	186,984.39	147,052.25	39,932.14
REPRESENTATION		8,000.00	3,876.73	1,837.15	2,039.58
REUNIONS		30,914.00	9,334.42	4,356.09	4,978.33
CONFERENCES		26,100.00	5,049.37	3,034.30	2,015.07
COMITES		33,000.00	19,818.78	18,505.69	1,313.09
INFORMATIQUE		78,698.11	78,698.11	78,698.11	0
FORMATION		84,726.00	51,204.59	39,458.31	11,746.28
Total	1,152,167.00	1,102,167.00	354,966.39	292,941.90	
		C1		C8	
Perte en crédits		50,000.00		62,024.49	112,024.49
% perte		4.34%		17.47%	
% exécution		95.66%		82.53%	
% d'annulation					9.72%

ANNEX 3: Draft annual accounts and financial reports

Annex 3 Financial Reports - DG ELARG - Financial Year 2014

Table 1 : Commitments
Table 2 : Payments
Table 3 : Commitments to be settled
Table 4 : Balance Sheet
Table 5 : Statement of Financial Performance
Table 6 : Average Payment Times
Table 7 : Income
Table 8 : Recovery of undue payments
Table 9 : Ageing Balance of Recovery Orders
Table 10 : Waivers of Recovery Orders
Table 11 : Negotiated Procedures (excluding Building Contracts)
Table 12 : Summary of Procedures (excluding Building Contracts)
Table 13 : Building Contracts
Table 14 : Contracts declared secret

TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2014 (in Mio €)

			Commitment appropriations authorised	Commitments made	%
			1	2	3=2/1
Title 22 Enlargement					
22	22 01	Administrative expenditure of the `Enlargement-policy area	52.52	52.13	99.3 %
	22 02	Enlargement process and strategy	1,324.73	1,281.72	96.8 %
	22 03	Aid Regulation	34.70	32.96	95.0 %
Total Title 22			1,411.95	1,366.82	96.8 %
Total DG ELARG			1,411.95	1,366.82	96.8 %

* Commitment appropriations authorised include, in addition to the budget voted by the legislative authority, appropriations carried over from the previous exercise, budget amendments as well as miscellaneous commitment appropriations for the period (e.g. internal and external assigned revenue).

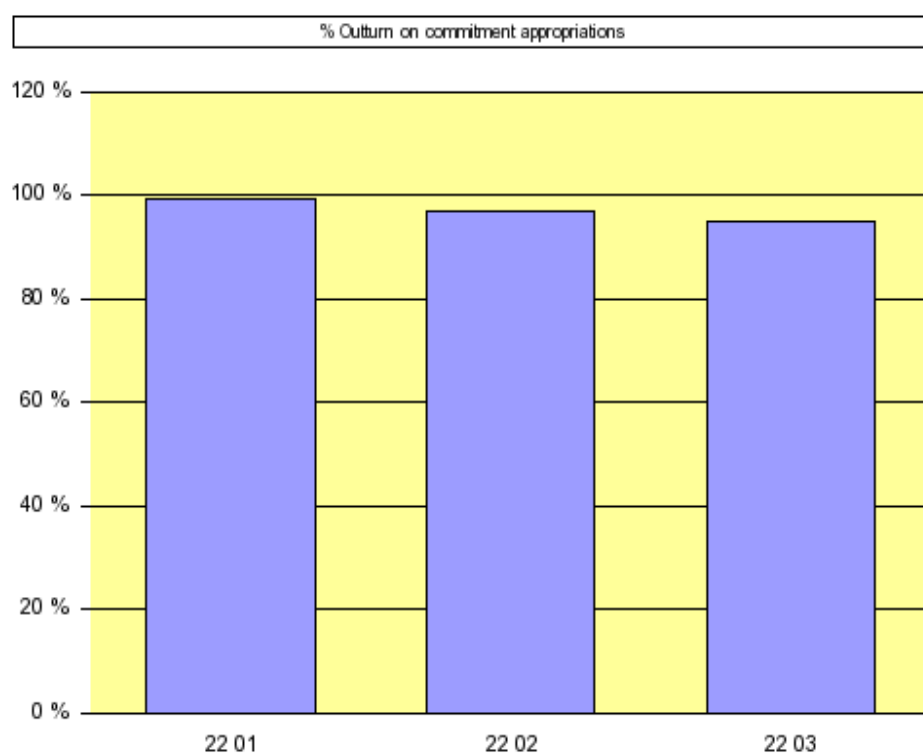


TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS IN 2014 (in Mio €)					
Chapter			Payment appropriations authorised *	Payments made	%
			1	2	3=2/1
Title 22 Enlargement					
22	22 01	Administrative expenditure of the Enlargement- policy area	56.51	49.89	88.3 %
	22 02	Enlargement process and strategy	748.73	748.41	100.0 %
	22 03	Aid Regulation	21.36	21.02	98.4 %
Total Title 22			826.59	819.32	99.1 %
	Total DG ELARG		826.59	819.32	99.1 %

* Payment appropriations authorised include, in addition to the budget voted by the legislative authority, appropriations carried over from the previous exercise, budget amendments as well as miscellaneous payment appropriations for the period (e.g. internal and external assigned revenue).

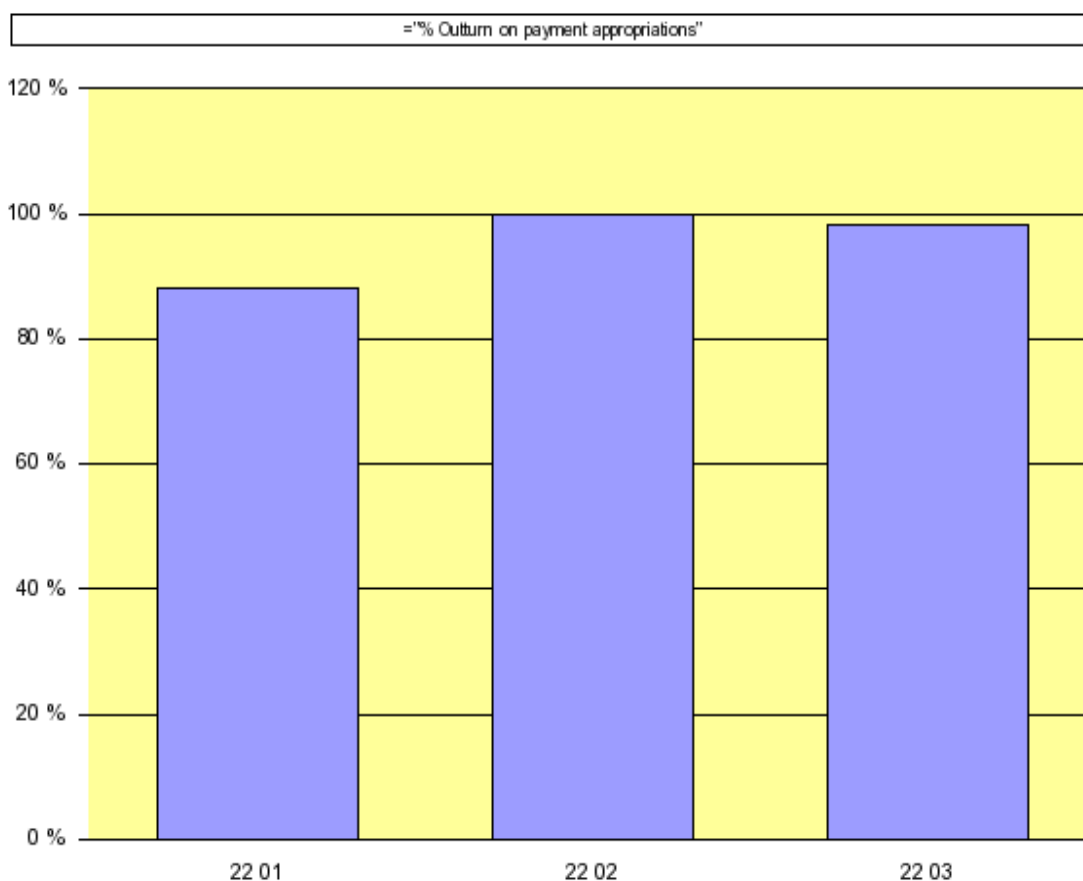


TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2014 (in Mio €)									
Chapter			2014 Commitments to be settled				Commitments to be settled from financial years previous to 2014	Total of commitments to be settled at end of financial year 2014 (incl. corrections)	Total of commitments to be settled at end of financial year 2013 (incl. corrections)
			Commitments 2014	Payments 2014	RAL 2014	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
Title 22 : Enlargement									
22	22 01	Administrative expenditure of the Enlargement-policy area	51.61	47.01	4.60	8.9 %	0.00	4.60	3.99
	22 02	Enlargement process and strategy	1,281.72	2.86	1,278.86	99.8 %	2,188.02	3,466.88	2,977.39
	22 03	Aid Regulation	32.96	1.71	31.26	94.8 %	68.27	99.53	119.11
Total Title 22			1,366.29	51.57	1,314.72	96.2 %	2,256.29	3,571.01	3,100.48
	Total DG ELARG		1,366.29	51.57	1,314.72	96.2 %	2,256.29	3,571.01	3,100.48

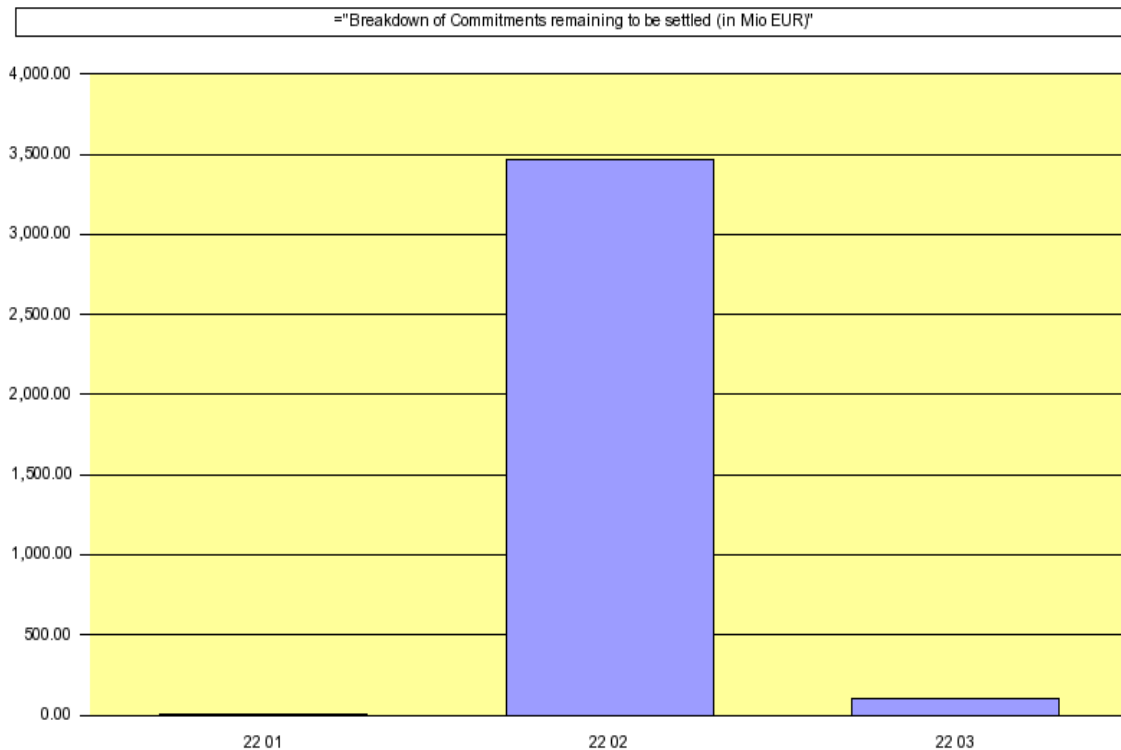


TABLE 4 : BALANCE SHEET

BALANCE SHEET	2014	2013
A.I. NON CURRENT ASSETS	290,478,855.27	338,492,720.75
A.I.1. Intangible Assets		0.00
A.I.2. Property, plant and equipment		0.00
A.I.4. Non-Current Financial Assets	170,959,863.89	166,576,812.07
A.I.6. Non-Current Pre-Financing	119,518,991.38	
A.I.7. OLD LT Pre-Financing	0.00	171,915,908.68
A.II. CURRENT ASSETS	480,493,692.49	381,290,086.07
A.II.2. Current Pre-Financing	383,406,243.09	315,199,846.34
A.II.3. Current Financial Assets	35,655,311.60	
A.II.4. Exchange Receivables	3,288,739.41	3,704,924.87
A.II.5. Non-Exchange Receivables	41,987,646.22	9,506,591.95
A.II.7. Cash and Cash Equivalents	16,155,752.17	52,878,722.91
ASSETS	770,972,547.76	719,782,806.82
P.I. NET ASSETS/LIABILITIES	-	-
P.I.1. Reserves	25,587,764.21	23,729,578.41
P.II. NON CURRENT LIABILITIES	-2,305,200.07	-
P.II.2. Long-term provisions	-2,305,200.07	1,098,480.07
P.III. CURRENT LIABILITIES	-	-
P.III.2. Short-term provisions	94,117,703.47	112,072,096.00
P.III.4. Accounts Payable	-680,500.00	
P.III.5. Accrued charges and deferred income	-28,321,755.89	-34,646,633.52
	-65,115,447.58	-77,425,462.48
LIABILITIES	122,010,667.75	136,900,154.48
NET ASSETS (ASSETS less LIABILITIES)	648,961,880.01	582,882,652.34

P.I.2. Accumulated Surplus / Deficit	797,369,431.30	5,359,478.77
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Non-allocated central (surplus)/deficit*	1,446,331,311.31	588,242,131.11
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TOTAL	0.00	0.00
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It should be noted that the balance sheet and economic outturn account presented in Annex 3 to this Annual Activity Report, represent only the (contingent) assets, (contingent) liabilities, expenses and revenues that are under the control of this Directorate General. Significant amounts such as own resource revenues and cash held in Commission bank accounts are not included in this Directorate General's accounts since they are managed centrally by DG Budget, on whose balance sheet and economic outturn account they appear. Furthermore, since the accumulated result of the Commission is not split amongst the various Directorates General, it can be seen that the balance sheet presented here is not in equilibrium.

Additionally, the figures included in tables 4 and 5 are provisional since they are, at this date, still subject to audit by the Court of Auditors. It is thus possible that amounts included in these tables may have to be adjusted following this audit.

TABLE 5 : STATEMENT OF FINANCIAL PERFORMANCE

STATEMENT OF FINANCIAL PERFORMANCE	2014	2013
II.1 REVENUES	-39,462,161.52	-40,998,991.25
II.1.1. NON-EXCHANGE REVENUES	-35,623,057.47	-37,165,781.22
II.1.1.5. RECOVERY OF EXPENSES	-35,623,057.47	-36,185,781.22
II.1.1.6. OTHER NON-EXCHANGE REVENUES		-980,000.00
II.1.2. EXCHANGE REVENUES	-3,839,104.05	-3,833,210.03
II.1.2.1. FINANCIAL INCOME	-1,776,476.36	-3,239,781.50
II.1.2.2. OTHER EXCHANGE REVENUE	-2,062,627.69	-593,428.53
II.2. EXPENSES	731,342,953.11	770,296,622.22
II.2. EXPENSES	731,342,953.11	770,296,622.22
II.2.10. OTHER EXPENSES	17,591,638.53	14,360,579.98
II.2.2. EXP IMPL BY COMMISS&EX.AGENC. (DM)	373,231,946.27	414,645,288.44
II.2.3. EXP IMPL BY OTH EU AGENC&BODIES (IM)	2,170,203.52	2,833,207.35
II.2.4. EXP IMPL BY 3RD CNTR & INT ORG (IM)	280,163,952.64	333,818,715.97
II.2.5. EXP IMPL BY OTHER ENTITIES (IM)	58,111,370.73	4,627,071.00
II.2.6. STAFF AND PENSION COSTS	28,868.36	
II.2.8. FINANCE COSTS	44,973.06	11,759.48
STATEMENT OF FINANCIAL PERFORMANCE	691,880,791.59	729,297,630.97

It should be noted that the balance sheet and economic outturn account presented in Annex 3 to this Annual Activity Report, represent only the (contingent) assets, (contingent) liabilities, expenses and revenues that are under the control of this Directorate General. Significant amounts such as own resource revenues and cash held in Commission bank accounts are not included in this Directorate General's accounts since they are managed centrally by DG Budget, on whose balance sheet and economic outturn account they appear. Furthermore, since the accumulated result of the Commission is not split amongst the various Directorates General, it can be seen that the balance sheet presented here is not in equilibrium.

Additionally, the figures included in tables 4 and 5 are provisional since they are, at this date, still subject to audit by the Court of Auditors. It is thus possible that amounts included in these tables may have to be adjusted following this audit.

TABLE 6: AVERAGE PAYMENT TIMES FOR 2014 - DG ELARG

Legal Times							
Maximum Payment Time (Days)	Total Number of Payments	Nbr of Payments within Time Limit	Percentage	Average Payment Times (Days)	Nbr of Late Payments	Percentage	Average Payment Times (Days)
20	1				1	100.0 %	21
21	1	1	100.0 %	13			
28	3	3	100.0 %	14			
30	1327	1185	89.3 %	15	142	10.7 %	45
37	1	1	100.0 %	27			
45	1205	1040	86.3 %	24	165	13.7 %	85
50	2	2	100.0 %	25			
56	1	1	100.0 %	17			
60	514	500	97.3 %	27	14	2.7 %	79
75	1	1	100.0 %	27			
90	100	100	100.0 %	33			

Total Number of Payments	3156	2834	89.8 %		322	10.2 %	
Average Payment Time	26			21			67

Target Times							
Target Payment Time (Days)	Total Number of Payments	Nbr of Payments within Target Time	Percentage	Average Payment Times (Days)	Nbr of Late Payments	Percentage	Average Payment Times (Days)
20	509	355	69.7 %	12	154	30.3 %	34
28	2	2	100.0 %	13			
30	1361	835	61.4 %	17	526	38.6 %	53
60	2	2	100.0 %	52			

Total Number of Payments	1874	1194	63.7 %		680	36.3 %	
Average Payment Time	28			16			49

Suspensions							
Average Report Approval Suspension Days	Average Payment Suspension Days	Number of Suspended Payments	% of Total Number	Total Number of Payments	Amount of Suspended Payments	% of Total Amount	Total Paid Amount
9	115	801	25.4 %	3156	170,231,013.05	22.3 %	763,763,201.92

Late Interest paid in 2014			
DG	GL Account	Description	Amount (Eur)
NEAR	65010000	Interest expense on late payment of charges	39 777.19
			39 777.19

TABLE 7 : SITUATION ON REVENUE AND INCOME IN 2014								
Chapter		Revenue and income recognized			Revenue and income cashed from			Outstanding
		Current year RO	Carried over RO	Total	Current Year RO	Carried over RO	Total	balance
		1	2	3=1+2	4	5	6=4+5	7=3-6
52	REVENUE FROM INVESTMENTS OR LOANS GRANTED, BANK AND OTHER INTEREST	275,522.26	5,222.38	280,744.64	274,101.26	3,517.38	277,618.64	3,126.00
66	OTHER CONTRIBUTIONS AND REFUNDS	20,566,716.21	4,461,508.93	25,028,225.14	14,008,590.24	1,246,738.64	15,255,328.88	9,772,896.26
90	MISCELLANEOUS REVENUE	45,962.96	0.00	45,962.96	45,962.96	0.00	45,962.96	0.00
Total DG ELARG		20,888,201.43	4,466,731.31	25,354,932.74	14,328,654.46	1,250,256.02	15,578,910.48	9,776,022.26

TABLE 8 : RECOVERY OF UNDUE PAYMENTS
(Number of Recovery Contexts and corresponding Transaction Amount)

INCOME BUDGET RECOVERY ORDERS ISSUED IN 2014	Error		Irregularity		OLAF Notified		TOTAL Qualified		TOTAL RC (incl. non-qualified)		% Qualified/Total RC	
Year of Origin (commitment)	Nb r	RO Amount	Nb r	RO Amount	Nb r	RO Amount	Nb r	RO Amount	Nb r	RO Amount	Nbr	RO Amount
2004			2	492,343.62			2	492,343.62	2	492,343.62	100.0%	100.0%
2005			6	1,154,443.13			6	1,154,443.13	10	1,521,109.24	60.0%	75.9%
2006	1	150,826.93	9	2,707,670.88			10	2,858,497.81	12	4,822,886.40	83.3%	59.3%
2007	1	18,595.56	1	389,424.27			2	408,019.83	5	2,001,362.09	40.0%	20.4%
2008			2	17,657.54			2	17,657.54	6	127,154.47	33.3%	13.9%
2009			3	4,757.38			3	4,757.38	19	1,000,520.80	15.8%	0.5%
2010	2	1,901.43	10	411,859.64			12	413,761.07	28	1,605,940.99	42.9%	25.8%
2011	5	4,855.23	3	5,886.00			8	10,741.23	44	771,552.97	18.2%	1.4%
2012	2	1,549.03	3	51,761.12			5	53,310.15	28	3,507,484.49	17.9%	1.5%
2013									9	1,440,506.72		
2014									1	19,854.41		
No Link	3	39,758.19	12	1,468,417.71	3	1,883,993.09	18	3,392,168.99	28	3,607,298.27	64.3%	94.0%
Sub-Total	14	217,486.37	51	6,704,221.29	3	1,883,993.09	68	8,805,700.75	192	20,918,014.47	35.4%	42.1%

EXPENSES BUDGET	Error		Irregularity		OLAF Notified		TOTAL Qualified		TOTAL RC (incl. non-qualified)		% Qualified/Total RC	
	Nb r	Amount	Nb r	Amount	Nb r	Amount	Nb r	Amount	Nb r	Amount	Nbr	Amount
INCOME LINES IN INVOICES												
NON ELIGIBLE IN COST CLAIMS	62	211,559.58	55	479,177.83			117	690,737.41	133	942,024.75	88.0%	73.3%
CREDIT NOTES	60	478,838.39	60	423,244.26			120	902,082.65	156	2,675,356.20	76.9%	33.7%

Sub-Total	12 2	690,397.9 7	11 5	902,422.0 9		23 7	1,592,820.0 6	28 9	3,617,380.95	82.0%	44.0%
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GRAND TOTAL	13 6	907,884.3 4	16 6	7,606,643. 38	3	1,883,993. 09	30 5	10,398,520. 81	48 1	24,535,395.4 2	63.4%	6.5%
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TABLE 9: AGEING BALANCE OF RECOVERY ORDERS AT 31/12/2014 FOR ELARG

	Number at 01/01/2014	Number at 31/12/2014	Evolution	Open Amount (Eur) at 01/01/2014	Open Amount (Eur) at 31/12/2014	Evolution
2000	1	1	0.0 %	91,219.00	91,219.00	0.0 %
2002	1	1	0.0 %	129,919.66	129,919.66	0.0 %
2006	1		-100.0 %	55,004.00		-100.0 %
2007	1	1	0.0 %	37,110.00	37,110.00	0.0 %
2008	2	2	0.0 %	30,700.55	30,700.55	0.0 %
2009	2	2	0.0 %	27,200.00	27,200.00	0.0 %
2010	2	2	0.0 %	73,224.00	73,224.00	0.0 %
2011	12	9	-25.0 %	2,030,080.63	1,956,469.29	-3.6 %
2012	7	6	-14.3 %	510,184.49	467,569.57	-8.4 %
2013	35	7	-80.0 %	1,482,088.98	403,063.22	-72.8 %
2014		31			6,559,546.97	
	64	62	-3.1 %	4,466,731.31	9,776,022.26	118.9 %

TABLE 10 : RECOVERY ORDER WAIVERS IN 2014 >= EUR 100.000						
	Waiver Central Key	Linked RO Central Key	RO Accepted Amount (Eur)	LE Account Group	Commission Decision	Comments

Total DG	
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Number of RO waivers	
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TABLE 11 : CENSUS OF NEGOTIATED PROCEDURES - DG ELARG - 2014**External Actions > EUR 20,000**

Negotiated Procedure Legal base	Number of Procedures	Amount (€)
Art. 242 1c)	4	1,512,862.00
Art. 266.1(b)	3	3,002,000.00
Art. 266.1(c)	15	7,599,081.00
Art. 268.1(c)	2	184,652.40
Art. 268.1(d)	1	250,637.82
Art. 270.1(c)	3	10,697,059.89
Total	28	23,246,293.11

TABLE 12 : SUMMARY OF PROCEDURES OF DG ELARG EXCLUDING BUILDING CONTRACTS

External Procedures > € 20,000		
Procedure Type	Count	Amount (€)
(Ext. act) Service - Competitive Negot.Proc. with at least three candidates without pub.(Art. 265.1(b) & 3 RAP)	25	3,490,925.00
(Ext. act) Service - Exceptional Negotiated Procedure with a single offer (Art. 266 RAP)	18	10,601,081.00
(Ext. act) Service - International Open Procedure with prior publication (Art. 265(1)(a)(ii) RAP)	2	4,414,920.00
(Ext. act) Service - International Restricted Procedure with prior publication (Art. 265.1(a)(i) & 2 RAP)	23	26,748,640.00
(Ext. act) Service - Negotiated Procedure with a single offer (Art. 242 IR)	4	1,512,862.00
(Ext. act) Supply - Competitive Negot.Proc. with at least three candidates without pub.(Art.267.1(b)(ii)&2 RAP)	1	48,890.20
(Ext. act) Supply - Exceptional Negotiated Procedure with a single offer (Art. 268 RAP)	8	1,590,694.78
(Ext. act) Supply - International Open Procedure after publication of a contract notice (Art. 243.1(a) IR)	2	1,265,500.00
(Ext. act) Supply - International Open Procedure after publication of a contract notice (Art. 267.1(a) RAP)	22	11,122,207.26
(Ext. act) Supply - Local open procedure with prior publication (Art. 267.1(b)(i) RAP)	3	384,690.18
(Ext. act) Works - Competitive Negot.Proc. with at least three candidates without pub. (Art. 269.1(c) & 2 RAP)	3	298,322.65
(Ext. act) Works - Exceptional Negotiated Procedure with a single offer (Art. 270 RAP)	3	10,697,059.89
(Ext. act) Works International Open Procedure with prior publication (Art. 269.1(a)(i) RAP)	5	11,290,572.72
(Ext. act) Works - International Restricted Procedure with prior publication (Art. 269.1(a)(i) RAP)	1	14,891,167.66
(Ext. act) Works - Local Open Procedure with prior publication (Art.269.1(b) RAP)	10	15,061,020.33
TOTAL	130	113,418,553.67

Internal Procedures > € 60,000		
Procedure Type	Count	Amount (€)
Open Procedure (Art. 127.2 RAP)	1	199,250.00

TOTAL	1	199,250.00
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TABLE 13 : BUILDING CONTRACTS

Total number of contracts :	
Total amount :	

Legal base	Contract Number	Contractor Name	Description	Amount (€)

No data to be reported

TABLE 14 : CONTRACTS DECLARED SECRET

Total Number of Contracts :

Total amount :

Legal base	Contract Number	Contractor Name	Type of contract	Description	Amount (€)

ANNEX 4: Materiality criteria

As regards quantitative criteria the principle applies that a weakness will be considered to be material if the amount of transactions affected is estimated to be more than 2% of the budget allocated to the activity.

Qualitative criteria for defining significant weaknesses include:

- significant repetitive errors,
- a significant weakness in one of the control systems,
- a significant reputational risk.

ANNEX 5: Internal Control Template(s) for budget implementation (ICTs)

Direct Management

Stage 1 – Programming, evaluation and selection of proposals

A - Preparation, adoption and publication of the Programming decision(s) (including choice of management mode), publication evaluation and selection of proposals/offers

Main control objectives: Ensuring that the Commission selects the implementation mode and subsequently the /proposals/offers that contribute the most towards the achievement of the policy or programme objectives (effectiveness); compliance (legality & regularity); prevention of fraud (anti-fraud strategy)

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
<p>The Decision(s) do not adequately reflect the policy objectives, priorities;</p> <p>The establishment (or prolongation) of the mandate of the entrusted entity is affected by issues, which would undermine the basis for the management of the related EU funds (via that particular entity);</p> <p>Eligibility, selection and award criteria are not adequate to ensure the evaluation of the proposals/offers;</p>	<p>Hierarchical validation within the authorising department;</p> <p>Inter-service consultation, including all relevant DGs;</p> <p>Adoption by the Commission</p> <p>Recommended:</p> <p>(1) Explicit allocation of responsibility to individual officials (reflected in task assignment or function descriptions)</p> <p>(2) Use of standardised checklist-based verification</p>	<p>If risk materialises risk that some or all costs would be irregular. Possible impact on budget involved and significant reputational consequences.</p> <p>Coverage / Frequency: 100%</p> <p>Depth: Checklists includes a list of the necessary requirements</p>	<p>Costs: estimation of cost of staff involved in the preparation and validation of the annual work programme and calls. Cost of contracted services, if any. (For 2014 this is not differentiated from stage 2).</p> <p>Benefits: The (average annual) total budgetary amount of the decisions and transactions with significant errors detected and corrected.</p>	<p>Effectiveness:</p> <ul style="list-style-type: none"> - Consumption rate of commitment credits <p>Efficiency:</p>

B - Selecting and awarding: Evaluation and selection of proposals/offers

Main control objectives: Ensuring that the most promising proposals / best value for money offers for meeting the policy objectives are among (a good balance of) the proposals / are the offers selected (effectiveness); Compliance (legality & regularity); Prevention of fraud (anti-fraud strategy)

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
The evaluation, ranking and selection of proposals/offers is not carried out in accordance with the policy objectives, priorities and/or the essential eligibility, or with the selection and award criteria defined in the Decisions and subsequent calls for proposals/tenders.	Assignment of staff (e.g. Task Managers)	100%	Costs: estimation of cost of staff involved in the evaluation and selection of proposals (for 2014 this is not differentiated from stage 1). Benefits:	Effectiveness: - Complaints where a decision modifying the original decision was adopted by the AOSD at Director level following the complaint; Efficiency Indicators:
	Assessment by staff	100% ²		
	Review and hierarchical validation of selected proposals / offers	100%		
	Complaints against award decisions	100% of complaints are assessed		

² With regard to de-centralised management: the Conferral of Management decisions in place for the reporting period stipulate ex ante control of 100% of transactions prepared by the National Authorities in the beneficiary countries up to the contract signature.

Stage 2 - Contracting: Transformation of selected proposals / offers into legally binding grant agreements / contracts

Main control objectives: Ensuring that the actions and fund allocation is optimal (best value for public money; effectiveness, economy, efficiency); Compliance (legality & regularity); Prevention of fraud (anti-fraud strategy)

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
<p>The description of the action in the grant agreement /contracts includes tasks which do not contribute to the achievement of the operational objectives and/or that the budget foreseen overestimates the costs necessary to carry out the action.</p> <p>The beneficiary /contractor does not meet eligibility criteria or lack financial capacity to carry out the actions</p>	<p>Validation of beneficiaries / candidates (eligibility and financial viability)</p> <p>Use of standardised checklist-based verification</p> <p>Signature of the grant agreement / contract by the relevant AOSD.</p> <p>In-depth financial verification for high risk beneficiaries</p>	<p>100% of the selected proposals / offers and beneficiaries / candidates are scrutinised.</p> <p>Coverage: 100% of draft grant agreements / contracts.</p>	<p>Costs: estimation of cost of staff involved in the grant award contracting process (for 2014 this is not differentiated from stage 1).</p> <p>Benefits:</p>	<p>Effectiveness:</p> <ul style="list-style-type: none"> - Derogations, prior approvals and other exceptions authorised <p>Efficiency indicators:</p>

Stage 3 - Monitoring the execution. This stage covers the monitoring the operational, financial and reporting aspects related to the project and grant agreement

Main control objectives: ensuring that the operational results (deliverables) from the projects are of good value and meet the objectives and conditions (effectiveness & efficiency); ensuring that the related financial operations comply with regulatory and contractual provisions (legality & regularity); prevention of fraud (anti-fraud strategy); ensuring appropriate accounting of the operations (reliability of reporting, safeguarding of assets and information)

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
The actions foreseen are not, totally or partially, carried out in accordance with the technical description and requirements foreseen in the grant agreement /contract and/or the amounts paid exceed that due in accordance with the applicable contractual and regulatory provisions (ineligible/irregular).	Operational and financial checks in accordance with the financial circuits. Operation authorisation by the AO For high/very high operations, ex-ante in-depth/audit and/or on-site verification.	100% of the projects/ contracts managed by the services of the DG are controlled; Riskier operations subject to in-depth and/or on-site controls; The depth depends on risk assessment.	Costs: estimation of cost of staff involved in the actual management of running projects (for 2014 this estimation covers all management modes and implementation states without differentiation); costs of externalised monitoring / audit Benefits: budget value of the costs claimed by the beneficiary, but rejected by the desk and financial officers	Effectiveness: - Amount of corrections to payments; - Intensity of on-the-spot checks; Efficiency Indicators: - Respect of payment delays - Consumption rate of payment credits - Contract closures - De-commitments & RAL
	If needed: application of Suspension/interruption of payments, Penalties or liquidated damages. Referring grant to OLAF	High risk operations identified by risk assessment		
		Depth: depends from results of ex-ante controls/ risk assessment.		

Stage 4 - Ex-Post controls

A - Reviews, audits and monitoring

Main control objectives: Measuring the effectiveness of ex-ante controls; detect and correct any error or fraud remaining undetected after the implementation ex-ante controls (legality & regularity; anti-fraud strategy); addressing systemic weaknesses in the ex-ante controls, based on the analysis of the findings (sound financial management); Ensuring appropriate accounting of the recoveries to be made (reliability of reporting, safeguarding of assets and information)

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
The ex-ante controls fail to prevent, detect and correct erroneous payments or attempted fraud.	<p>Audit strategy: Carry out ex post control audits of a representative sample of operations to identify errors, recovery unduly paid amounts, and establish the residual error rates</p> <p>Validate audit results with beneficiary</p> <p>If needed: referring the beneficiary or grant to OLAF</p>	<p>Representative sample: sample sufficiently representative to draw valid management conclusions</p> <p>Risk-based sample, determined in accordance with the selected criteria</p>	<p>Costs: estimation of cost of staff involved in the coordination and execution of the audit strategy. Cost of contracts with audit firms for the outsourced audits (for 2014 this data is included in the overall estimation covering all management modes and implementation states without differentiation).</p> <p>Benefits: recovery unduly paid amounts, establishment of residual error rates</p>	<p>Effectiveness: Residual error rate.</p> <p>Efficiency:</p>

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
<p>The audit strategy focus on the detection of external errors (e.g. made by beneficiaries) and do not consider any internal errors made by staff or embedded systematically in the own organisation</p>	<p>Establish an audit strategy, performed by independent staff not involved in the operational and financial circuits</p>	<p>Coverage: ideally, the sample will be representative to enable drawing valid management conclusions about the entire population during the programme's lifecycle.</p>	<p>Costs: Benefits:</p>	<p>Effectiveness: Efficiency Indicators:</p>

B - Implementing results from ex-post audits/controls

Main control objectives: Ensuring that the (audit) results from the ex-post controls lead to effective recoveries (legality & regularity; anti-fraud strategy); Ensuring appropriate accounting of the recoveries made (reliability of reporting)

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
The errors, irregularities and cases of fraud detected are not addressed or not addressed timely	Systematic registration of audit / control results to be implemented. Financial operational validation of recovery in accordance with financial circuits. Authorisation by the relevant AOSD	Coverage: Final audit results <i>with a financial impact</i> . Depth: consider 'extending' the findings of systemic errors into corrections of non-audited projects by the same beneficiary	Costs: estimation of cost of staff involved in the implementation of the audit results (for 2014 this data is included in the overall estimation covering all management modes and implementation states without differentiation). Benefits: Value of the errors, detected by ex post controls, leading to recoveries.	Effectiveness: - Total recovery orders issued Efficiency Indicators: Centralised management: The target ratio of the audited closed on closed contracts compared to those foreseen in the audit plan;

Indirect Management by beneficiary countries

Stage 1 – Programming, evaluation and selection of proposals

A - Preparation, adoption and publication of the Programming decision(s) (including choice of management mode), publication evaluation and selection of proposals/offers

Main control objectives: Ensuring that the Commission selects the implementation mode and subsequently the /proposals/offers that contribute the most towards the achievement of the policy or programme objectives (effectiveness); compliance (legality & regularity); prevention of fraud (anti-fraud strategy)

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
<p>The Decision(s) do not adequately reflect the policy objectives, priorities;</p> <p>The establishment (or prolongation) of the mandate of the entrusted entity is affected by issues, which would undermine the basis for the management of the related EU funds (via that particular entity);</p> <p>Eligibility, selection and award criteria are not adequate to ensure the evaluation of the proposals/offers;</p>	<p>Hierarchical validation within the authorising department;</p> <p>Inter-service consultation, including all relevant DGs;</p> <p>Adoption by the Commission</p> <p>Systems audits (de-centralised management) (see footnote 18 in part 2.1)</p> <p>Recommended:</p> <p>(1) Explicit allocation of responsibility to individual officials (reflected in task assignment or function descriptions)</p> <p>(2) Use of standardised checklist-based verification</p>	<p>If risk materialises risk that some or all costs would be irregular. Possible impact on budget involved and significant reputational consequences.</p> <p>Coverage / Frequency: 100%</p> <p>Depth: Checklists includes a list of the necessary requirements</p>	<p>Costs: estimation of cost of staff involved in the preparation and validation of the annual work programme and calls. Cost of contracted services, if any [for 2014 not differentiated from stage 2].</p> <p>Benefits: The (average annual) total budgetary amount of the decisions and transactions with significant errors detected and corrected.</p>	<p>Effectiveness:</p> <ul style="list-style-type: none"> - Systems audit findings - Corrective measures - Consumption rate of commitment credits <p>Efficiency:</p>

B - Selecting and awarding: Evaluation and selection of proposals/offers

Main control objectives: Ensuring that the most promising proposals / best value for money offers for meeting the policy objectives are among (a good balance of) the proposals / are the offers selected (effectiveness); Compliance (legality & regularity); Prevention of fraud (anti-fraud strategy)

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
The evaluation, ranking and selection of proposals/offers is not carried out in accordance with the policy objectives, priorities and/or the essential eligibility, or with the selection and award criteria defined in the Decisions and subsequent calls for proposals/tenders.	Assignment of staff (e.g. Task Managers) Use of standardised checklist-based verification	100% ³	Costs: estimation of cost of staff involved in the <i>ex ante</i> control of the evaluation and selection of proposals. [For 2014 not differentiated from stage 1]. Benefits:	Effectiveness: - Relevant rejection rates Efficiency Indicators:

³ With regard to de-centralised management: the Conferral of Management decisions in place for the reporting period stipulate ex ante control of 100% of transactions prepared by the National Authorities in the beneficiary countries up to the contract signature.

Stage 2 - Contracting: Transformation of selected proposals / offers into legally binding grant agreements / contracts

Main control objectives: Ensuring that the actions and fund allocation is optimal (best value for public money; effectiveness, economy, efficiency); Compliance (legality & regularity); Prevention of fraud (anti-fraud strategy)

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
<p>The description of the action in the grant agreement /contracts includes tasks which do not contribute to the achievement of the operational objectives and/or that the budget foreseen overestimates the costs necessary to carry out the action.</p> <p>The beneficiary /contractor does not meet eligibility criteria or lack financial capacity to carry out the actions</p>	<p>Assignment of staff (e.g. Task Managers)</p> <p>Use of standardised checklist-based verification</p>	<p>100% of the selected proposals / offers and beneficiaries / candidates are scrutinised.</p> <p>Coverage: 100% of draft grant agreements / contracts.</p> <p>NB: the contracting authority is the relevant national authority, so process does not included contract signature by Commission</p>	<p>Costs: estimation of cost of staff involved in the ex ante control of grant award contracting process. [For 2014 not differentiated from stage 1].</p> <p>Benefits:</p>	<p>Effectiveness:</p> <ul style="list-style-type: none"> - Rejection Rates⁴ - Derogations, prior approvals and other exceptions authorised <p>Efficiency indicators:</p>

⁴ Ratio between the number of rejections of tender, evaluation, and contracts documents submitted by National Implementing Agencies (IAs) for the Commission's ex ante control and the absolute number of submissions of documents for approval in the reporting year.

Stage 3 - Monitoring the execution. This stage covers the monitoring the operational, financial and reporting aspects related to the project and grant agreement

Main control objectives: ensuring that the operational results (deliverables) from the projects are of good value and meet the objectives and conditions (effectiveness & efficiency); ensuring that the related financial operations comply with regulatory and contractual provisions (legality & regularity); prevention of fraud (anti-fraud strategy); ensuring appropriate accounting of the operations (reliability of reporting, safeguarding of assets and information)

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
The actions foreseen are not, totally or partially, carried out in accordance with the technical description and requirements foreseen in the grant agreement /contract and/or the amounts paid exceed that due in accordance with the applicable contractual and regulatory provisions (ineligible/irregular).	Operational monitoring in accordance with the responsibilities of the Commission For high/very high projects this may include on the spot missions	100% of the projects are monitored; Systems audits (de-centralised management) implemented according to systems audit programme; Riskier operations subject to in-depth and/or on-site controls; The depth depends on risk assessment.	Costs: estimation of cost of staff involved in the monitoring of running projects (for 2014 this estimation covers all management modes and implementation states without differentiation); costs of externalised monitoring / audit Benefits: budget value of the costs claimed by the beneficiary, but rejected by the desk and financial officers	Effectiveness: - Systems audit findings - Corrective measures - Irregularities reported by the National authorities; Efficiency Indicators: Respect of payment delays - Consumption rate of payment credits - Contract closures - De-commitments & RAL
	If needed: application of Suspension/interruption of payments, Penalties or liquidated damages. Referring grant to OLAF	High risk operations identified by risk assessment		
		Depth: depends on results of ex ante controls / risk assessment.		

Stage 4 - Ex-Post controls

A - Reviews, audits and monitoring

Main control objectives: Measuring the effectiveness of ex-ante controls; detect and correct any error or fraud remaining undetected after the implementation ex-ante controls (legality & regularity; anti-fraud strategy); addressing systemic weaknesses in the ex-ante controls, based on the analysis of the findings (sound financial management); Ensuring appropriate accounting of the recoveries to be made (reliability of reporting, safeguarding of assets and information)

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
The ex-ante controls fail to prevent, detect and correct erroneous payments or attempted fraud.	<p>Audit strategy: Carry out ex post control audits of a representative sample of operations to identify errors, recovery unduly paid amounts, and establish the residual error rates</p> <p>Validate audit results with beneficiary</p> <p>If needed: refer case to OLAF</p>	<p>Representative sample: sample sufficiently representative to draw valid management conclusions</p> <p>Risk-based sample, determined in accordance with the selected criteria</p>	<p>Costs: estimation of cost of staff involved in the coordination and execution of the audit strategy. Cost of contracts with audit firms for the outsourced audits.</p> <p>Benefits: recovery unduly paid amounts, establishment of residual error rates</p>	<p>Effectiveness: Residual error rate.</p> <p>Efficiency:</p>

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
The audit strategy focus on the detection of external errors (e.g. made by beneficiaries) and do not consider any internal errors made by staff or embedded systematically in the own organisation	Establish an audit strategy, performed by independent staff not involved in the operational and financial circuits	Coverage: ideally, the sample will be representative to enable drawing valid management conclusions about the entire population during the programme's lifecycle.	Costs: Benefits:	Effectiveness: Efficiency Indicators:

B - Implementing results from ex-post audits/controls

Main control objectives: Ensuring that the (audit) results from the ex-post controls lead to effective recoveries (legality & regularity; anti-fraud strategy); Ensuring appropriate accounting of the recoveries made (reliability of reporting)

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
<p>The errors, irregularities and cases of fraud detected are not addressed or not addressed timely</p>	<p>Systematic registration of audit / control results to be implemented.</p> <p>Financial operational validation of recovery in accordance with financial circuits.</p> <p>Authorisation by the relevant AOSD</p>	<p>Coverage: Final audit results <i>with a financial impact</i>.</p> <p>Depth: consider 'extending' the findings of systemic errors into corrections of non-audited projects by the same beneficiary</p>	<p>Costs:</p> <p>Benefits: Value of the errors, detected by ex post controls, leading to recoveries.</p>	<p>Effectiveness:</p> <ul style="list-style-type: none"> - Total recovery orders issued - Corrective measures <p>Efficiency Indicators:</p>

Indirect management by entrusted entities

Stage 1 – Programming, evaluation and selection of proposals

A - Preparation, adoption and publication of the Programming decision(s) (including choice of management mode), publication evaluation and selection of proposals/offers

Main control objectives: Ensuring that the Commission selects the implementation mode and subsequently the /proposals/offers that contribute the most towards the achievement of the policy or programme objectives (effectiveness); compliance (legality & regularity); prevention of fraud (anti-fraud strategy)

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
<p>The Decision(s) do not adequately reflect the policy objectives, priorities;</p> <p>The establishment (or prolongation) of the mandate of the entrusted entity is affected by issues, which would undermine the basis for the management of the related EU funds (via that particular entity);</p> <p>Eligibility, selection and award criteria are not adequate to ensure the evaluation of the proposals/offers;</p>	<p>Hierarchical validation within the authorising department;</p> <p>Inter-service consultation, including all relevant DGs;</p> <p>Adoption by the Commission</p> <p>Pillar assessments / follow-up</p> <p>Recommended:</p> <p>(1) Explicit allocation of responsibility to individual officials (reflected in task assignment or function descriptions)</p> <p>(2) Use of standardised checklist-based verification</p>	<p>If risk materialises risk that some or all costs would be irregular. Possible impact on budget involved and significant reputational consequences.</p> <p>Coverage / Frequency: 100%</p> <p>Depth: Checklists includes a list of the necessary requirements</p>	<p>Costs: estimation of cost of staff involved in the preparation and validation of the annual work programme and calls. [For 2014 not differentiated from stage 1 of other management modes].</p> <p>Benefits: The (average annual) total budgetary amount of the decisions and transactions with significant errors detected and corrected.</p>	<p>Effectiveness:</p> <ul style="list-style-type: none"> - Results of pillar assessments / follow-up - Corrective measures - Consumption rate of commitment credits <p>Efficiency:</p>

B - Selecting and awarding: Evaluation and selection of proposals/offers

Main control objectives: Ensuring that the most promising proposals / best value for money offers for meeting the policy objectives are among (a good balance of) the proposals / are the offers selected (effectiveness); Compliance (legality & regularity); Prevention of fraud (anti-fraud strategy)

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
The evaluation, ranking and selection of proposals/offers is not carried out in accordance with the policy objectives, priorities and/or the essential eligibility, or with the selection and award criteria defined in the Decisions and subsequent calls for proposals/tenders.	Assignment of staff (e.g. Task Managers)	100%	Costs: estimation of cost of staff involved in the evaluation and selection of proposals. [For 2014 not differentiated from stage 1]. Benefits:	Effectiveness: Efficiency Indicators:
	Review and hierarchical validation of selected proposals / offers	100%		

Stage 2 - Contracting: Transformation of selected proposals / offers into legally binding grant agreements / contracts

Main control objectives: Ensuring that the actions and fund allocation is optimal (best value for public money; effectiveness, economy, efficiency); Compliance (legality & regularity); Prevention of fraud (anti-fraud strategy)

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
<p>The description of the action in the grant agreement /contracts includes tasks which do not contribute to the achievement of the operational objectives and/or that the budget foreseen overestimates the costs necessary to carry out the action.</p> <p>The beneficiary /contractor does not meet eligibility criteria or lack financial capacity to carry out the actions</p>	<p>Validation of beneficiaries / candidates (eligibility and financial viability)</p> <p>Use of standardised checklist-based verification</p> <p>Signature of the grant agreement / contract by the relevant AOSD.</p> <p>In-depth financial verification for high risk beneficiaries</p>	<p>Coverage: 100% of draft agreements</p>	<p>Costs: estimation of cost of staff involved in the grant award contracting process. [For 2014 not differentiated from stage 1].</p> <p>Benefits:</p>	<p>Effectiveness:</p> <ul style="list-style-type: none"> - Derogations, prior approvals and other exceptions authorised <p>Efficiency indicators:</p>

Stage 3 - Monitoring the execution. This stage covers the monitoring the operational, financial and reporting aspects related to the project and grant agreement

Main control objectives: ensuring that the operational results (deliverables) from the projects are of good value and meet the objectives and conditions (effectiveness & efficiency); ensuring that the related financial operations comply with regulatory and contractual provisions (legality & regularity); prevention of fraud (anti-fraud strategy); ensuring appropriate accounting of the operations (reliability of reporting, safeguarding of assets and information)

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
The actions foreseen are not, totally or partially, carried out in accordance with the technical description and requirements foreseen in the grant agreement /contract and/or the amounts paid exceed that due in accordance with the applicable contractual and regulatory provisions (ineligible/irregular).	Operational and financial checks in accordance with the financial circuits. Operation authorisation by the AO Reporting Verification missions Monitoring	100% of the projects/ contracts managed by the services of the DG are controlled; Riskier operations subject to verifications The depth depends on risk assessment.	Costs: estimation of cost of staff involved in the actual management of running projects - notably costs of externalised monitoring Benefits: budget value of the costs claimed by the beneficiary, but rejected by the desk and financial officers	Effectiveness: - Corrective measures Efficiency Indicators: - Respect of payment delays - Consumption rate of payment credits - Contract closures - De-commitments & RAL
	If needed: application of Suspension/interruption of payments, Penalties or liquidated damages.	High risk operations identified by risk assessment		
		Depth: depends from results of risk assessment.		

Stage 4 - Ex-Post controls – not applicable

ANNEX 6: Implementation through national or international public-sector bodies and bodies governed by private law with a public sector mission (if applicable)

I. Programme concerned: IPA (2007-2013)

A- Implementation through national public-sector bodies and bodies governed by private law with a public sector mission

1. Budgetary amount entrusted to these bodies: see table below for budget per projects financed by IPA I

2. Duration of the delegation : see table below for duration of projects

3. Justification of recourse to indirect centralised management and justification of the selection of the bodies:

Such recourse is set in Article 54(2)(c) of the Financial Regulation (Council regulation No 1605/2002 of 25 June 2002).

The most important reasons for selecting a specific implementing partner are:

1. Presence / capacity to mobilise in the field
2. Expertise in the concerned areas
3. Track record of similar activities in the past

4. Synthetic description of the implementing tasks entrusted to these bodies

Kredit Anstalt für Wiederaufbau

- BiH: Implementing tasks include ex-post endorsement of the procurement procedures conducted by local authorities, monitoring, execution of payments.
- Kosovo: management and supervision of infrastructure implementation, notably preparation of technical design and technical specifications, preparation of tender documents, tendering and contract award, feasibility studies, civil works, turnkey implementation.
- Serbia: support rehabilitation of waste water systems in medium size municipalities in Serbia.

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)

- Montenegro:
 - To strengthen the institutional capacity of Montenegrin state aid authorities
 - Approximation of the legislation with EU Acquis on services and competition protection.
- The former Yugoslav Republic of Macedonia: (1) To provide support for updating the eight regional development programmes; and (2) regional investments 'project pipeline preparation.

- Serbia: Improved management and monitoring practices of the state owned land on the national and local levels.

Northern Ireland Co-operation Overseas (NI-CO) LTD

- Multi-beneficiary: Cooperation in Criminal Justice: to strengthen cooperation to combat organised crime and corruption at regional and European level through reinforcing the institutional capacity of the Witness Protection Units and other relevant agencies in the Beneficiaries.

Repubblica Italiana - Italian Ministry of the Interior; Public Security Department

- Multi-beneficiary: Fight against organised crime: International judicial and police cooperation; Exchange and sharing of information; Special investigative techniques at the international level.

Austrian Development Agency- ADA

- Serbia: Activities on generation of new employment opportunities, improving visibility of the Danube Serbia Region and its stakeholders, supporting inter-municipal projects through a grant scheme, technical assistance for municipalities of the Danube Serbia Region in developing infrastructure projects and complete revitalisation of the Golubac Fortress and construction of Veliko Gradiste water supply system.

Country/region	Programmes concerned	Amount entrusted in €	Duration of the delegation	
			Start date	End date
KREDITANSTALT FUR WIEDERAUFBAU				
BiH	IPA 2009 Construction of a small hydro power plant Cijevna III	5,500,000	13/12/2010	01/12/2015
BiH	IPA 2010 - Water supply and Sewerage Collection in Banja Luka	1,500,000	29/02/2012	31/12/2015
BiH	IPA 2010 - Construction of Waste Water Treatment Plant Bihac	3,000,000	05/12/2012	27/01/2017
Kosovo	Municipal Window of the Infrastructure Project Facility Kosovo Window (IPA 2008)	25,000,000	11/12/2009	31/12/2015
SERBIA	IPA 2011 - MEGLIP	19,100,000	29/09/2011	22/07/2015
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)				
Montenegro	IPA 2011	500,000	28/11/2012	03/07/2015
Montenegro	IPA 2012	1,200,000	17/10/2013	16/02/2016
The former Yugoslav Republic of	IPA I 2010 - Regional Economic Development (RED)	676,000.00	27.10.2014	27.10.2015

Macedonia				
Serbia	IPA 2010	2,780,000	07/12/2012	06/12/2015
NORTHERN IRELAND CO-OPERATION OVERSEAS (NI-CO) LTD				
Albania, Bosnia and Herzegovina, Croatia, Montenegro, Kosovo, Serbia, the Former Yugoslav Republic of Macedonia	IPA Multi-beneficiary Programme 2012 - Cooperation in Criminal Justice: Witness Protection in the Fight against Serious Crime and Terrorism (WINPRO II)	7,000,000	30/11/2012	29/11/2015
REPUBBLICA ITALIANA - Italian Ministry of the Interior; Public Security Department				
Albania, Bosnia and Herzegovina, Croatia, Montenegro, Kosovo*, Serbia, the former Yugoslav Republic of Macedonia	IPA Multi-beneficiary Programme 2013 - Fight against organised crime: International Cooperation in Criminal Justice	5,000,000	11/07/2014	10/07/2017
Austrian Development Agency- ADA				
Serbia	IPA 2011	18,500,000	08/03/2012	30/06/2016

B- Implementation through International Organisations

1. Budgetary amount entrusted to these bodies: see table below for budget per projects financed by IPA I.

2. Duration of the delegation : see table below for duration of projects.

3. Justification of recourse to joint management and justification of the selection of the bodies:

The recourse to joint management is set in Article 53d of the Financial Regulation (Council regulation No 1605/2002 of 25 June 2002).

The most important reasons for selecting a specific implementing partner are:

1. Presence / capacity to mobilise in the field
2. Expertise in the concerned areas
3. Track record of similar activities in the past

4. Synthetic description of the implementing tasks entrusted to these bodies

- **European Bank for Reconstruction and Development**

BiH:

- Ex-post endorsement of the procurement procedures conducted by local authorities, monitoring, execution of payments.
- Selection and supervision of EU funded technical assistance to SMEs on Small Business Act (SBA); award and management of the grant component for piloting SBA principles.
- Improving the water and wastewater networks.

Western Balkans

- Energy Efficiency Finance Facility: Investment Incentives, Consultancy Services, Management Fees, Other incentives, Administration Fees.
- Establishment of a regional energy efficiency programme (REEPWB) which aims to provide loans, supported by grants and technical assistance to the Region financing instruments for specific energy efficiency or renewable energy investments.
- Grant financing of mainly Technical Assistance for project preparation.
- The Western Balkans Private Sector Support Facility aims to provide loans, supported by grants and technical assistance to the Region for (i) industrial investments necessary for SMEs to be in line with *acquis* and (ii) energy efficiency investments in the private sector.
- Private Sector Support Facility for Turkey.

Turkey

- Enhancement of Turkish Energy Sector in line with EU Energy Strategies: Support the bank's direct lending programmes with technical assistance to private business, trainings, policy dialogue, projects verifications, and design, successful implementation and coordination of a number facilities.

Country/region	Programmes concerned	Amount entrusted	Duration of the delegation	
			Start date	End date
BiH	IPA 2010 - Extension of water supply system in the Dubrave region	3,500,000	11/07/2012	30/06/2016
BiH	IPA 2010 part II - Extension of the water supply system in the Trebizat, Zvirovici and Prcavci region, FBiH	1,000,000	28/11/2012	27/05/2015
BiH	IPA 2013 - Support to SME competitiveness in Bosnia and Herzegovina	2,000,000	22/12/2014	21/12/2016
Albania, Bosnia and Herzegovina, Croatia, Montenegro, Serbia, Kosovo	Energy Efficiency Finance Facility for IPA Countries in 2007	13,500,000	29/11/2008	29/03/2017

under UNSCR 1244/99, Turkey, and the former Yugoslav Republic of Macedonia				
Western Balkans	IPA Multi-beneficiary Programme 2012 - Regional Energy Efficiency Programme for the Western Balkans (REEPWB)	20,000,000	24/06/2013	31/12/2019
Bosnia and Herzegovina	Multi-beneficiary Programme for support to Cooperation with the International Financial Institutions – IFIs 2008 - Municipal Window of the Infrastructure Project Facility (IPF)	3,000,000	30/11/2009	31/12/2015
Western Balkans	EU contribution to the European Western Balkans Joint Fund (EWBJF)	10,000,000	20/12/2011	
Western Balkans	22966-296996-EU contribution to the European Western Balkans Joint Fund (EWBJF)	20,000,000	21/12/2012	20/12/2017
Western Balkans	EU participation and contribution to the European Western Balkans Joint Fund (EWBJF)	4,740,000	21/12/2012	20/01/2018
Western Balkans	IPA Multi-beneficiary Programme 2011 -EU participation and contribution to the European Western Balkans Joint Fund (EWBJF)	3,600,000	21/12/2012	20/01/2018
Turkey	IPA Multi-beneficiary Programme 2 2009 - Private Sector Support Facility for Turkey	22,500,000	18/12/2009	30/11/2021
Western Balkans	IPA Multi-beneficiary Programme 2 2009 - -Private Sector Support Facility for the Western Balkans	31,500,000	23/12/2009	23/11/2015
Turkey	NP 2013- Enhancement of Turkish Energy Sector in line with EU Energy Strategies -	24,352,772	31/07/2014	31/07/2019

- **Council of Europe**

BiH:

- Harmonisation of BiH Sanctions policies and practices with European standards - Contribution agreement with 4 components: Legal drafting; Establishing Probation service; Training and education programmes for penitentiary staff; Developing treatment programme for specific categories.

- Census Observation and Monitoring Mission in Bosnia and Herzegovina.

IPA Multi-beneficiary Programme

- Promoting Human Rights and Minority Protection: Finance a series of regional actions targeting the promotion of human rights and minority protection in South East Europe.

- Promote the concept of inclusive education, as well as relevant policies and practices of inclusive education in the formal education system at pre-university level in the Western Balkans through awareness-raising, mutual learning and capacity building measures.

- "Support to the Ljubljana Process II - Rehabilitating our Common Heritage": To mobilise the necessary support from the Council of Europe in order to oversee the transition of the "Ljubljana Process" to the RCC Secretariat, set up of the necessary administrative arrangements and manage the financial contributions to the national / local coordination structures.

Serbia:

- Strengthening the capacities of law enforcement and judiciary in the fight against corruption in Serbia (PACS) – The project includes specialised trainings designed for the judiciary, prosecution officers, and law enforcement officers and has conducted risk analyses.

Country/region	Programmes concerned	Budgetary amount entrusted	Duration of the delegation	
			Start date	End date
BiH	IPA 2011 - Harmonisation of BiH Sanctions policies and practices with European standards	1,200,000	01/01/2013	30/06/2015
BiH	IPA 2009 part II - Census Observation and Monitoring Mission in Bosnia and Herzegovina	225,000	15/10/2013	28/02/2015
BiH	IPA 2011 - Strategic Development of Higher Education and Qualification Standards	1,000,000	01/02/2013	31/01/2015
Albania, Bosnia and Herzegovina, Croatia, Montenegro, Serbia, the former Yugoslav	IPA Multi-beneficiary Programme 2011 - Promoting Human Rights and Minority Protection	3,600,000	29/11/2011	28/12/2016

Republic of Macedonia and Kosovo under UNSCR 1244/99				
Western Balkans	IPA Multi-beneficiary Programme 2012 - Regional Support for Inclusive Education	4,645,650	24/12/2012	23/11/2015
Albania, Bosnia and Herzegovina, Croatia, Kosovo under UNSCR 1244/99, Montenegro, Serbia, the former Yugoslav Republic of Macedonia, Bulgaria, Romania	IPA Multi-beneficiary Programme 2 2010 Support to the Ljubljana Process II - Rehabilitating our Common Heritage	400,000	18/05/2011	17/07/2014
Serbia	Strengthening the capacities of law enforcement and judiciary in the fight against corruption in Serbia (PACS)	1,183,748.06	01/09/2012	30/04/2015

- **Council of Europe Development Bank (CEB)**

BiH

- High Security State Prison: 1.Preparing of tendering documentation; 2. Preparing and Signing of memoranda of understanding and agreement on co-financing; 3. Tendering, selection procedure and closing off contract; 4. Construction Works; 5. Technical take-over of object.

Multi-Beneficiary Programmes:

- Regional Housing Programme (RHP) and the RHP Fund: The role of CEB in the RHP is threefold: (1) as the RHP Fund Manager; (2) as the Finance Institution, which approves and grants to the Partner Countries for the implementation of the housing projects; and (3) as the Manager of the entire operational programme.

- Energy Efficiency Finance Facility: Investment Incentives, Consultancy Services, Management Fees, Other incentives, Administration Fees.

- Municipal Window of the Infrastructure Project Facility: The main activity will be the financing of municipal infrastructure projects implemented by the partner IFIs combining IPA grants with IFI credit lines and preferably with grants from the IFIs own resources or from other donors. The CEB is responsible for the administration, monitoring and reporting on the account. KfW is responsible for project supervision during implementation.

Country/region	Programmes concerned	Budgetary amount entrusted;	Duration of the delegation;	
			Start date	End date
BiH	IPA 2008 part I - High Security State Prison in Bosnia and Herzegovina	4,000,000	17/12/2009	09/04/2015
BiH	IPA 2010 - Construction of a High Security state prison, Phase II	5,150,000	23/12/2013	January 2017
Bosnia and Herzegovina, Croatia, Montenegro, Serbia	Multi-Beneficiary Programme 2011 – Amend 2 – Preparation of the Regional Housing Programme (RHP) and the RHP Fund	1,638,000	23/03/2012	22/04/2014
Bosnia and Herzegovina	Multi-Beneficiary Programme 2011 – Amend 2 – Adherence Agreement with the Council of Europe Development Bank (CEB) with respect to the Regional Housing Programme (RHP)	5,000,000	14/12/2012	13/12/2018
Bosnia and Herzegovina, Croatia, Montenegro, Serbia	Regional Housing Programme (Sarajevo Process) - 2nd Phase 2012-2013 -Implementation of Regional Housing Programme Phase II	25,250,000	01/01/2013	30/11/2017
Bosnia Herzegovina, Croatia, Montenegro, Serbia	Regional Housing Programme (Sarajevo Process) - 2nd Phase 2012-2013 -Second Contribution Agreement to the Regional Housing Programme Fund (2/2)	55,500,000	20/09/2013	30/11/2017
Bosnia Herzegovina, Croatia, Montenegro, Serbia	Regional Housing Programme (Sarajevo Process) - 2nd Phase 2012-2013 - Second Contribution Agreement to the Regional Housing Programme Fund (1/2)	49,450,000	20/09/2013	30/11/2017
Albania, Bosnia and Herzegovina,	-Energy Efficiency Finance Facility for IPA Countries in	7,700,000	29/11/2008	28/12/2016

Croatia, Montenegro, Serbia, Kosovo under UNSCR 1244/99, Turkey, and the former Yugoslav Republic of Macedonia	2007			
Albania, Serbia and Bosnia	Multi-beneficiary Programme for support to Cooperation with the International Financial Institutions – IFIs 2008 Contribution Agreement with CEB/KfW for the Municipal Window of the Infrastructure Project Facility	€ 6 000 000	11/08/2009	31/12/2015

- **United Nations Development Programme**

BiH

- Reinforcement of Local Democracy - Implementing tasks include supervision of municipal call for proposals; contracting, payments, monitoring.
- Completion and delivery of functional Brcko District Police Headquarters - Implementing tasks include tender procedures, contracting, payments, monitoring.

Montenegro:

- Strengthen the capacities of the state administration for successful programming and monitoring of IPA II resources.

Turkey:

- Improvement of Civilian Oversight – Benchmarking of the existing legislative framework and review of preventive policing trends in selected EU countries’ and Turkey’s legislation. Capacity building for the Mol as regards the administrative management of security forces and establishment of institutional structures needed in order to meet the EU standards for a strengthened civilian oversight.

Country /region	Programmes concerned;	Budgetary amount entrusted;	Duration of the delegation;	
			Start date	End date
BiH	IPA 2011 - Reinforcement of Local Democracy	2,000,000	01/06/2012	30/06/2014
BiH	IPA 2013 - Reinforcement of Local Democracy IV (LOD IV)	2,000,000	01/06/2014	31/05/2016

BiH	IPA 2011 - Completion and delivery of functional Brcko District Police Headquarters	3,500,000	17/12/2013	16/08/2015
Montenegro	IPA 2013	400,000	16/10/2013	16/04/2015
Turkey	NP 2011- Improvement of Civilian Oversight – Phase II	3,519,712	26/07/12	31/01/2016

- **United Nations Children's fund**

BiH:

- Enhancing the Social protection and Inclusion system for children: Implementing tasks include tender procedures, contracting, payments, monitoring.

Montenegro:

- Support the implementation of the new juvenile justice legislation: Enhanced legislative and policy framework for Juvenile Justice; strengthened institutional and administrative capacity for the implementation of JJ Law ; increased public awareness on juvenile justice.

Serbia:

- Serbia National Programme IPA 2013 - The overall objective is advancing the quality of child protection through securing that justice and social welfare systems act in the 'best interests of the child'.

Country/region	Programmes concerned;	Budgetary amount entrusted;	Duration of the delegation;	
			Start date	End date
BiH	IPA 2010 - Enhancing the Social protection and Inclusion system for children in BiH	500,000	20/11/2013	19/02/2015
Montenegro	IPA 2011 - Justice for children	500,000	09/07/2012	08/07/2014
Serbia	Serbia National Programme IPA 2013	2,300,000.00	30/07/2014	29/07/2017

United Nations Conference on Trade and Development

BiH

- Improvement of the Indirect Taxation Authority's (ITA) operational capacity through the full implementation of ASYCUDA World. Deliver and customise for BiH needs a customs declaration processing system (CDPS) Asycuda World (AW), owned by UNCTAD.

Country/region	Programmes concerned;	Budgetary amount entrusted;	Duration of the delegation;	
			Start date	End date
BiH	IPA 2010 - Improvement of the Indirect Taxation Authority's (ITA) operational capacity through the full	1,999,963	16/01/2014	15/01/2016

	implementation of ASYCUDA World			
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- **United Nations Educational Scientific and Cultural Organisation (UNESCO)**

Western Balkans and Turkey:

- IPA Civil Society Facility Programme 2011 - The project aims to support UNESCO's promotion of freedom of expression and its corollaries, press freedom and freedom of information.

Country/region	Programmes concerned;	Budgetary amount entrusted;	Duration of the delegation;	
			Start date	End date
Western Balkans and Turkey	IPA Civil Society Facility Programme 2011 - Media Accountability in South East Europe	500,000	30/11/2012	29/11/2015

- **United Nations High Commissioner For Refugees (UNHCR)**

Multi-Beneficiary Programme 2011:

– Regional Housing Programme (Sarajevo Process). Assist countries set and apply eligibility criteria for the selection of target groups; monitor implementation of the RHP in terms of beneficiary's protection; support countries to organise and launch public awareness campaigns.

Turkey:

- Technical assistance through the UNHCR mobile field teams to the cities hosting Syrian refugees ; Procurement of 12 mobile clinics, 10 ambulances, 10 vaccine transportation vehicles, hygiene and reproductive health kits, and equipment for the coordination centers; to facilitate registration and documentation of Syrians outside of the camps residing in 10 provinces; Expert support to the development of software for the identification and recording of refugees.

Country/region	Programmes concerned	Budgetary amount entrusted	Duration of the delegation	
			Start date	End date
Bosnia and Herzegovina, Croatia, Montenegro, Serbia	Multi-Beneficiary Programme 2011 – Amend 2 Regional Housing Programme (Sarajevo Process) Stage 1/ UNHCR component	1,200,000	01/01/2013	31/12/2014
Turkey	NP 2010- Protection and provision of basic services to the outside of the camp Syrians in Turkey	EUR 9.900.000	19/03/2014	18/03/2016

- **The Food and Agriculture Organisation of the United Nations**

BiH:

- Preparation of IPARD Forest and Fisheries Sector Reviews in Bosnia and Herzegovina - preparation, design and production of the sectoral studies.

Serbia:

- Agricultural and food security emergency assistance to flood affected small-scale farmers. Provision of means and services for the cultivation of variable areas of food (e.g. fruits and vegetables) and commercial crops. Sustainable time critical interventions in support of animal production. Emergency coordination mechanisms for the area of agriculture and rural development. Improvement of capacities of local actors for preventing and reducing the impact of hazards.

Country / region	Programmes concerned	Budgetary amount entrusted (EUR)	Duration of the delegation	
			Start date	End date
BiH	IPA 2009 part II - Preparation of IPARD Forest and Fisheries Sector Reviews	235,000	01/07/2013	31/01/2015
Serbia	IPA 2012 - Agricultural and food security emergency assistance to flood affected small-scale farmers	8,000,000	23/08/2014	22/08/2015

- **United Nations International Strategy for Disaster Reduction (UNISDR)**

Western Balkans and Turkey:

- Enhance the regional institutional capacity and coordination with respect to disaster risk reduction (DRR) and adaptation to climate change.

Country/region	Programmes concerned	Budgetary amount entrusted	Duration of the delegation	
			Start date	End date
Western Balkans and Turkey	IPA Multi-beneficiary Programme 2011 - Building Resilience to Disasters in the Western Balkans and Turkey	2,200,000	21/05/2012	20/10/2014

- **UNOPS – United Nations Office for Project Services**

Serbia:

- The first component of SWIFT II develops recycling centres that will perform collection, separation and forward selling of non-hazardous recyclable materials such as paper, plastic and aluminium.

- European PROGRES is a development Programme funded by the European Union and the Governments of Switzerland and Serbia, designed to assist 34 local self-governments in the

South East and South West Serbia.

- Improve living conditions for refugee and IDP families, including support to durable and adequate housing solutions for up to 200 Roma families evicted from informal settlements in Belgrade.

- Contribute to the Serbian Government efforts in support to the municipalities affected by May 2014 floods.

Country / region	Programmes concerned	Budgetary amount entrusted (EUR)	Duration of the delegation	
			Start date	End date
Serbia	SERBIA National Annual Programme 2008 for Serbia	1,499,668.83	21/02/2012	20/01/2016
Serbia	IPA 2013 Decision no.2013/023-621	Overall budget 12,600,000 eur		
Serbia	Annual National Programme for Serbia under the IPA Transition Assistance and Institution Building Component for the year 2009	3,600,000.00	08/02/2013	07/02/2016 ^(*) Addendum no. 3 for no-cost time extension sent for countersignature by UNOPS)
Serbia	IPA 2012 National Programme	14,000,000	04/08/2014	04/08/2015

- **World Health Organisation**

Serbia

- To improve the efficiency and quality of health care delivery in Serbia and its stewardship, resource generation and financing functions.

Country/region	Programmes concerned;	Budgetary amount entrusted;	Duration of the delegation;	
			Start date	End date
Serbia	National IPA programme for 2008	2,500,000	07/02/2012	06/08/2015

- **International Organisation for Migration**

Turkey:

- Three main tasks in order to enhance the development of functional, effective and integrated systems in border management between Greece, Bulgaria and Turkey, in line with EU standards: 1) trust building among the staff in charge of border management at all levels, 2) awareness raising on benefits of cooperation in managing the borders, -3) structured

border coordination mechanisms among three countries.

Country/region	Programmes concerned	Budgetary amount entrusted	Duration of the delegation	
			Start date	End date
Turkey	NP 2010 (amendment 2012) - Regional Cooperation on Border Management among Turkey, Greece and Bulgaria Phase 1	1,600,000	05/09/14	04/03/16

- **The World Bank Group**

BiH:

- Infrastructure projects in the sectors of waste management, sewerage, Waste Water Treatment Plant: Implementing tasks include ex-post endorsement of the procurement procedures conducted by local authorities, monitoring, execution of payments.

Montenegro:

- EU/IPA Agriculture and Rural Development Institution Building Project - (1) Investments by agricultural producers supported through a grant scheme and (2) Montenegrin administration and final beneficiaries familiarised with the implementation of the IPARD-type of assistance.

The former Yugoslav Republic of Macedonia:

- Management of a trust fund dedicated to finance rural infrastructure.

IPA Multi-beneficiary Programme:

- Program for World Bank knowledge and advisory services in pursuit of the objectives of Europe 2020 Agenda.

- Improving Public Financial Management in the Western Balkans - Performing/updating PEFA assessments.

- Land Administration Data Improvement Project (LADI) - The World Bank supports the roll-out of the sectoral approach under IPA II, enhancing the land administration in Albania.

- Support to the Technical Assistance Pillar of the Western Balkan Enterprise Development and Innovation Facility (WB EDIF).

- Sector Policy Support - The World Bank will deliver the project supporting the roll-out of the sectoral approach under IPA II for two sector policies: the Education sector in Kosovo and the Water Supply and Sanitation sector in Albania.

- Reducing Regulatory and Administrative Constraints Related to Trade Logistics Program - Develop a set of consistent baseline benchmarks across countries in the region; Assist governments to simplify and harmonize trade-related regulations and administrative procedures along supply chains.

Serbia:

- Private Sector Development - Implementation of the grant scheme for innovative SMEs.

- IPA 2011 - Support for the strengthening the justice sector in order to facilitate its integration to the European Union. The Trust-Fund consists of the following components: 1. Advisory services; 2. Supervision of recipient-executed activities; 3. Trust-Fund administration and project management; 4. Technical assistance.

Turkey:

- EU/IPA Energy Sector TA Project - WB through the International Bank for Reconstruction and Development (IBRD) will manage the trust fund and make available Technical Assistance.

- Energy efficiency, renewable energy and awareness raising – WB will manage EU funds to provide TA to relevant institutions to achieve an increasing alignment with the EU acquis and the Europe 2020 targets in the areas of (1) energy efficiency (EE), (2) internal energy market, and (3) long-term energy planning and modelling.

Country/region	Programmes concerned	Amount entrusted	Duration of the delegation	
			Start date	End date
BiH -	IPA 2010 Support to the solid waste sector in BiH	5,500,000	30/08/2011	31/12/2015
BiH -	IPA 2010 Ljubuski Sewerage System Project Trust Fund	2,000,000	18/11/2011	17/07/2015
BiH -	IPA 2010 Rehabilitation and construction of the Waste Water Treatment Plant "Butila" in Sarajevo	8,000,000	23/12/2011	31/12/2015
BiH -	IPA 2010 Construction of Waste Water Treatment Plant Mostar	5,000,000	31/12/2012	30/08/2015
BiH -	IPA 2010 part II Rehabilitation and Construction of waste water treatment plants and sewage systems in Sarajevo	2,500,000	19/12/2012	19/08/2015
BiH -	IPA 2011) Waste management (AA with WB)	4,700,000	31/12/2012	31/12/2015
Montenegro	IPA 2011/2012	3,758,308	10/07/2014	30/06/2018
The former Yugoslav Republic of Macedonia	IPA TAIB 2013	15,500,000	25/11/2014	25/09/2019
Western Balkans	IPA Multi-beneficiary Programme 2012 Program for World Bank	1,000,000	16/10/2013	15/01/2016

	knowledge and advisory services in pursuit of the objectives of Europe 2020 Agenda - World Bank Group Trust Fund TF071818			
Albania, Bosnia and Herzegovina, Croatia, the former Yugoslav Republic of Montenegro, Serbia, Kosovo under UNSCR 1244/99	IPA Multi-beneficiary Programme 2010 Improving Public Financial Management in the Western Balkans - World Bank Trust Fund TF071590	1,000,000	21/12/2010	30/11/2014
Albania	IPA Multi-beneficiary Programme 2013 - Land Administration Data Improvement Project (LADI)	450,000	26/11/2014	25/02/2019
Western Balkans	IPA Multi-beneficiary Programme 2013 - Support to the Technical Assistance Pillar of the Western Balkan Enterprise Development and Innovation Facility – WB EDIF – Venture Capital and Investment Readiness	3,400,000	13/08/2014	12/01/2019
Kosovo, Albania	IPA Multi-beneficiary Programme 2013 - Kosovo Education and Skills & Albania Water Supply and Sanitation Sector Policy Support	550,000	30/11/2014	29/12/2018
Western Balkans	IPA Multi-beneficiary Programme 2013 Support to the Technical assistance Pillar of the Western Balkan Enterprise Development and Innovation Facility - WB EDIF - EU REPARIS	3,600,000	01/08/2014	31/12/2018
Serbia	Private Sector Development – Serbia Innovation Project	8,400,000	10.10.2011	10.07.2016
Serbia	IPA 2011	2,000,000	11/03/2013	10/07/2015
Turkey	NP 2012- EU/IPA Energy Sector TA Project	11,800,000	06/11/2013	29/03/2018
Turkey	NP 2013- Energy efficiency, renewable energy and awareness raising	12,875,524	15/09/2014	14/07/2020
Western	IPA Multi-beneficiary	1,500,000	21/11/2011	20/11/2014

Balkans	Programme 2011 - Reducing Regulatory and Administrative Constraints Related to Trade Logistics Program			
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- **International Monetary Fund**

Western Balkans:

- Assist the Commission in the rolling out of the enhanced economic approach over 2014. To carry out the first "pilot" project in Albania given the new government readiness to step up the reforms, as an example of further closer IMF involvement in the economic dialogue between the Commission and the Enlargement countries.

Country/region	Programmes concerned;	Budgetary amount entrusted;	Duration of the delegation;	
			Start date	End date
Western Balkans	IPA Multi-beneficiary Programme 2013 - Improving economic governance in the Western Balkans & Pilot project in Albania	500,000	01/01/2014	31/12/2014

- **International Atomic Energy Agency**

IPA Horizontal Programme on Nuclear Safety and Radiation Protection:

- Support to the VIND programme (Vinca Institute Nuclear Decommissioning) - to undertake the decommissioning activities and improve waste management capabilities at the Vinca Institute.

- Enhancement of the technical capacity of nuclear regulatory bodies in Western Balkan countries. Providing assistance to the regulatory bodies of each Western Balkan country in approximating at least 80% of their legislation/regulations with the EU *acquis*.

Country/region	Programmes concerned;	Budgetary amount entrusted;	Duration of the delegation;	
			Start date	End date
Serbia	IPA Horizontal Programme on Nuclear Safety and Radiation Protection 2008 -Support to the VIND programme: Part II	3,178,000	23/07/2010	22/09/2016
Albania,	IPA Horizontal Programme on	1,200,000	20/03/2011	19/02/2015

Bosnia and Herzegovina, Croatia, the former Yugoslav Republic of Macedonia, Kosovo under UNSCR 1244, Montenegro and Serbia	Nuclear Safety and Radiation Protection 2008 - Enhancement of the technical capacity of nuclear regulatory bodies in Albania, Bosnia & Herzegovina, Croatia, the former Yugoslav Republic of Macedonia, Montenegro, Serbia and Kosovo under UNSCR 1244/99			
Serbia	IPA Horizontal Programme on Nuclear Safety 2009 Horizontal Progra Support of the VIND (Vinca Institute Nuclear Decommissioning) Programme: Part III	1,300,000	01/01/2014	31/03/2015
Serbia	IPA Horizontal Programme on Nuclear Safety 2010 - Support of the VIND (Vinca Institute Nuclear Decommissioning) Programme: Part IV	4,600,000	01/01/2014	31/03/2015

- **Organisation for Economic Co-operation and Development**

Multi-beneficiary programmes:

- Supporting the implementation of CEFTA (Central European Free Trade Agreement): Monitoring investment-related issues of CEFTA. Mobilise technical expertise for the Subcommittees, Working Groups and other bodies.
- Programme for the support for improvement in Governance and management (SIGMA), Sub-programme for strengthening institutional capacity in the IPA region (ex: delivery of assessments and development of assessment frameworks; assistance in developing and/or fine-tuning governance and public administration reform strategies and action plans and improving reform design and implementation capacities).
- Next Generation Competitiveness Initiative, NGCI (ex: Regional value chain analysis and short-listing of target sectors).
- Support to the Technical Assistance Pillar of the Western Balkan Enterprise Development and Innovation Facility.

Country/region	Programmes concerned;	Budgetary amount entrusted;	Duration of the delegation;	
			Start date	End date
CEFTA parties; Albania, Bosnia and Herzegovina,	IPA Multi-beneficiary Programme 2011 - Supporting the	600,000	15/03/2012	30/11/2014

Croatia, the former Yugoslav Republic of Macedonia, Montenegro, Serbia, as well as Kosovo and, Republic of Moldova	implementation of CEFTA 2006			
Western Balkans and Turkey	IPA Multi-beneficiary Programme 2011 - Programme for the support for improvement in Governance and management (SIGMA), Sub-programme for strengthening institutional capacity in the IPA region.	10,000,000	01/07/2013	30/06/2015
Western Balkans	IPA Multi-beneficiary Programme 2011 - Next Generation Competitiveness Initiative, NGCI	4,900,000	22/04/2013	21/12/2015
Western Balkans	IPA Multi-beneficiary Programme 2012 - Support to the Technical Assistance Pillar of the Western Balkan Enterprise Development and Innovation Facility - WB EDIF	2,000,000	01/01/2014	30/06/2016

- **Organization for Security and Cooperation**

Serbia:

- The overall objective is support to the implementation of the Strategy for Improvement of the Status of Roma in the areas of access to basic rights and civic participation, labour market, education, health, social welfare, adequate housing and job creation through technical assistance for the realisation of the Government of Serbia's Sector fiche for social development.

- The overall objective of the project is to contribute to advancement of rule of law in Serbia by promoting accountability of war crimes which stands as an international legal obligation for Serbia and a fundamental condition for reconciliation and stability in the region.

Country / region	Programmes concerned	Budgetary amount	Duration of the delegation
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		entrusted	Start date	End date
Serbia	National Programme IPA 2012	4,800,000.00	20/06/2013	19/06/2015
Serbia	IPA 2010	499,998	25/05/2013	24/05/2016

- **European Central Bank**

Western Balkans

- To strengthen the institutional capacity of selected central banks in the Western Balkans, as well as prioritise technical cooperation needs of others. This work will provide the basis for the delivery of related technical assistance over the next MFF.

Country/region	Programmes concerned	Budgetary amount entrusted	Duration of the delegation	
			Start date	End date
Western Balkans	IPA Multi-beneficiary Programme 2013 Technical cooperation programme with central banks in the Western Balkans preparing their accession to the European System of Central Banks (ESCB)	€ 500 000	19/12/2013	18/06/2015

II- Programme concerned: IPA II (2014-2020)

1. Budgetary amount entrusted to these bodies: see table below for budget per projects financed by IPA II

2. Duration of the delegation : see table below for duration of projects.

3. Justification of recourse to indirect management and justification of the selection of the bodies:

The recourse to indirect management by entrusted entities is set in Article 4.7 of the regulation laying down common rules and procedures for the implementation of the Union's instruments for financing external action (Regulation (EU) No 236/2014).

The most important reasons for selecting a specific implementing partner are:

1. Presence / capacity to mobilise in the field
2. Expertise in the concerned areas
3. Track record of similar activities in the past

4. Synthetic description of the implementing tasks entrusted to these bodies

Council of Europe - IPA Annual Action Programme 2014 – Kosovo

- The CoE will be responsible for tendering the selection of services in order to achieve the action objectives. It will also be responsible for supervising, reporting and monitoring.

UNDP – Albania - IPA Annual Action Programme 2014 – Specific action: economic and social empowerment of Roma and Egyptian (R&E) communities:

- The UNDP will be granted budget-implementation tasks (i) to organize vocational training programmes through service contracts in order to mobilise ad hoc expertise and to set up the locations of the workshops, (ii) to prepare, evaluate and implement grant schemes for R&E civil society organizations in order to implement social initiatives, and (iii) to improve community-based social services by relying on local works contractors for small interventions in order to upgrade structures and facilities.

IOM - Kosovo - IPA Annual Action Programme 2014:

- IOM will work in close cooperation with the Ministry for Communities and Returnees and the Municipal Officers for Communities and Returns (MOCRs). It will be responsible for tendering supplies and services and for supervising implementation, reporting and monitoring.

Country/region	Programmes concerned	Budgetary amount entrusted	Duration of the delegation
Council of Europe			
Kosovo	IPA Annual Action Programme 2014 - Implement in the Kosovo legal framework the provisions of international standards in the area of anti-corruption (AC), anti-money laundering and combating the financing of terrorism.	EUR 2 000 000	24 months

United Nations Development Programme			
Albania	IPA Annual Action Programme 2014 – Specific action: economic and social empowerment of Roma and Egyptian (R&E) communities	EUR 4 000 000	36 months
International Organisation for Migration			
Kosovo	IPA Annual Action Programme 2014	EUR 2 000 000	24 months

III- Programmes concerned: CARDS

Council of Europe Development Bank (CEB)							
Country/region	Programmes concerned	Budgetary amount entrusted;	Duration of the delegation;		Justification of the recourse to indirect management;	Justification of the selection of the bodies (identity, selection criteria, possible indication in the legal basis etc.);	Summary description of the implementing tasks entrusted to these bodies.
			Start date	End date			
Albania, Serbia and Bosnia	18244-CARDS 2006 Albania Action Programme 225419-Contribution Agreement with CEB/KfW for the Municipal Window of the Infrastructure Project Facility	7,180,000	11/08/2009	31/12/2015	The recourse to joint management is set in Article 53d of the Financial Regulation (Council regulation No 1605/2002 of 25 June 2002).	The experience in investment projects, the presence in the field, direct contact with the end beneficiaries, specialised technical transfer created in the local authorities justify the recourse to CEB in co-operation with KfW.	The main activity will be the financing of municipal infrastructure projects implemented by the partner IFIs combining IPA grants with IFI credit lines and preferably with grants from the IFIs own resources or from other donors.

IV- Programmes concerned: Instrument of financial support for encouraging the economic development of the Turkish Cypriot community

A- Implementation through national public-sector bodies and bodies governed by private

law with a public sector mission.

Name of entity: British Council							
Country/region	Programmes concerned;	Annual budgetary amount entrusted;	Duration of the delegation;		Justification of the recourse to indirect management;	Justification of the selection of the bodies (identity, selection criteria, possible indication in the legal basis etc.);	Summary description of the implementing tasks entrusted to these bodies.
			Start date	End date			
Turkish Cypriot community	Scholarship programme	2,000,000	17.12.13	31.12.18	Such recourse is set in Article 54(2)(c) of the Financial Regulation (Council regulation No 1605/2002 of 25 June 2002).	Experience with scholarship management/education field Local presence and experience	Grant calls and award Budget implementation and management

B- Implementation through International Organisations

1. Budgetary amount entrusted to these bodies: see table below for budget per projects financed by the Instrument of financial support for encouraging the economic development of the Turkish Cypriot community

2. Duration of the delegation : see table below for duration of projects

3. Justification of recourse to joint management and justification of the selection of the bodies:

The recourse to joint management is set in Article 53d of the Financial Regulation (Council regulation No 1605/2002 of 25 June 2002).

The most important reasons for selecting the UNDP were:

1. Experience
2. Neutral profile in a sensitive field

4. Synthetic description of the implementing tasks entrusted to these bodies: Budget implementation and management

Name of entity: United Nations Development Programme

Country/region	Programmes concerned;	Annual budgetary amount entrusted;	Duration of the delegation;	
			Start date	End date
Turkish Cypriot community	Support to the Committee on Missing Persons' project in Cyprus, Phase VII	2,600,000	1.12.14	30.11.15
Turkish Cypriot community	Support to cultural heritage phase 3	560,000	17.12.14	14.7.17
Turkish Cypriot community	Natura 2000	890,000	3.9.14	31.12.16
Turkish Cypriot community	Support to the Committee on Missing Persons' project in Cyprus, Phase VI	2,600,000	1.12.13	30.11.14
Turkish Cypriot community	Support to cultural heritage phase 2	740,000	22.8.13	21.2.16
Turkish Cypriot community	Support to the Committee on Missing Persons' project in Cyprus, Phase V	1,300,000	26.12.12	31.5.14
Turkish Cypriot community	Support to cultural heritage phase 1	1,230,000	30.4.12	29.12.15
Turkish Cypriot community	Construction of Mia Milia/Haspolat wastewater treatment plant	1,780,000	18.12.09	31.7.15
Turkish Cypriot community	Upgrading urban infrastructure phase 2	1,510,000	13.12.07	30.6.14

ANNEX 7: EAMR of the Union Delegations (DG DEVCO only)

N/A

ANNEX 8: Decentralised agencies

N/A

ANNEX 9: Performance information included in evaluations

Title of the Evaluation:	Evaluation of EU's support to refugees in Bosnia and Herzegovina, Kosovo, Montenegro and Serbia
ABB activity:	22 02 07 02 Evaluation of results of Union Aid, follow-up and audit measures
Type of evaluation:	of Expenditure programme (E)
Summary of performance related findings and recommendations:	<p>The evaluation was focused on assessing the financial assistance to Bosnia and Herzegovina, Kosovo, Montenegro and Serbia in their support to refugees and Internally Displaced Persons. It provided an assessment of both the intervention logic of EU assistance, as well as a judgement on the relevance, efficiency, effectiveness, impact and sustainability of assistance under CARDS 2004-2006 and IPA 2007-2011. The approx. value was € 55.4 million under CARDS and € 76.5 million under IPA, with a total of 9,972 families supported under cards and 4,360 under IPA.</p> <p>Overall, it found that the financial assistance was relevant, effective and was contributing to achieving the objectives and priorities, with a use of resources that – taken into account the multiple constraints and challenges that are faced by the implementing agencies – can be considered as economically sound in terms of quality and quantity of the support provided, and timing of its delivery. All programmes have well achieved the strategic objectives and the implementing procedures are such that delays do occur, but are kept under control. Good efficiency is thus generally ensured, with main challenges being more on the level of effectiveness due to the difficulties in addressing the multiple problems faced by target groups. The evaluation concluded that the main strengths of the current approach are found in the clarity of the formulation of precise and realistic objectives, the foundation of these on a reasonably sound needs assessment and valuable empirical data, and a generally good linkage with national policies.</p> <p>In terms of weaknesses, the evaluation found difficulties in realizing an actual regional approach and a limited degree of flexibility in programming the assistance, together with a relative weakness of socio-economic measures oriented towards employment.</p> <p>Given these weaknesses, the main recommendations focus on the importance of good economic environment as well on income perspectives on the ground as a 'pull factor' for return. Also, in terms of facilitating intervention, it is crucial to create incentives for a proactive role of the 'last segment' of the assistance chain (local authorities and local branches of the central government). In order to achieve more impact and sustainability, it is recommended to plan, in the very beginning of the programming phase, concerted actions aimed at ensuring that economic opportunities benefit both the returning and receiving communities. This could be done through regular screening of the ways in which economic opportunities created by assistance benefit both communities, as well as by ensuring that local authorities have</p>

	sufficient resources and ownership. Lastly, it is important to begin merging the refugees' policies with general welfare/poverty reduction policies, as the return and reintegration process is extremely sensitive to external socio economic factors, which can strongly increase or reduce the impact of interventions irrespective of quality of planning and implementation.
Availability of the report on Europa:	http://ec.europa.eu/enlargement/pdf/financial_assistance/phare/evaluation/2014/20140403-eu-support-to-refugees.pdf

Title of the Evaluation: Mapping of Sector Strategies	
ABB activity:	22 02 07 02 Evaluation of results of Union Aid, follow-up and audit measures
Type of evaluation:	Expenditure programme (E),
Summary of performance related findings and recommendations:	<p>This evaluation was focused on studying the sectors' readiness (maturity) for a Sector Approach in the Western Balkan countries and Turkey under IPA by analysing the state of the sector strategic planning, the existing institutional structures and the mechanisms for strategic planning.</p> <p>It found that although the EU sector support under IPA had substantial different impacts between beneficiary countries, there were several trends identified across all of them. For one, the sector 'Agriculture and Rural Development' was categorized as 'ready for a sector approach, with some improvements' in the countries studied with progress substantially due to preparations for IPARD sectoral support. The 'Energy sector' was also categorized as "in progress towards sector approach" in most counties. While many of the remaining sectors have different ranges from country to country, illustrating a heterogeneity in results (mainly due to different institutional, economic and legal contexts).</p> <p>The overall quality of most of the main sector strategies has been rated as good. The analysed main strategies and sub-sector strategies have generally addressed the EU accession priorities and stakeholder involvement was strong which allowed for active participation of CSOs. This has allowed for a generally good level of relevance and coherence with the accession strategy.</p> <p>Looking towards future planning of IPA II framework, the general conclusions are to enhance the sector strategic planning capacities of the beneficiary countries with the aim to improve the programming and performance of the IPA II assistance. Some of the common weaknesses that were identified were the fact that in all assessed countries and sectors, links between strategic planning and programming need to be reinforced. The action plans for the implementation of sector strategies are weak in terms of sequencing of actions for implementation. The action plans are also weak in their indicators, where most are output indications and not result or impact indicators (or indicators at all). In most of the analysed countries, there is insufficient training on strategy</p>

	<p>design and on monitoring of strategy implementation.</p> <p>The recommendations for this evaluation hence are targeted to enhance a sector approach. The Commission Services should invite the national authorities, where they have not done so, to formulate their priorities for sectors that should move towards the sector approach. The EC should develop a common monitoring system to provide oversight for the implementation of the Action Plan of Strategies. It is also necessary to strengthen the links between the State budget and the practical implementation of the Action Plans of the Strategies. The sector working groups should also consolidate different coordination platforms in a particular sector and better integrate them in order to benefit from synergies created with the other national and EU support programmes.</p>
Availability of the report on Europa:	http://ec.europa.eu/enlargement/pdf/financial_assistance/phare/evaluation/2014/20140714-mapping-of-sector-strategies-final-report.pdf

Title of the Evaluation:	The Political Economy of Donor Intervention in Western Balkans and Turkey: Mapping and Potential for Stronger Synergies
ABB activity:	22 02 07 02 Evaluation of results of Union Aid, follow-up and audit measures
Type of evaluation:	Expenditure programme (E)
Summary of performance related findings and recommendations:	<p>This evaluation analysed donor assistance, also looking at data on over 18,000 project disbursements carried out in the Western Balkans and Turkey in the period 2010-2012 drawn from the OECD/DAC database on official development assistance.</p> <p>The evaluation shows that not only have the total flows of international assistance been falling, mainly due to the economic crisis, but there are substantial inequalities and imbalances in the distribution of international assistance between countries. ODA flows per capita are relatively high in Kosovo, while low and declining in the former Yugoslav Republic of Macedonia. Also, the analysis has shown that donors are often active in more than two sectors, however relatively few regional initiatives communicate with National IPA Coordinator. The WBIF is the only example of effective regional cooperation, focusing in the infrastructure sector. In such a situation, where multiple donors pursue different objectives and offer a variety of uncoordinated policy advice, is raises the likelihood of donor fragmentation and incoherence.</p> <p>Other systemic weaknesses found include the low level of ownership and insufficient inclusiveness in the strategy preparation, weak links with the budgetary planning, as well as weak coordination, implementation and monitoring mechanisms. The analysis revealed substantial gaps between beneficiary preferences and donor priorities, especially in the sectors of social policy, human rights, agriculture and rural development. On the other hand the report highlights that there is general relevance and coherence with the accession strategy.</p>

	<p>Regarding the assessment of the maturity of different sectors for the implementation of a sector approach in the IPA II framework, the general conclusion and recommendation are to enhance the sector strategic planning capacities of the beneficiary countries with the aim to improve programming and performance of the IPA II assistance. The recommendations that stem from these findings address both the level of coordination between donors as well as the sector approach on a whole. For one, the move towards a sector approach should be driven by the national authorities and supported by EC funds. There is a large potential for stronger synergies in the donor interventions in the WB and Turkey, and the IPA II sector approach offers significant opportunities for the rationalisation of the donor landscape, and improved donor coordination in order to economise on resources, gain benefits from economies of scale and scope, and from the focusing of activities in particular bottleneck sectors. Moreover, the effectiveness of assistance is likely to be maximised when donors specialise in a few key sectors to gain economies of scale and reduce the burden of transaction costs facing the beneficiary governments. The Commission Services should invite the national authorities, where they have not done so, to formulate their priorities for sectors that should move towards the SA, including the appropriate supporting evidence.</p> <p>Also, to enhance the adopting in the sectors which are not ready, the EC should support through TA sectors that are in progress towards sector approach for preparation of good quality Action Plans and monitoring systems. In doing so, the EC should promote common monitoring procedures and mechanisms that should be introduced to all sectors moving towards a SA.</p>
Availability of the report on Europa:	http://ec.europa.eu/enlargement/pdf/financial_assistance/phare/evaluation/2014/20141219_final_report_with_annexes.pdf

Title of the Evaluation: Meta-Evaluation Cooperation Instruments	
ABB activity:	22 02 07 02 Evaluation of results of Union Aid, follow-up and audit measures
Type of evaluation:	Expenditure programme (E)
Summary of performance related findings and recommendations:	<p>This evaluation assessed the relevance, EU value added and sustainability of the supplies and works in financial cooperation under IPA. It covers five IPA countries and included contracts concluded in 2005-2011.</p> <p>Overall it found that IPA work and supply projects seem to be well targeted, as much as they closely fit a real demand from the beneficiary. Also, there has been generally good relevance with most projects, which were well in line with the association, stabilisation and enlargement agreements and strategies. For the Western Balkan countries, prevailing</p>

	<p>investment demands considerably exceed the funding possibilities of IPA. In Turkey, areas such as regional competitiveness, environment and human rights represent sectors where IPA provides investments that might not have been made otherwise. Hence the overall added value of EU-funded works and supplies is generally seen in enhanced strategic planning, technical assistance and capacity building for beneficiaries, stakeholders and accredited procurement institutions.</p> <p>In terms of effectiveness and impact, IPA assistance delivered tangible and sustainable results, especially in infrastructure and energy sectors where roads, energy infrastructure and public buildings were very much needed, appreciated and appeared to be clearly sustainable. Where the works and supplies sector can still be improved is in the design phase. It is necessary that the prioritisation and selection processes consider sustainability and maintenance issues, as the expectation that the beneficiary will ensure sustainability cannot be confirmed for many projects. It was also noted that there should be frequent educational training of the beneficiary staff in procurement matters as well as on the identification of possible irregularities as the study found that the administrative capacities of the final beneficiaries have the possibility of undermining the projects. Where possible irregularities appeared, this can often be attributed to inexperienced beneficiaries and vague technical specifications.</p> <p>From this, the main recommendations come down to four main actions. The first is to strengthen the prioritisation of works and supplies by adopting and applying techniques for proper prioritisation and transparent selection. For all large IPA works, feasibility studies should be mandatory and for supplies, market analysis should be mandatory. The second is to improve both project preparations as well and project updating. More efforts are necessary to check a project's technical, institutional, environmental, financial and economic maturity. Thirdly, It is necessary to consider Total Cost of Ownership in the prioritisation of future projects, in particular for information technology and major investment projects. Fourth, NIPACs should strengthen the provision of training on horizontal programme needs and ensure that training systems become sustainable. In particular for DIS countries, Central Finance and Contracting Units need to increase and systematise their training on procurement and contracting for potential beneficiaries. In assessing implementation and absorption capacity of beneficiary institutions, NIPAC and Central Finance and Contracting Units should consider making more detailed assessment of their technical capacities for preparing complex projects and conducting thorough market studies.</p>
Availability of the report on Europa:	http://ec.europa.eu/enlargement/pdf/financial_assistance/phare/evaluation/2014/20140929-erpd-meta-evaluation-co-operation-instruments-works-and-supplies.pdf

Title of the Evaluation: Capacity Development Project on Monitoring and Evaluation	
ABB activity:	22 02 07 02 Evaluation of results of Union Aid, follow-up and audit measures
Type of evaluation:	Other (O).
Summary of performance related findings and recommendations:	<p>This assignment was carried out by the World Bank in order to strengthen capacities for Monitoring & Evaluation in the Western Balkans and Turkey. The project covered various stakeholders and multiple sectors (Civil Service Reform; Justice; Private Sector Development; Agriculture and Rural Development; Employment and Social Policies). It contributed to raising awareness among policy makers on the importance of monitoring, indicator identification, target setting, and stimulated good exchanges among practitioners in the different countries. It did so by developing 3-5 SMART indicators for each country and sector.</p> <p>In doing so, it found that overall the development of effective sector-level M&E systems is a long term iterative process which has only taken its initial steps. The project's impact depended largely on the local ownership, leadership and coordination among the various stakeholders and therefore differed substantially.</p> <p>It is clear however that there is a substantial link between the project's monitoring support and the country accession process. For example, in Justice, many stakeholders were unaware that their current reporting practices would hold them back on Chapter 23. Improving the reporting, specifically the inclusion of indicators would help better communicate results and improve progress in this chapter.</p> <p>Additionally, each sector had specific lessons-learned. For example in Agriculture it became clear that the context for the indicators is key. In Justice an example reads that outcome and impacts of the justice reform go beyond what happens in the courts and therefore indicators should cover quality measures beyond what can be counted as processed within the courts.</p> <p>The recommendation of this report is that countries must clearly identify indicators and strategies to improve monitoring and evaluation. It highlighted a need to connect a top down monitoring approach with a bottom up accountability to citizens and to put emphasis on stakeholder engagement. Thus decision makers should be involved in the monitoring process and bring actors to the table whom are unfamiliar with M&E. Policy should be results- and outcome- oriented, ideological driven policies should be replaced with evidence driven policy. Also, indicators must be better aligned with the multi sector strategic planning and be adapted to country circumstances.</p>

Availability of the report on Europa:	Not published
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Title of the Evaluation: Evaluation of EU-Turkey Customs Union	
ABB activity:	22 02 07 02 Evaluation of results of Union Aid, follow-up and audit measures
Type of evaluation:	Other (O).
Summary of performance and related findings and recommendations:	<p>This evaluation was carried out by the World Bank in order to assess the EU-Turkey Customs Union. The CU covers trade in industrial goods and has been a major instrument of integration for the Turkish economy into both the EU and global markets. However much has changed in the global economy and the CU is becoming less well equipped to deal with modern day challenges. Against this background, the EC asked the World Bank to conduct an external evaluation of the CU. The evaluation assesses the impact of the CU and makes solution-oriented recommendations for improvements in the CU with Turkey.</p> <p>The study did not make an assessment along the relevance, coherence, effectiveness, efficiency and EU added value criteria, however it made three interesting conclusions. For one, it found that trade integration between the EU and Turkey increased dramatically over the last two decades. The value of bilateral trade between the two has increased more than fourfold since 1996. Secondly, trade interests of both the EU and Turkey are changing. Turkey is diversifying its exports to new destinations, which entails that there are new opportunities worth exploring with Turkey. Lastly, the main finding of the report is that further trade integration between the EU and Turkey is in the interest of both parties and there are various areas – such as agriculture and services – that have the potential to bring welfare to both parties. Moreover, the evaluation clearly demonstrated that the CU brought about greater benefits than the ones that could have been generated by a Free Trade Agreement, under which Turkey's exports towards the EU would have been lower by 3-7.2%. Moreover, a deeper integration in production networks has been generated in Turkey, as intra-industry trade between the two partners increased from 30% in 1990 to 50%. It is suggested to improve trade integration both within the CU and outside it. In this regard, the study notes a number of recommendations for improving trade integration that includes changes within CU design and others outside.</p> <p>From this there are 7 key recommendations identified. The first is to resolve the imbalance that currently exists in FTA negotiations between Turkey, EU and external parties, through the development of formalized structures for appropriate consultations with Turkey and parallel track negotiations between the various parties. Secondly, in order to overcome the obstacles that road transport permits create for the free</p>

	<p>movement of goods, it is recommended to liberalize road transport permits, at least for those goods covered by the CU. Thirdly, as Turkey is the only candidate country without a visa-free regime, there should be an establishment of a specific business visa category for pre-qualified Turkish professionals traveling to the EU on business that are long-term and have the possibility of multiple entries with simplified documentary requirements. The fourth recommendation is to institute a well-designed Dispute Settlement Mechanism so that trade irritants can be resolved. Fifth, it is necessary to crease a 'dialogue dividend' in order to reduce the notification deficit. Sixth, services are one area to consider for widening trade integration between the EU and Turkey and lastly, it is noted that greater trade integration in primary agriculture could also bring mutual gains.</p>
Availability of the report on Europa:	<p>http://ec.europa.eu/enlargement/pdf/financial_assistance/phare/evaluation/2014/20140403-evaluation-of-the-eu-turkey-customs-union.pdf</p>

ANNEX 10: Annexes related to "management of Resources" (Part 2)

The methodologies used in *ex post* control processes designed to produce the RERs:

The AOD is required under Article 66 of the Financial Regulation to have reasonable assurance about the legality and regularity of the acts performed under his responsibility.

In accordance with Articles 66.2, 66.6 and 66.9 of the Financial Regulation: *"the authorising officer by delegation shall, in accordance with Article 32 and the minimum standards adopted by each institution and having due regard to the risks associated with the management environment and the nature of the actions financed, put in place the organisational structure and the internal control procedures suited to the performance of his or her duties"* and *"The authorising officer by delegation may put in place ex post controls to verify operations already approved following ex ante controls. Such controls may be organised on a sample basis according to risk. (...) Where the authorising officer by delegation implements financial audits of beneficiaries as ex post controls, the related audit rules shall be clear, consistent and transparent, and shall respect the rights of both the Commission and the auditees."*

Article 49.4 of the Implementing Rules of the Financial Regulations stipulate that *"the ex post Controls shall verify that operations financed by the budget are correctly implemented and in particular that the criteria referred to in the paragraph 3 (related to ex ante controls) are complied with. The outcomes of ex post controls shall be reviewed by the authorising officer by delegation at least annually to identify any potential systemic issues"*.

In DG ELARG ex post controls are carried out in the context of direct management (DM) and indirect management by beneficiary countries (IMBC) and are targeted to detect so-called Residual Errors.

Residual Errors are those that have evaded all prevention, detection and correction controls in the existing control framework. Work performed supporting the measurement of the Residual Error Rate (RER) must be capable of identifying errors which have not been identified by other means. In the context of the European Commission this means that only transactions/invoices related to closed contracts (DM) or programmes (IMBC) should be examined when assessing the RER.

For the purposes of the RER exercise, an error is: *"an amount recorded as an expense which would have been recorded differently if:*

- *The transaction had been recorded correctly; and/or*
- *Contractual conditions had been respected."*

For direct management, the ex-post controls are undertaken at two levels:

- Ex post controls at AOSD levels that will contribute to Annual Assurance Strategies and Management (AOSD) reports. The Assurance Strategies generally include contract by contract risk-assessed plans for on-the spot checks, audits, and evaluations, i.e. controls over and above standard financial circuit checks. In most cases, AOSD management reports refer back to the targets set in the Annual Assurance Strategies. Each Delegation has its own budget and outsources the ex post controls (mainly on grant contracts) to external audit firms. Such audits are a necessary element of the means to address the risks in question. However since the selection of the transactions audited is performed on a risk basis in each Delegation, the results cannot be projected across the unaudited population and therefore cannot be used for

the measurement of the Residual Error Rate.

- Ex post controls at AOD level include the measurement of the Residual Error Rate (RER) and are performed by the ex post control function at HQ. This measurement enables DG ELARG to evaluate the effectiveness of its control framework, and form a key part of the information that will be at the disposal Director-General when signing the Declaration of Assurance in the Annual Activity Report.

The RER measurement exercise comprises a MUS (Monetary Unit Sampling) statistically derived sample of transactions entered into under contracts closed within a 12 month period.

Closed contracts form the basis of the population, in order to ensure that there is no possibility of further error correction through normal control processes.

Ex post controls of direct management contracts are performed by auditors from DG ELARG (hereinafter referred to as the EC auditor). This is due to the nature of direct management contracts and their auditees, who are mainly Commission departments, where some sensitivity may be needed. However, checks on the eligibility of expenditure and reliability of cost statements from grant beneficiaries can be carried out by external audit contractors or external auditor could assist the EC auditor (under the supervision of, and always accompanied by, the EC auditor) in the verifications performed at the EUD.

To reach a conclusion with an acceptable level of accuracy, using a confidence level of 95%, the direct management ex post control function shall choose a statistically significant sample of items. The methodology used is Monetary Unit Sampling, which is a method commonly applied in DG DEVCO, REGIO and AGRI in order to be able to reach a statistically sound conclusion on the legality and regularity of the transactions in the audited population. The MUS methodologies that are in place in the aforementioned DGs, as well as the guidance from DG BUDG, have inspired the methodology in use within ELARG.

The RER exercise only focuses on transactions where there is almost no possibility of further correction. Only transactions related to closed contracts should therefore be examined. It has been decided, for reasons of audit efficiency, to sample by transaction rather than contract. This means that the selection of a transaction need not result in the detailed examination of all activities which took place under the related contract – but rather only the activities relating to that transaction. This approach results in a reduced quantity of work required for each item selected, without reducing the overall assurance provided by the RER exercise. This means that a population comprising all of the transactions within closed contracts needs to be identified, not merely a list of the contracts themselves.

From the complete listing of transactions, all pre-financing payments should be identified and excluded from the population which will be sampled.

Errors affecting an individual transaction are aggregated and expressed as a percentage of the transaction amount.

Errors identified and recorded in respect of individual transactions will subsequently be extrapolated across the whole RER population. However, certain errors which will not be suited for quantification will anyway be recorded.

Once the substantive testing has been performed, and results are available for each transaction, the error evaluation should be performed in accordance with a standard MUS approach, mirroring the approach adopted by the European Court of Auditors when evaluating errors detected as part of its annual financial audit work.

For indirect management with beneficiary countries, the ex-post controls are only undertaken at AOSD level and are performed by the ex post control function at HQ. This measurement enables DG ELARG to evaluate the effectiveness of its control framework, and form a key part of the information that will be at the disposal of the Director-General when signing the Declaration of Assurance in the Annual Activity Report.

The RER measurement exercise comprises a MUS (Monetary Unit Sampling) statistically derived sample of transactions entered into under contracts included in the activities of a closed programming year of which all transactions have been finalised.

Where Ex post controls of direct management contracts are performed by auditors from DG Enlargement, the established practice of the DG, which was put in place before the introduction of IPA, has been to outsource the audit assignments through a Framework Contract (FWC) signed in 2010 following a competitive procurement procedure.

The first step in the calculation of the residual error rate is the sampling carried out by the DG in order to identify transactions that are to be tested as part of a given audit work plan. Here as well, the methodology used for obtaining a representative sample that allows to reach a conclusion with an acceptable level of accuracy is the MUS methodology.

Individual grants are also selected through sampling and introduced into the sample, together with their respective grant schemes, in order to enable conclusions on the legality and regularity of overall procurement. For the viability of an audit assignment, it is established that a minimum of one grant scheme or three procurement contracts should be selected for testing.

Contracts and grants in the sample are grouped within specific audit assignments (on average 18 per year). These audit assignments are then launched as requests for services within the Framework Contract. The requests specify the concrete audit scope and detailed terms of reference. The audit scope comprises contracts/grant schemes to be audited, while the terms of reference specify the checks and tests to be performed in order for the auditors to provide a reasonable assurance as to whether the expenditure declared is free or not of material errors and irregularities. The objective of each audit assignment is to provide an opinion on: i) The reliability, completeness and accuracy of financial data; ii) the legality, regularity and eligibility of the underlying activities, tenders, contracts and transactions; and, iii) the compliance with co-financing commitments and adequate reporting of co-financing provided.

The second step is to launch the request for services, which gives the three audit companies 21 days to submit their offers. In carrying out these audit assignments, the selected audit companies apply the approach approved under the FWC.

Following the fieldwork, the audit company submits its draft audit report for review to the DG. The report is thoroughly assessed and, if satisfactory, the final report is authorised and issued. Depending on the concrete findings, the final report is the basis on which the DG decides whether to make financial recoveries against the audited entities or not. Data on recoveries is reported in the Annual Activity Report.

The third and final step is taken once all audit assignments for the given programming year are completed, the final reports have been issued and the recoveries have been executed. It is in this step that the results of the audit testing are used for the error evaluation, in accordance with the MUS methodology.

This has earlier been done by taking into account: i) All audited contracts, recorded payment amounts and identified errors (i.e. ineligibility); ii) the calculation of the error rate (as percentage) for each contract/transaction; and, iii) the extrapolation to the sampling interval of the error rate for each transaction (which generates the projected error). Finally, the overall projected error is then calculated by summing up all transaction projected errors.

For the current exercise, the calculations have been carried out on the basis of the guidance issued by DG Budget.

According to these, a representative detected error rate was calculated first. This rate is resulting from the division of the monetary value of the errors found by the monetary value of the audited population.

The residual error rate was then calculated on the basis of the residual amount still affected by errors within the total population, which had to be divided by the monetary value of the total population. The figure eventually obtained for this rate was higher than the materiality threshold of 2%, which has as a consequence that a reservation has to be issued.