GOVERNMENT OF THE REPUBLIC OF SERBIA
EU INTEGRATION OFFICE

MANUAL FOR IPA PROGRAMMING



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Republic of Serbia
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PM GROUP

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GOVERNMENT OF THE REPUBLIC OF SERBIA
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FOR IPA PROGRAMMING

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1 PART

INTRODUCTION

Purpose of the Manual

The main purpose of this manual is to elaborate the IPA Component I programming process and improve the consistency and quality of IPA project fiches throughout the whole programming process.

These guidelines aim to provide the necessary information and serve as an operational tool for the beneficiaries of IPA funds in the Serbian administration, namely:

- the National IPA Coordinator (NIPAC) and the NIPAC Technical Secretariat, which is responsible for managing the IPA programming process
- line ministry officials, sector working groups[1] members dealing with IPA programming
- Project Implementation Unit (PIUs) staff responsible for providing technical input for project preparation, in the preparation and submission of IPA Project Fiches

The first edition of this manual was published in 2007 at a very early stage in Serbia's transition towards decentralised implementation of EU support. After five programming cycles of IPA and the initiation of DIS accreditation, a need for a second edition emerged. This edition is based on accumulated experience in day-to day programming activities, needs and inputs from stakeholders involved in this process. Its ambition is to provide direct and efficient step-by step guidance in the programming process and the preparation of IPA project fiches.

Structure of the Manual

Guidance for programming process

The first part of the manual elaborates roles and responsibilities of key players, as well as regular steps taken during programming process. It elaborates in details responsibilities of individual institutions and bodies that are included in programming process, e.g. ministries, sector working groups, etc and specific activities to be performed by them in annual programming cycle. These steps should be taken into consideration in the process of annual planning process of all stakeholders involved in IPA programming (line ministries and their PIUs, etc).

[1] As indicated in the regular action plans for IPA programming in Serbia

Guidance for the Preparation of IPA project fiches

The second part of the guide provides information on how to draft the Project Fiches in accordance with the IPA Programming Guide for Components I and II (EC, March 2008).

The programming guide structure is based on the IPA project fiche template. The template of standard IPA Component 1 Project Fiche is attached in Annex 1 of this document.

Each section of the project fiche template is defined, explained and illustrated by an example where necessary.

Guidance for Ex-ante Project Evaluation

The third part of the guidelines provides the NIPAC with an evaluation methodology to be carried out before implementation of the project.

Ex-ante evaluation (appraisal) of project fiches is an overall assessment of project readiness i.e. relevance, feasibility and sustainability. It is carried out prior to submission of the fiches to the EC and the subsequent decision on funding.

The appraisal enables the National IPA Coordinator (and other decision-makers at this stage of the project cycle) to decide whether the activity represents an appropriate use of resources.

Checklists, based on standard formats according to best practices promoted by the EC and included in IPA programming guidelines, are attached in Annex 8 of this Manual.

IPA: EU framework for assistance

The Instrument for Pre-Accession Assistance (IPA) is a financial instrument through which the European Union provides support candidate and potential candidate countries, including Serbia, in the period 2007-2013. The purpose of the instrument is to assist beneficiary countries in facing the challenges of European integration; to implement the reforms needed to progress in the Stabilisation and Association Process, and to lay down the foundations for fulfilling the requirements for achieving EU membership (the Copenhagen criteria).

The Council Regulation (EC) No 1085/2006[2] establishes the regulatory framework for the Instrument for Pre-accession Assistance (IPA).

IPA is designed as a simple, clear and lean instrument, replacing the previous pre-accession assistance instruments (Phare, ISPA, SAPARD, Turkey instrument, CARDS, the latter being implemented in Serbia notably[3]).

[2] Council Regulation (EC) No 1085/2006 of 17 July 2006, Official Journal L210, amended by Regulation (EU) No 540/2010 of the European Parliament and of the Council of 16 June 2010, Official Journal L 158
[3] EUR 1.2 bn in CARDS funding since 2000

As such, it is governed by a framework regulation, laying down the objectives and main principles for pre-accession assistance as well as the five components which comprise the Instrument for Pre-accession Assistance – the IPA Components.

Given its nature and structure, the IPA Regulation is complemented by detailed implementing rules adopted by the Commission[4] These implementing rules have been prepared within a single framework, forming a Commission Regulation covering all five IPA Components.

While holding potential candidate country status, Serbia is eligible for the first two components:

IPA I: Transition Assistance and Institution Building
Component I translates the priorities set out in the European Partnership into three sub-components: (1) Political requirements, where EC assistance will be used to support a stable, modern, democratic, multi-ethnic and open society based on the rule of law. Special impetus is given to Public Administration and Judiciary Reform; (2) Socio-economic requirements, where EC assistance is used to support the development of the socio-economic environment; and (3) European standards, where EC assistance will support the country in achieving the milestones of its European integration plan (legal approximation, administration needs and requirements for DIS).

IPA II: Cross-Border Co–operation
This component applies to border regions between beneficiaries from member states, candidate states and countries in pre-accession status. The priorities of IPA Component II are: promoting cross-border cooperation, sustainable development of the environment, market development – economic development, improving cohabitation on the EU external borders, improving living standards in border regions, strengthening the capacities of local/regional/national institutions for the implementation of EU programmes.

After acquiring a candidate country status, Serbia will be eligible to the three other IPA components:

IPA III: Regional Development
Supports infrastructural projects in the environmental and transport sectors and programmes which promote regional competitiveness and development while serving as a predecessor to the European Regional Development Fund (ERDF) and the Cohesion fund.

IPA IV: Human Resources
Supports projects aimed at promoting employment, education / training and social inclusion, while serving as a predecessor to the European Social Fund (ESF).

[4] IPA Implementing Regulation: Commission Regulation (EC) No 718/2007 of 12 June 2007, Official Journal L 170, amended by Commission Regulation (EC) No 80/2010 of 28 January 2010, Official Journal L25

IPA V: Rural Development
Emulates post-accession Rural Development programmes by financing rural development type measures, similar in nature to these programmes, though smaller in a scale.

Potential candidate countries, and candidate countries not yet accredited to manage funds in a Decentralised Implementation System (DIS), are eligible, under IPA Component I, for measures and actions similar to those under Components III, IV and V.

In terms of implementation principles, the central point of IPA is to transfer know-how and experience to beneficiary countries, by enhancing ownership and responsibility of the implementation of assistance on the countries' side.

This process requires institutional changes and administrative capacity building in Serbia for managing all stages of the project cycle, including identification, formulation, implementation, monitoring and evaluation.

According to EU regulations, several bodies must be appointed in order for Serbia to benefit from IPA under centralised management (whereby the programmes are administered directly by the Commission, through the EU Delegation). It also defines the additional bodies required under decentralised management

These bodies include:

- The National IPA Coordinator;
- The Strategic Coordinator for the regional development and the human resources development components;
- The Competent Accrediting Officer;
- The National Authorising Officer;
- The National Fund;
- The Operating Structures; and
- The Audit Authority

DIS accreditation is a mandatory requirement, after the EU confers Candidate Country status.

For each IPA financed programme administered under decentralised management (except those under IPA Component II with Member States), Operating Structures (OSs) have to be established as the primary institutions responsible for their management and implementation. They comprise "a body or a collection of bodies within the administration of the beneficiary country", in accordance with Article 28 of the IPA Implementing Regulation, and are an integral part of the management and control systems administering IPA programmes.

Operating Structures usually comprise a minimum of two bodies, one responsible for programming, monitoring and evaluation, and the other for procurement, grant

award, payment and verification of expenditure (i.e. the Contracting Authority). The overall responsibility for a programme is assumed by one of the bodies in the Operating Structure and the head of this body is designated the Head of the Operating Structure (HOS).

For Component I (transition assistance and institution building), the OS comprises an Implementing Agency, which is the Department for Contracting and Financing of EU Funded Projects (known as the "CFCU"), headed by the Programme Authorising Officer (PAO); units in beneficiary line ministries, known as Project Implementation Units, headed by Senior Programme Officers; and the Department for Planning, Programming, Monitoring and Reporting on EU funds and Development Assistance at the Serbian European Integration Office.

The IPA Programming Process in Serbia

Annual Programming process comprises of identification of projects, preparation and submission of Project Fiches that comprise the annual National Programme to the EC.

The annual programming cycle in Serbia is comprised of three phases:

1. Identification of projects (within the framework of IPA and the MIPD):

This is conducted through a review of the EU and national strategic framework documents for a priority review. The strategic framework consist mainly of the European Partnership document, the Stabilisation and Association Agreement, the Multi-annual Indicative Planning Document and EC annual country Progress Report, on one side, and the National Program for Integration of the Republic of Serbia in the EU, the Needs of the Republic of Serbia for international assistance document, national and sector strategies, yearly operational plans, etc). Based on this analyses priority actions (projects) for the programming year are identified.

2. Preparation of Project Fiches

3. Appraisal of Project Fiches and preparation of the Annual National Program before submission to the EC

A detailed calendar of activities related to the identification of priorities and formulation of project fiches for IPA Financing during the programming process is set out in Annual Action Plan for Programming and Reporting on EU funds and international assistance which is prepared and revised by the NIPAC Technical Secretariat on annual bases (see www.evropa.gov.rs).

Recommendations to Users

The IPA framework regulation and its implementing rules[5] provide information on the institutional and regulatory framework for the management of IPA and relevant procedures (as described in these Guidelines).

Readers involved in IPA programming should be acquainted with at least introductory level Project Cycle Management (PCM) methodology as well as to the Logical Framework Approach (LFA), and should have a comprehensive knowledge of the IPA framework.

Actually, the programming function should be seen in the light of overall PCM for which the EC has developed operational guidelines:

http://ec.europa.eu/europeaid/multimedia/publications/publications/manuals-tools/t101_en.htm

Readers are recommended to consult the second edition of the "Guide to the Logical Framework Approach (LFA)" (SEIO, 2011) issued by the Serbian EU Integration Office. This document provides general information and methodology for project cycle management using the Logical Framework approach.

Readers should also be acquainted with EC Procurement Rules and Administrative Guidelines (PRAG) which have recently been updated in line with the new EC Financial Regulation

http://ec.europa.eu/europeaid/work/procedures/implementation/practical_guide

Regarding evaluation, the European Commission has developed a core methodology

http://ec.europa.eu/europeaid/how/evaluation/methodology

In addition, all users of this Guideline are recommended to consult the EC and other websites. The most important of these sources are:

- Directorate–General EuropeAid Development and Co-operation - http://ec.europa.eu/europeaid
- Delegation of the European Union to the Republic of Serbia - http://www.europa.rs
- ISDACON Information System - http://www.evropa.gov.rs

Glossary of Terms

The Glossary of terms (Annex 9) defines all the terms commonly used in IPA terminology. The glossary is needed, as many commonly used English terms have tightly defined meanings in the EC assistance programmes and project management.

[5] Council Regulation (EC) No 1085/2006 of 17 July 2006, Official Journal L210, amended by Regulation (EU) No 540/2010 of the European Parliament and of the Council of 16 June 2010, Official Journal L 158; Commission Regulation (EC) No 718/2007 of 12 June 2007, Official Journal L 170, amended by Commission Regulation (EC) No 80/2010 of 28 January 2010, Official Journal L25.

The meaning of certain terms changes over time and needs redefinition from time to time, and the same term might have a different meaning from terminology used by other donors (World Bank, USAID, OECD etc.).

Regular Updating

It should be noted that, as with earlier programs (i.e. CARDS), documentation is subject to change as the programme matures. Likewise, under IPA the Operational Guidelines together with all the annexes may need to be regularly updated (hence this current update - second edition of the Manual).

2 PART

GUIDANCE FOR PROGRAMMING PROCESS - IPA COMPONENT I

Programming structures

The process of programming of IPA Component I is based on the clearly defined programming steps and implemented through the active participation of the following structures:

1. NATIONAL IPA COORDINATOR (NIPAC)

The Deputy Prime Minister for European Integration has been nominated the National IPA Coordinator, and the Sector for Planning, Programming, Monitoring and Reporting on EU Funds and Development Assistance of the European Integration Office has been nominated the Technical Secretariat of the NIPAC[6]

The role and responsibilities of NIPAC/SEIO during the process of programming IPA are as follows:

- coordinating EU funds programming and acting as a central institution for communication and coordination of EU funds in respect of the EC and EUD;
- cooperating with the competent ministries and other interested parties in identification and establishment of priorities, as well as formulating the draft project proposal and project proposal during the programming process;
- cooperating with the competent ministries and other interested parties in identification and establishment of priorities, as well as formulating the financing program proposal within the instrument of the Multi-Beneficiary IPA in accordance with the terms defined by the European Commission in Brussels.
- cooperating with the EUD and competent ministries regarding distribution of IPA funds in accordance with the established basic documents of the EU for IPA programming;
- submitting to the EUD the final list and project proposals prepared in the programming process and communicating with the EUD on all issues relating to EU financial assistance granted to the Republic of Serbia;
- signing the annual Financial Agreement with the EC after its adoption by the Government;
- in cooperation with the EUD, competent ministries and other competent institutions of the Republic of Serbia, coordinating preparation and performing revision of the Multi-annual Indicative Planning Document, as well as of the Multi-annual Indicative Financial framework;

[6] By Conclusion of Government 05 No: 119-6857/2010 of 30th September 2010

- cooperating with the Ministry of Finance in order to ensure the necessary cofinancing of the EU projects with funds from the state budget;
- performing supervision of the programming process, preparation and implementation of the program and projects with the goal of improving the programming process, timely identification, elimination and diminishment of potential problems in the programming process and implementation of programs and projects;
- reporting to the Government on the process of programming IPA, formulation and implementation of projects;
- informing the EUD on the course of the programming process;
- in partnership with the EUD, informing the public of EU aid programs in the Republic of Serbia;
- coordinating participation of the Republic of Serbia in programs of the Community and Community Agencies;
- filing applications with the EU and the EUD for relocation of funds within the framework of projects financed by the EU;
- in cooperation with the EUD, establishing terms for specific activities during the programming process and simultaneously informing of the terms and conditions for submitting draft project proposals and project proposals;
- publishing templates for preparing draft project proposals and project proposals, as well as deadlines, and templates for evaluation of draft project proposals and project on the internet page www.evropa.gov.rs (ISDACON IS);
- keeping records on proposed, on-going and completed projects financed by the EU;
- keeping records on drafts and project proposals submitted in accordance with the defined criteria for submitting project proposals for financing from EU funds;
- monitoring harmonization of the draft and project proposal with the National Program for Integration of the Republic of Serbia into the EU (NPI) and the document Needs of the Republic of Serbia for International Development Assistance;
- coordinating implementation of twinning and TAIEX projects;
- managing the work of the sector work groups for programming IPA

2. AUTHORIZED PROJECT APPLICANTS

Authorized project applicants include the competent ministries and special organizations[7], Government services, the National Parliament and the Serbian National Bank.

The role of authorized project applicants is primarily to, through their representatives in the sector work groups, define priorities for financing in the programming cycle, formulating draft project proposals in the required format, their entry into ISDACON IS, active participation in consultative sector meetings, as well as ensuring coordination and inclusion of all relevant institutions in the programming process, within their competence.

The roles and responsibilities of the authorized project applicants during the programming process are as follows:

- coordinating the programming process within the ministries and other institutions in their field of work;
- preparing draft project proposals and project proposals during the process of programming;

[7] In accordance with the Law on Ministries ("Official Gazette of the Republic of Serbia", no. 65/2008, 36/2009 – other law and 73/2010 – other law)

- informing interested parties in their field of work of the programming process and cooperating with them on preparing draft project proposals and project proposals;
- submitting to NIPAC draft project proposals and project proposals prepared by ministries and other interested parties in their field of work;
- keeping records on all prepared drafts and draft proposals and updating information regarding the aforementioned in the ISDACON IS;
- making a preliminary selection and evaluating priority drafts and draft proposals formulated within the ministries and other interested parties in their field of work during the process of programming IPA, before their submission to NIPAC;
- after completing selection and evaluating priorities, submitting to NIPAC a report with justification on chosen and reserve draft project proposals and project proposals, and, from the aspect of their competence, taking care to prevent overlapping of project proposals with already implemented or on-going projects, and indicating whether a proposal has been submitted to another donor for consideration;
- submitting to NIPAC a report on participation in programs of the Community and Community Agencies. The report must include a part on financial profitability of participation in these activities;
- informing NIPAC of the progress of the programming process in accordance with the annual programming calendar

Potential project proposals of independent state institutions that answer to the National Parliament will be prepared in consultation with the NIPAC.

3. OTHER STATE INSTITUTIONS, CIVIL SOCIETY ORGANIZATIONS, LOCAL SELF-GOVERNMENT BODIES AND PUBLIC ENTERPRISES

The participation of other state institutions, public companies, local self-government bodies and the Autonomous Region of Vojvodina in the process of international aid programming will be coordinated by the competent ministries, and their role primarily includes defining priority project proposals for financing from international aid and their entry into ISDACON IS, in cooperation with the representatives of the competent ministries.

The Serbian European Integration Office will ensure appropriate participation of civil society organizations in the programming process.

4. THE COMMISSION FOR PROGRAMMING AND MANAGEMENT OF EU FUNDS AND DEVELOPMENT AID

The Commission for programming and managing of European Union funds and development assistance[8] should examine draft documents that will be presented to donors, suggest priorities for use of international development assistance, especially for use of European Union pre-accession funds, examine and make proposals to the Government in connection with use and management of European Union funds and development assistance.

During the programming process, the Commission establishes the shorter list of project proposals for financing from the EU annual national program for the Republic of Serbia.

[8] Одлука о изменама Одлуке о образовању Комисије за програмирање и управљање фондовима ЕУ и развојном помоћи", од 30. септембра 2010. године.

5. SECTOR WORK GROUPS FOR PROGRAMMING OF IPA AND DEVELOPMENT AID

For the purpose of an effective and coordinated IPA programming process, eight sector work groups (hereinafter: work groups) have been formed:

- Sector working group for the Rule of Law;
- Sector working group for Public Administration Reform;
- Sector working group for Civil society, media, and culture;
- Sector working group for Competitiveness;
- Sector working group for Human Resource Development;
- Sector working group for Transport;
- Sector working group for Environment and Energy; and
- Sector working group for Agriculture and Rural Development

The tasks of the work groups are:

- Issuing recommendations on priorities for annual programming of IPA;
- Identifying project proposals in the course of IPA programming;
- Evaluation of the objectives of draft project proposals and their harmonization with the priorities defined in the National Integration Program (NPI) and other national strategy document and priorities defined in the European Partnership and Multi-annual Indicative Planning document of the EC during the IPA programming process, as well as evaluation of capability for their realization;
- Identifying weaknesses and problems during the IPA programming process and proposing measures for their elimination to competent institutions;
- Analysis of priority realization, and, as necessary, proposal of new priorities during annual revision of the Multi-annual Indicative Planning document and the Needs Assessment of Serbia for International Assistance, taking into account the objectives and tasks arising from the NPI and other national strategy documents;
- Examining possibilities for national co-financing of proposed projects;
- Analysis of projects in the process of realization and their connection with earlier approved projects and projects proposed for future realization;
- Implementation of measures proposed by the Commission for programming and management of EU funds and development assistance and reporting on undertaken measures and activities;
- Regular reporting to the Commission for programming and management of EU funds and development assistance on implementation of its activities and conditions in the sector; and
- mutual cooperation for the purpose of coordination, exchange of work experiences, preparing recommendations and opinions on improving the work of project groups

In accordance with the above tasks, work groups may propose to NIPAC appropriate measures and activities which will contribute to better planning and achievement of program goals defined in the European Partnership, Multi-annual Indicative Planning document, document on Needs Assessment of the Republic of Serbia for International Assistance, National Program for Integration and other national strategy documents and shall ensure efficacy and rationality of use of available funds.

6. PROJECT EVALUATION GROUP

The members of the Project Evaluation Group are representatives of the Serbian European Integration Office and the Ministry of Finance, headed by the NIPAC/SEIO representative.

The Project Evaluation Group evaluates draft proposals for projects to be financed from the IPA program in accordance with the established criteria for evaluation of project proposals.

The Serbian European Integration Office evaluates projects from the aspect of relevance, feasibility and sustainability, while the Ministry of Finance evaluates projects from the aspect of feasibility.

Activities during programming process

Activities during programming process and responsibilities are presented in the following table:

Activities during programming process	Responsibilities
Consultations between sector working groups for identifying proposals for projects to be financed from IPA Component I	Authorized project applicants through the work of the sector work groups
Preparing draft project proposals and their entry into ISDACON IS. For all draft proposals that are entered into ISDACON IS, a letter signed by the head of the institution (the authorized project applicant) must be submitted to SEIO, confirming that the project is a priority for financing from development assistance.	Authorized project applicants
Technical evaluation of the draft project proposals entered into ISDACON IS and proposed for financing, their further development in accordance with improvement recommendations, forming a list of technically positively evaluated projects. All draft project proposals that meet the technical criteria are developed into log frame format, which are submitted to the Project Evaluation Group.	Serbian European Integration Office Authorized project applicants
Evaluation of draft project proposals by the Project Evaluation Group and forming of a wide list of draft project proposals for financing from the IPA Component I National Program (150% of the total value of the annual national program)	Project Evaluation Group
Submission of the wide list of draft project proposals for IPA Component I to the EUD and consultations with EUD regarding the draft project proposals	Serbian European Integration Office
Consultative meetings between sector working groups and donors and representatives of civil society organizations, in connection with further development of the draft project proposals.	Sector working groups, donors, civil society organizations, representatives of local self-government
Verification of the short list of draft project proposals for financing from the IPA Component I National Program (120% of the total value of the annual national program) by the Project Evaluation Group	Project Evaluation Group
Preparation of project proposals for financing from the IPA Component I National Program in the form of Project Fiches.	Authorized project applicants
Submission of Project Fiches for financing from the IPA Component I National Program to the EUD for comments and receiving comments from the EUD for improving Project Fiches.	Serbian European Integration Office
Improvement and development of Project Fiches and submission of final versions to the SEIO	Authorized project applicants
Adoption of final list of projects for financing from the IPA Component I in the value of 100% of the total national program budget by the Commission for Programming and Managing of EU Funds and Development Assistance.	Commission for Programming and Managing EU Funds and Development Aid
Submission of final versions of Project Fiches for financing from the IPA Component I National Program to the EUD and EC	Serbian European Integration Office

3 PART

GUIDANCE FOR DRAFTING IPA PROJECT FICHES - IPA COMPONENT I

A Project Fiche sets out clearly the priority axes (objective and purposes), the envisaged operations (results and activities, means and costs), implementing methods. It also describes the conditions and assumptions for the realisation of the project, and the necessary indicators for the monitoring and evaluation of implementation.

On the basis of accepted project fiches the Commission prepares financing proposals.

As underlined in the EC IPA programming guide, **project fiches are the key implementation documents for the national programmes.**

This guidance for drafting IPA project fiches is based on the fiche template in the IPA implementing rules. It follows the indicated structure step-by-step.

Note that according to EC guidance a project fiche should be no longer than 15 pages (without annexes).

BASIC INFORMATION AND INSTITUTIONAL RESPONSIBILITIES

This section of the fiche provides basic information on the project (Sections: *<CRIS number>, <Title>, <Sector (ELARG Statistical Code) and <Location>*) and on the institutional responsibilities for implementation and management of the project (Sections: *<Contracting Authority>, <Implementing Agency> and <Beneficiary>*).

In terms of contracting and implementation, IPA aims to utilise a decentralised implementation system (DIS).

BASIC INFORMATION

CRIS Number

This section shows the project reference number as registered in the Common RELEX Information System (CRIS).

Under the centralised management system (i.e. prior to DIS), this number will be provided by the EU Delegation / EC.

Title

The title of the project should be short and simple and clearly illustrate the purpose of the project e.g.

- *Establishment a Training System for the Serbian Tax Administration*

The title should also:

- make it clear that the project will contribute to the realisation of the general strategic priorities of Serbia;
- define a project that is in line with the strategy framework of the project proposal;
- not be too broad in character, nor too ambitions

Advice:

Try to avoid lengthy, and unfortunately typical project titles, such as: "Capacity building of XY institution for implementation of XY strategy and Action Plan". Bear in mind, that during implementation you will have to use the name of the project on a daily bases (including visibility and promotion). Thus, it should be meaningful and easy to understand for the general public, also easy to use in official correspondence and printed materials. Should a lengthy title be unavoidable, try to compose it following a meaningful acronym.

Sector (ELARG Statistical Code)

Indicate the targeted sector for intervention according to ELARG statistical codification

These statistical codes follow the form XX.YY with XX being the code for the axis and YY the sector. This number will be provided by the EU Delegation / EC.

Each Project Fiche can only have one statistical code, e.g:

- *Sector: 02.22 Public Administration Reform*

The codification of sectors by DG Enlargement serves to establish reliable statistics across the programmes (e.g. IPA support granted per sector).

The code can also track support across sectors and priority areas. For example, an investment project for protection of the environment can be categorised either as approximation with the *acquis* in the environment sector or as socio-economic development in the infrastructure or environment sector.

Location

The location is the beneficiary country name i.e. Serbia. Mention any region/ municipality or site for infrastructure projects.

INSTITUTIONAL RESPONSIBILITIES

Contracting Authority

The contracting authority, depending on the implementation system, is the EC, a public administration body of the beneficiary country or a private legal entity. Until Serbia is accredited under the Decentralised Implementation System (DIS) the EUD, under centralised de–concentrated management, will be the contracting authority, e.g.:

- *Contracting Authority: EUD*

IPA funds for potential candidate countries are initially managed on a centralised basis (EC management), with the clear focus on assisting countries to gradually taking on more responsibility and in progressing towards decentralised management (beneficiary country management).

For candidate countries, decentralised management is the norm. However, centralised management may be used for candidate countries too; this is in particular the case for regional and horizontal programmes, as well as technical assistance. Each country should therefore have specific strategies, action plans and timetables in place for moving towards more decentralisation, while at the same time preparing national authorities to take on board and have adequate capacity for the increased responsibilities in management of IPA funds (introduction of DIS).

Centralised management can take the following forms:

- Centralised direct management in the form of implementation by the Commission services at Headquarters;
- Centralised de–concentrated (devolved) management in the form of implementation by the Commission Delegation in the beneficiary country;
- Centralised indirect management in the form of implementation through Community agencies, Community bodies, national/international public-sector bodies or bodies governed by private law with a public service mission, as defined in the Financial Regulation.

Decentralised management:

Decentralised Implementation System (DIS) is aimed at increasing ownership of EU assistance and improving beneficiary´ own financial management system in order to make progress in preparing for membership through decentralised implementation of all IPA components, especially those which are the precursors of EU structural and agricultural funds. Decentralised Management implies a key role of the beneficiary country in the whole project cycle: programming, implementation (tendering and contracting) and follow-up (monitoring and evaluation) Under DIS, the Central Finance and Contracts Unit (CFCU) has sole responsibility for tendering, contracting, payments, accounting and financial reporting of EU funded programmes and projects.

In order to increase the responsibility of the beneficiary country in the process of taking over management powers, the national authorities should accredit the structures and authorities set up in the framework of IPA before asking for a formal conferral of management responsibilities by the Commission. This national accreditation is based on following preconditions:

- Effective segregation of duties between authorising officer and accounting
- Effective system of internal controls
- Independent external audit function
- Procurement procedures ruling out all conflicts of interest

Joint management:

This is a specific form of management by international organisations, to which the Commission can have recourse in the following cases:

- wherever the Commission and the international organisation are bound by a long-term framework agreement laying down the administrative and financial arrangements for their cooperation; wherever the Commission and the international organisation elaborate a joint project or programme;
- where the funds of several donors are pooled and are not earmarked for specific items or categories of expenditures, that is to say, in the case of multi-donor actions.

If joint management is not appropriate or if the above conditions for its use are not fulfilled, then an international organisation can be financed by the Commission in the form of a grant.

Implementing Agency

While IPA is being implemented under centralised deconcentrated management EUD is the Implementing Agency.

The Implementing Agency is responsible for managing and implementing projects in accordance with the principle of sound financial management. Its functions and tasks are defined in Article 28 of IPA implementing regulation.

When DIS is established, the implementing agency shall be the PIU in charge of technical management and implementation of each project.

With joint management, the project can be implemented by an international organisation while, with indirect centralised management, the EC can confer project management on a Member State.

Beneficiary

This is the project partner / direct beneficiary, supported by EC funds, for the management, design and implementation of a project, usually a Ministry and / or implementation agency, e.g.:

- *Beneficiary: Ministry of Finance, Tax Administration*

This section should provide information on the beneficiary, including name, title and contact details of person in charge of daily management issues. It should also include the details of Project Manager, Senior Programme Officer (SPO) and Project Implementation Unit (PIU) (name, title and contact details).

FINANCING

This section provides information on financing and contractual terms for management of the project.

As stipulated in the IPA implementing rules, the availability of funds for project implementation is governed by the signature of an annual Financing agreement between Serbia and the EC and EC Financial Regulation 1605/2002[9]. The final date for signature of the Financing Agreement is the year **N+1**, N being the year in which the budgetary commitment was made.

In the case of IPA 2007, the final date for concluding the Financing agreement was 31 December 2007.

With this in mind, the following timeframe must be taken into account when designing and implementing programmes and projects and indicated in sections *<Final date for Contracting>, <Final date for Execution of Contracts> and <Final date for Disbursements>* of the Project fiche.

The table below summarises the contracting deadlines:

SIGNATURE OF FINANCING AGREEMENT	DEADLINE FOR			
	CONTRACTING (C)		EXECUTION OF CONTRACTS (EXEC)	DISBURSEMENTS
YEAR N	Centralised, without FA YEAR N+1	Centralised or decentralised, with FA YEAR N+2 (N+3 for works)	YEAR C+2 (Execution depends on the duration of the project)	YEAR EXEC+1

[9] Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities OJ L 248

Overall cost

Indicate only the overall cost of the project in Euro, disregarding the source of funding, e.g.:

- *Overall cost: EUR 10 million*

The information to be provided in this section shall be the result of the development of the project indicative budget to be further mentioned in the project fiche under Section <Indicative budget>.

In this section an overall budget (IPA funding + co-financing) is stated, whereas other information on national contributions and other co-funding are to be indicated in details in the Section <Indicative budget> of the project fiche.

EU Contribution

Indicate total IPA financing required for the project (without national or other contributions), e.g.:

- *EU Contribution: EUR 8 million*

Final Date for Contracting

Indicate the date of signature of the last contract envisaged under the project, e.g.:

- *Final date for contracting: 2 years after signature of the Financing Agreement*

The contracting deadline is the final date for the signature of contracts and grants. According to the limits set for contracting in the Financial Regulation, the end date for contracting can not be later than:

- Year **N+1** for centralised programmes **<u>without</u>** Financing Agreement (N being the year in which the budgetary commitment was made)
- Year **N+2** for (centralised or decentralised) programmes **<u>with</u>** Financing Agreement (N being the date of conclusion of the Financing Agreement)
- Year **N+3** for projects with works contracts under (centralised or decentralised) programmes **<u>with</u>** Financing Agreement.

Any funds that have not been contracted by the final date will be returned.

Final Date for Execution of Contracts

Indicate the final date for execution of contracts and grants, which depends on the duration of the project and is at most two years from the end date for contracting, e.g.:

- *Final date for execution of contracts: 2 years after signature of the contract*

According to the Implementing Regulation, the deadline for the execution of contracts may continue for a number of years from the end date of contracting. Note that the deadline may be extended in justified cases and that the final date for works contracts may extend beyond this period.

Final Date for Disbursements

Indicate the end date for payments. This disbursement deadline is usually at most one year after the end date for the execution of contracts, e.g.:

- *Final date for disbursement: 1 year after the execution of the contract*

DESCRIPTION OF THE PROJECT AND ITS FRAMEWORK

This section of the fiche describes the essence of the project. There are no formal instructions relating to the length of this part of the project proposal, since it is contingent on the project structure, i.e. its duration, number and diversity of activities, etc. However, the 15 page limit should be kept in mind as well as the patience of the reader.

For the definition of project parameters (overall objective / purpose of the project / results / activities) it is necessary to use the Project Logical Framework Matrix, which is to be attached to the project fiche[10]. In fact, the matrix will be written first and, once agreed, followed by the fiche.

Overall Objective, Project Purpose and Strategic Framework

This section describes: a) the objective and purpose of the project; b) its strategic context based on documentation endorsed by the donor, and; c) linkages between the objectives of Serbia (as described in the strategic documents) and the objectives of the proposed Project Fiche.

For easy reference, the EC requires a reference list of relevant legislation and strategic documents (Annex 4).

Overall Objective

Indicate the overall objective to which the project will contribute

The overall objective can be defined as the intended physical, financial, institutional, social, environmental, or other development results to which the project is expected to contribute. It describes the future (improved) situation or state that the project strives to accomplish, e.g.:

- *Overall Objective: Support and reinforce the capacities of the Serbian administration in the context of the EU pre-accession assistance under the new financial perspective 2014-2020 in accordance with the EC procedures for programming, financial management and contracting.*

[10] *For further details on the Logframe see section "Mandatory annexes to the project fiche"*

The overall **objective is a desired (changed) state, and not a process.** However, the project will not fully achieve the overall objective, but help make progress in this direction.

The overall objective should be defined at the correct level (hierarchy, administration etc.) and it should be possible to check that the envisaged changes and improvements are taking place, and whether the desired situation is closer than before the project started.

It should also identify the target group(s) and reflect the desired impact of the project on end beneficiaries.

The overall objective must be broader than the specific goals / project purposes of the Project Fiche, in the sense that it is usually defined at the regional, national or sectoral policy levels. However, the definition of the overall objective should not be expressed in too general terms, so to provide with adequate support and guidance during the monitoring and evaluation of the implementation.

Advice:

If there is no clear, direct linkage between the overall objective and IPA programme objectives then the project will be deemed ineligible for IPA funding and will not be considered further.

It is very important that, in the early stage of project preparation, you identify linkages between your project and priorities / objectives in key strategic documents such as the European Partnership, MIPD, NPI, NAD. Ideally, the overall objective should directly correspond to one of the priorities / objectives set out in these documents.

More detailed instructions are available in Annex 2 of this Manual, as well as in the second edition of "Guide to LFA" (SEIO, 2011).

Project Purpose

The project purpose describes what the project is directly attempting to achieve – and this, in turn, depends entirely on the planned and realised project activities and results, e.g.:

- *Project Purpose: To support the creation of strategic and policy framework for pre-accession assistance under the new financial perspective and the creation of mature projects with a full set of project documentation in accordance with EC procedures for Programming and Procurement Rules.*

Advice:

IPA projects should only have one project purpose. In case of more complex projects comprised of several components, component could have a separate purpose. That should be clearly presented in this section.

The project purpose(s) should:

- clearly describe the purpose of the project, or the changed situation or state that is expected as a result of the implementation of project activities;
- identify target groups and reflect their needs. The quality of the needs assessment will be assessed by examination of the stakeholder analysis. When realised, the project purpose helps the direct beneficiaries through the use of the services or products created during the project;
- contribute to the achievement of the overall objective. There must be clear linkage between the project purpose and the overall objective. This will be assessed by examination of the problem analysis and development of an objective tree;
- be realistic, or expected at the time when the desired outcomes of the project are produced, and also precisely (see the SMART rule for indicators of achievement);
- be expressed as a desired changed state, not a process

The project purpose is always part of a broader context, i.e. derived from the overall objective and representing its logical continuation. It should contribute to an overall objective derived from national and sector policies as well as to the donor framework. Therefore Sections: *<Link with AP/NPAA / EP / SAA>, <Link with MIPD>, <Link with National Development Plan (where applicable) and <Link with National / Sectoral Strategic or Investment Plans (where applicable)>* of the fiche describe how the project is integrated into a broader policy context and strategic requirements.

More detailed instructions are available in Annex 2 of this manual, as well as in the second edition of "Guide to LFA" (SEIO, 2011).

Link with AP/NPAA / EP / SAA

Clearly indicate how the overall objective and project purpose are a response of Serbia to the requirements of the Accession **Partnership (AP)/European Partnership (EP), National Plan for Approximation with the Acquis (NPAA), Stabilisation and Association Agreement (SAA).**

Quote the priority or issues from:

- European Partnership (EP)
- Stabilisation and Association Agreement (SAA)
- National Plan for Integration (NPI)

For each of the documents, start with a short introductory sentence then note the relevant page / paragraph for the quote. Then insert the specific (as short and as relevant as possible) quote from the original document and explain how the project will addresses the content of the quote.

Link with MIPD

Clearly indicate the linkages with the Multi-annual Indicative Planning Document (MIPD). Give a reference page or paragraph for the quote and explain how the project addresses the quote.

The links should answer the following question: To what EU strategic priority mentioned in the MIPD does the project proposal respond to?

The MIPD is the strategic document for IPA programming adopted by the EC and developed in consultation with the beneficiaries. It is established for a three year rolling period, with annual reviews. Make sure that you are using the latest version of the MIPD when completing in this section.

Link with the National Development Plan (where applicable)

This section should clearly indicate how the overall objective and project purpose contribute to the realisation of the overall national development plan (NDP).

As Serbia has not adopted a NDP, this paragraph should be marked non applicable **("N/A").**

Link with National / Sectoral Strategic or Investment Plans (where applicable)

Clearly indicate the linkages between the overall objective and project purpose and the priorities and programmes defined in national sector strategic or investment plan, e.g.:

- The National plans setting out priorities for external aid (Needs of the Republic of Serbia for International Assistance - NAD)
- The Public Administration Reform Strategy;
- The Regional Development Strategy;
- The Poverty Reduction Strategy Paper and
- Other sectoral strategies

Description of the Project

Based on initial experience and lessons learned in programming of IPA, a new approach to identifying project ideas and programming emerged in 2010. The EC introduced a Sector Wide Approach (SWAp) - a method derived from programme based approaches (PBAs) based on coordinated support for a locally owned development programme. The SWAp approach demonstrates:

- leadership by the host country;
- a single comprehensive programme and budget framework;
- a formalised process for donor co-ordination and harmonisation of donor procedures for reporting, budgeting, financial management and procurement; and
- efforts to increase the use of local systems for programme design and implementation, financial management, monitoring and evaluation

[6] *By Conclusion of Government 05 No: 119-6857/2010 of 30th September 2010*

SWAp is a programme-based approach operating at the sector level (e.g.: rural development, public administration, rule of law). Bearing in mind the national planning and budgeting system in Serbia, the introduction of SWAp will be a gradual process, guided by the reform of the national planning system. Programming of external assistance will be, as far as possible, based on the programme based approach (PBA). This implies the use of Mid-Term Plans developed by all institutions (IPA beneficiaries) as the basic document for programme and project identification. While Mid-Term Plans are the basis for financial planning of the national budget, this will be a mechanism to ensure the coherence and complementarity of external aid and national funding.

Advice:

The introduction of SWAp requires each project to contribute to overall reform of a sector rather than a narrower field. SWAp involves all relevant stakeholders in the sector rather than one specific institution (e.g. ministry or agency). This should be taken into consideration at an early stage in programming process by avoiding projects that address narrow issues rather than sectoral level change e.g. rural development, public administration reform, etc.

Background and Justification

This section should provide a clear and concise overall picture of the situation and the problem that Serbia wants to solve with the support of IPA funded project.

Indicate the relevance of the project by developing a description of the background and justification of the project that includes:

- Brief outline of characteristics of the sector;
- Brief description of the current problems in the sector that the project will address, and the causes thereof;
- Role of institutions – who is involved, what do they do, how do they interact?;
- Relevant legislation (include in annex but state project linkage);
- Relevant policies and strategies (or lack of): EU, national, international;
- Existing provision of services – quality, accuracy, updating;
- Existing standards – formats / purpose / coverage;
- Existing capacity (human, financial, physical);
- Analysis of potential restrictions and challenges for the solving of identified problems;
- Relevant statistical data;
- The effects of the "do nothing scenario"

This section should not be longer than two pages. Complex projects with several components may require up to three pages.

This section shall provide enough concise information to understand the issue. What is the problem, what shall be achieved in the context of the Acquis, what is this project to do to remedy the situation? It should provide enough information to professionals acquainted with the sector laypeople who are not familiar with the specific topic.

Advice:

- Provide hard facts (official statistics, references to official analyses, studies, feasibility studies, cost-benefit analyses, independent evaluations and EU reports)
- Base your argumentation on: SWOT analysis, stakeholder analysis, problem analysis, feasibility studies, cost-benefit analyses, and consultations with direct beneficiaries

Avoid:

- Lengthy descriptions of each and every aspect of the situation (note the two page limit)
- General and unsubstantiated statements
- E.g.: "We are already facing a problem of high level of river pollution and it is going to increase in the years to come" Instead, provide data on the current level of pollution and projections for the future. Also indicate the source of information. Justification of the project requires factual information

Assessment of Project Impact

This section should indicate the envisaged project impact and in terms of sustainability, catalytic effect and cross border impact (where applicable).

The assessment of project impact should define and categorise the stakeholders (individuals, groups of people, organisations, institutions and / or companies who have any interest, in any way, in the success or failure of the project)[11]. In order to facilitate identification, all the stakeholders may be divided into two subcategories:

- direct users or beneficiaries of the results and / or effects of the proposed project
- other key players contributing to, influencing, or having an interest in the success or failure of the proposed project.

Sustainability: the assessment of project impact must indicate the sustainability and ownership of the project in terms of the ability and commitment of the implementing body to deliver the measure and to continue to provide services beyond the period of the project

Consider:

- Financial sustainability – who will pay for the services/running costs/maintenance, etc in the future?
- Institutional sustainability – how does the project fit into an institutional strategy, priorities, plans?
- Policy level sustainability – this includes the development of standards, codes of conduct, policy, legislation, etc.

[11] The institutions already having made the list and / or analysis of the needs of stakeholders while drafting the GOP (Annual Operational Action Plan), or within some other process, may refine this list to meet the needs of the project proposal

- Are you developing any models or pilot projects/surveys/ etc? If so, how will the experience of your project be disseminated to other regions/staff?
- Are you developing a new service or centre? If so, clarify how this will be financed in the future – e.g. maintenance costs, running costs, management of a web-site, etc

Consider activities such as the development of:

- 'how to' and 'good practice' manuals;
- development of a roll-out strategy – i.e. where next;
- training of trainers;
- participation of other regions/institutions in project training activities

Catalytic Effect: a useful definition of catalytic is as follows: "the idea that the provision of official assistance to a country (undergoing a transition or reform process) spurs other interested parties to take actions (that contribute to it). In particular, it rests on the premise that, under the right conditions, official assistance and private sector funding are a strategic complement[12] Therefore, the catalytic effect can be thought of as the change in planned net private capital flows / socio-economic development activities/ institutional reform induced both by the conditionality (of the SAP) and IPA support.

Cross Border Impact: if the project has a wider direct or indirect effects beyond the state territory, provide concrete explanation and examples on how the activities implemented within this project will contribute to the changes and improvement in neighbouring states e.g.: a project supporting the implementation of a migration management strategy will contribute to the reduction of illegal immigration to the neighbouring countries and the EU.

Results and Measurable Indicators

Describe the concrete services / products to be created as a result of the project, and made available to direct beneficiaries. The measurable indicators mentioned will be a basis for the evaluation of the achievement of results.

Results are expressed as targets which the project management must achieve and sustain.

Project results should:

- show the timeframe for their realisation;
- be adequately phased and realisable during the project life;
- be precisely defined, so that they can be related to the Objectively Verifiable Indicators (OVIs) and their Sources of Verification;
- clearly show the tangible benefits, which the project will provide to target (direct) beneficiaries and which should reflect their needs;
- be expressed as a desired changed state, and not as a process (e.g.: "Training program designed and delivered");
- contribute to the project purpose

[12] Catalytic Finance: When Does It Work?" Stephen Morris, Hyun Song Shin, April 2005

Objectively Verifiable Indicator (OVIs) provide a simple and reliable means to measure achievement, to reflect the changes connected to an intervention, or to help assess the performance of a development actor.

OVIs must be based on a quantification of objectives (i.e. they must provide a means of measuring the achievement of overall objectives, purpose and results) and should be **S**pecific, **M**easurable, **A**vailable, **R**elevant and **T**ime- bound (SMART)[13]

Advice:

OVI data must be easily available. Proposed OVIs which cannot be readily monitored or which have no baseline data will be rejected.

This section (as well as previous sections) of the project fiche should be directly extracted from the Logframe which is a mandatory annex to the document. Results and indicators should be presented following the order of project activities. (Result 1 is to be related to Activity 1, etc). In the final stage of preparation of the project fiche, make sure that the changes made in Logframe along the way are inserted in this section, and vice versa. Results, OVIs and project activities should be identically phrased in all parts of the project fiche.

In this section they should be presented as follows:

Result 1: ….
Indicator: ….
Result 2: …
Indicator: ….

Or:
Component 1….
Result 1.1….
Indicator: ….

Activities

Describe the concrete activities that are necessary to be implemented, in order to achieve the expected results of the project that will be paid for by the project funds.

An activity can be described as the actions taken or work performed through which inputs, such as funds, technical assistance and other types of resources are mobilised to produce specific results.

[13] Detailed instructions on how to formulate results, activities and OVIs in an initial stage of preparation of Logical Framework Matrix are also available in Annex 2 of this Manual, as well as in second edition of the "Guide to LFA" (SEIO, 2011)

Key project activities should:

- Not be too detailed (the project implementer, e.g. consulting company, will propose detailed activities in their bid for the project. Evaluation of the bid will include evaluation of the list of activities and the work plan);
- Clearly indicate linkages with the results and be classified accordingly; i.e. the proposed activities and outputs will achieve the project results;
- Be adequate for the project;
- Directly contribute to the expected outcomes;
- Be expressed as processes in the present tense, starting with the verb such as: prepare, design etc. Link between activities and results must be visible (result 1: …. – activities 1.1, 1.2, etc.).
- Be expressed in such a way to be understandable for wider public.

Advice:

There is difference between results and outputs

The linkages between the formulation of activities, outputs and results can be illustrated in the table below:

ACTIVITIES	OUTPUT	RESULTS
Training	Trained officials	Increased administrative capacity
Drafting secondary legislation	New career structure for civil servants introduced	Increased administrative capacity
Checking the quality of ministerial reports	Quality control system introduced	Increased administrative capacity
Carrying out geotechnical studies	Feasibility study produced	'Project pipeline' for EU pre accession funds
Supplying/modernising equipment	Modern laboratory setup	Increased ability to detect chemical pollution
Construction of roads	Transport infrastructure upgraded	Quicker journey times for heavy vehicles

The activities will be entered into the Logframe and copied to the fiche once the Logframe has been agreed. Numbering will therefore not change and in this section should be presented as follows:

Result 1: .....
Activity 1.1.

Or

Component 1
Result 1.1.
Activity 1.1.1.

At the end make a table where you will precisely define the list of contracts to be concluded in order to implement activities, e.g.:

Activities 1.1. and 1.2. will be implemented by one service contract.

Activity 2.3. will be implemented by a supplies contract.

Conditionality and Sequencing

Indicate the conditions that need to be fulfilled prior to implementation of the project. Also, highlight risks (such as institutional, legislative and physical requirements), their likelihood and counter-measures to be adopted. In practice, this section is as summary of the right-hand column in the project Logframe.

Conditionality defines those factors which are external (i.e. beyond the influence of the institutions responsible for implementing the project), that must be met in order not to negatively affect project implementation. Conditionality can be divided into two categories:

- **Pre-conditions:** must be fulfilled before IPA funds will be released. For example, if the project envisages capacity building of a newly established institution, a pre-condition could be that the institution is fully staffed or that secondary legislation is in place to provide a basis for capacity-building activities. The pre-condition(s), as stated in the Logframe, should be reproduced here
- **Assumptions:** are relevant during the lifetime of the project and will be monitored throughout implementation. The assumptions, as stated in the Logframe, should be reproduced here[14]

Advice:

Make sure the assumptions are reasonable within the Serbian context. If the assumptions include drafting and adoption of new legislation (both primary and secondary), they must be realistic in terms of timing. Any assumptions which are deemed critical to the success of the project may become pre-conditions which must be met before the project can be started.

To complete this section, **a risk analysis** may be conducted, in order to assess factors affecting successful achievement of a project (in the Logframe, risks are converted into assumptions). This analysis is also part of a wider assessment of institutional framework and capacity. For example, the assessment of the institutional risk analyses institutional and capacity constraints, highlighting factors critical to project effectiveness and sustainability.

[14] *See Annex 2 of this Manual and the second edition of the "Guide to LFA " (SEIO, 2011).*

Sequencing: this paragraph provides information on the linkages between separate contracts for project implementation or activities to be performed. Does equipment, for example, need to arrive at a certain point in the delivery of a service contract or works contract? Overly complicated sequencing should be avoided.

Linked Activities

This section described parallel or linked activities in order to avoid possible overlapping or duplication of effort.

Here, you should describe the way the proposed project would contribute to planned or ongoing projects (funded by all donors), or represent a follow-up to previous projects. Special emphases should be given to IPA funded projects.

For each project, state:

- the title, donor and period of implementation;
- the link to the proposed project e.g. training programmes, reports, surveys;
- whether the project will be required to work formally with the linked activity.

Start with the IPA projects (by year) and continue with other bilateral and multilateral donors. Also, explain how you will ensure there is no overlap among different projects.

Please note that you should not simply list other projects but rather describe ways for the project proposal to complement current or completed projects.

Therefore, the EC recommends[15]:

- List past, ongoing or planned programmes and projects in the specific sub-sector area, whether funded by external (donors) or internal (national) resources, in order to identify links and complementary objectives with the proposed project
- State whether other donors are active in this area. If those donors are EU Member States, describe briefly their activities, and explain what donor co-ordination is envisaged for this operation
- Where relevant, compare the implementation provisions for the proposed project with those adopted for ongoing or planned activities of counterparts and other donors, explaining where these may influence the choice of delivery mechanisms for this project
- Explain the complementarities and added value of EC intervention (make reference, as relevant, to previous experience, comparative advantage, etc.)

Lessons Learned

Describe experiences from previously implemented projects as well as other activities and efforts undertaken (i.e. illustrate lessons learned from previous EU funded projects in similar fields. What were the successes and mistakes in past projects, which elements should be repeated and which should be avoided? etc).

[15] *Source: IPA Programming Guidelines, European Commission (2008)*

Lessons learned can be defined as generalisations based on evaluation experiences with projects, programs, or policies that abstract the specific circumstances to broader situations. Frequently, lessons highlight strengths or weaknesses in preparation, design, and implementation that affect performance, outcome, and impact.

Advice:

The definition and description of previous experience should be very precise as it represents the grounds for successful identification of further steps in implementing reforms.

Make reference, if available, to findings of past monitoring data and evaluation collected either internally or from external sources. Therefore, it is highly recommended to obtain, in advance, documents related to previously implemented projects (e.g. external monitoring reports, final reports, evaluation reports on previous projects, etc.);

For each lesson state:

- project title, donor, dates or name of the report, study, evaluation etc;
- what lessons have been learned;
- how this has influenced project design and/or delivery and how it should be taken into account in the project delivery

There is no fixed number of lessons but if there are a lot of them, they must be ranked in order of priority (keeping in mind the fiche's 15 page limit)

BUDGET AND IMPLEMENTATION SCHEDULE

This section indicates the breakdown of project budget among the activities as well as the implementation timeframe.

The data shall be based on the project design indicated in the Logframe.

Indicative Budget

This section provides a breakdown of the project budget (the overall cost indicated in Section 1.8) for each of the activities planned (under Section <Activities>) according to funding sources.

You should consider how the project can be split into different contracts according to the proposed activities. The project costs must be sufficient to carry out all activities, to deliver the planned outputs and achieve the required results. The project will be implemented via **standard EC contract types** as specified in PRAG (i.e. service contracts; twinning agreements; supply contracts; works contracts and/or grant schemes). The table presented in Section 4 of the project fiche sums up this

information. Useful guidance on how to realistically estimate costs of the activities envisaged is also available in Annex 4.

In Table 4 (available in Annex 1: Project Fiche Template), from the total project budget already mentioned in Section <*Overall cost*> of project fiche, you should allocate funding to each contract and identify the funding sources. Funding sources are presented in separate columns of the table as: IPA contribution, national contribution, IFIs, other donors, private contribution (e.g. NGOs). Budget is expressed in Euros and it should be expressed in accordance with the relevant type of contract (service contract, grant contract, twinning, framework contract, supply contract and works contract). General instructions for budget preparation make an integral part of Annex 5.

The total cost of the project **should not include tax** (including VAT). Should this not be the case, the amount of VAT and the reasons why it might be considered eligible should be clearly indicated. A detailed note extracted from the EC programming guide providing details on **non-eligible expenditure** is attached in Annex 6. Make sure that all project activities fall under eligible expenditures.

In case of co-financing for countries under the centralised management parallel model is applied. That means that IPA funded activity is implemented by the Commission in accordance with EU rules (PRAG), while the activity funded by the beneficiary country is implemented by the responsible national authority in accordance with national rules. The eligibility rules applicable to the national co-financing funds are the same as for the IPA funds. This parallel model must be visible in formulation of activities in project fiche.

Concerning the co-financing requirement, while it is a general principle for all operations receiving assistance under IPA, under centralised management of the programme the Commission decides the rate of the Community contribution. An explanatory note on the co-financing requirement is attached in Annex 5.

Indicative Implementation Schedule

Based on project activities and a list of contracts, as described previously, this section should indicate the contracting timeframe, including tendering procedures, in the form of a table as described below.

When defining the timeframe attention should be paid to contracting, execution and disbursement constraints established by IPA (mentioned in Sections: *<Final date for contracting>, <Final date for execution of contracts>, and <Final date for disbursements>* of the project fiche):

- All projects should in principle be ready for tendering in the 1st Quarter following the signature of the FA.
- For projects funded by the European Union, the usual duration of the project is 12, 24 or 36 months;

- The completion of all project activities is defined by the Financial Agreement which is signed by the Government for a specific budget year, and normally covers a 36 month period;
- If the beneficiary fails to use all funds in the relevant period, they are returned to the EU budget

For each contract listed in the table in Section <*Indicative budget*> there should be a corresponding contract in Section <*Indicative Implementation Schedule*> table. Contracting timeframe and procedures varies by type of assistance and contract. Detailed information on contracting procedures is defined in PRAG. An example of the contracting timeframe and procedures can be found in Annex 4 of this manual and key categories of this section are defined in the table bellow:.

PHASE	GUIDANCE
Start of tendering	This is the date when you will begin the tendering process. For an International Restricted or Open Tender it is the date when you publish the Procurement Notice (not the date when you publish the Contract Forecast (CF). The CF must be published a minimum of 30 days before the procurement notice is published). For a Competitive Negotiated Procedure it is the date you will contact your list of preferred suppliers/service providers.
Signature of contract	Each contract with a supplier, service provider or grant beneficiary must be signed prior to the n + 2 date. Remember though that this is the absolute latest. The date to be included in this box is the date when you need the service or supply contract to be signed in order to deliver the project most effectively. There are minimum periods between the 'Start of tendering' date and the 'Signature of contracts' date. For international open and restricted tenders the minimum time is 6 months but it is much better to use 9 months as a basis for realistic planning.
Project completion	Must be completed prior to n + 2 + 2. For supply contracts it is the date that equipment is installed and you can accept the goods as working. For service contracts it is the date you expect to give approval of the final report. The latest contract should match with the date in box 1.11.

Practical example of how to prepare Table 5:

In order to start preparing table 5 first you need to have defined type of contract based on the project activities, project duration, project budget and to take into consideration that all projects in principle should be ready for tendering in the 1ST Quarter following the signature of the FA.

For this example we identified one service contract which lasts 2 years and with budget of 2 million EUR. Steps to be taken:

- check the budget in order to identify type of contract (for service contract with budget > EUR 200,000 we use international restricted procedure)
- based on the type of contract identify duration of contracting procedure (for international restricted procedure, procedure lasts 6-8 months)

- base on the rule that all projects in principle should be ready for tendering in the 1st Quarter following the signature of the Financing Agreement, and the duration of contracting procedure and duration of project, prepare Table 5:

Contracts	Start of Tendering	Signature of contract	Project Completion
Start of tendering	T+1Q	T+3Q	T+11Q

Explanation:

T – Means day when the Financing Agreement was signed
Q – Quarter of the year (3 months)
T+1Q - The rule that all projects in principle should be ready for tendering in the 1st Quarter following the signature of the Financing Agreement
T+3Q – Duration of the procedure in our example is 6-8 months which is 2Q = (1Q+2Q = 3Q)
T+11Q – In our example project last 2 years which is 8Q = (3Q+8Q = 11Q)

CROSS CUTTING ISSUES

This section illustrates how the project approach addresses cross-cutting development issues where applicable: e.g. inclusion of ethnic minorities, minimising adverse environmental impact and providing equal opportunities for men and women.

Make sure that the information on each cross-cutting issues is specific to the proposed project. Avoid general statements such as: "Throughout project implementation there will be no discrimination on the grounds of race, sex, religion…." Instead, be specific on how exactly the project will contribute to improvement of the position of women, certain ethnic minorities, local or national environmental issues, etc.

Equal Opportunity

Indicate how equal opportunities and non-discrimination will be respected as regarding gender, vulnerable, as well as minorities at the implementation stage.

This cross-cutting issue is to be tackled particularly in relation to socio- economic support programmes.

Environment

Specify how project implementation will minimise or mitigate potential adverse environmental impacts.

Minorities

Indicate how the concerns of minorities will be reflected in project design and implementation.

This cross cutting issue is of particular importance when it concerns public services, legislative matters and socio-economic development projects.

MANDATORY ANNEXES TO THE PROJECT FICHE

The Logical Framework Matrix

Under IPA, project ideas from strategic priority areas (particularly from MIPD) are prepared in summary form using the Logical Framework approach. **The Logframe is to be attached to the first draft of project fiche to be submitted as a project proposal to NIPAC for appraisal.**

A template for the standard Logframe with detailed instructions for its preparation is presented in Annex 2.

The Logframe summarises the most important information about a project into a standardised tabular format. It uses a "vertical intervention logic" (going from overall programme objective(s) down to individual project activities) and a "horizontal planning logic" showing: how objectives will be measured; what sources of verification will be used and the assumptions that have been made.

The Logical framework should be used for the preparation, implementation and evaluation of a project. It plays a role in each phase of the project cycle, sets out what the project is trying to achieve, contains objectively verifiable indicators to allow the measurement of the achievement of the objectives and effective monitoring. Finally, it forms the basis for subsequent evaluation. It should be kept up to date during preparation of PF: the results and activities may change as the project progresses, but the project purpose should not.

The process of drawing up a logical framework is as important as its content. It should be drawn up early in the process of planning your project and elaborated, ideally, with the participation of all the groups and institutions that will implement the project or be affected by it.

The Logframe should be prepared before elaborating the project fiche. It will strongly help to develop a coherent project with measurable goals that take full account of assumptions and risks. Once the logframe is prepared and accepted the fiche can be quite easily developed using the logframe as a basis.

Comprehensive guidance detailing the logical framework approach and method to elaborate the Logframe is available in second edition of "Guide to LFA" (SEIO, 2011).

[9] Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities OJ L 248

Annex 2 of this Manual also provides detailed guidelines for preparation and filling in of Logframe in the stage of development of project idea for the initial appraisal of the project.

In brief, the logic behind the logframe matrix is as follows:

- If **preconditions** are met, then **project activities** can start
- The activities use **means**, and if the **assumptions** are correct, they will achieve results
- Several activities are most often needed to reach a result. In other words: **each result** must gather **at least one activity**
- **The results** are measured **by indicators,** and if the **assumptions** are correct, they will enable the **project purpose** to be realised.
- **The project purpose** is measured **by indicators,** and if the **assumptions** are correct, it will make a contribution to the **overall objective**, measured **by indicators**

Advice:

During IPA programming cycle and preparation of project fiche you will you will be in the position to make several rounds of changes and adjustments to the Logframe. Once you agree on the final version of the matrix, double check if:

oThe figure in the "IPA Budget" box matches the figure in Section <Overall budget> of the Fiche and also matches the <Contracted> and <Disbursed> totals in Annex II

- The figure "Total Budget" has been calculated on the basis of detailed cost calculations for each activity of the project
- The overall objective matches with Section <Overall objective>
- The project purpose matches with Section <Project purpose>
- Results match with <Results and Measurable Indicators> and a paragraph in the same Section describing the sources of verification
- Any pre-conditions are referred to in section <Conditionality and Sequencing>

Please note that in the <*MEANSs*> column you should provide the type of contracts to be concluded and in the <*COSTS*> section the value of each contract.

Amounts Contracted and Disbursed per Quarter over the Full Duration of the Programme

This Annex to the Project Fiche is in the form of a table with the amounts to be contracted and disbursed per quarter, over the duration of Programme.

Example 1

Amounts indicated in EUR million

													TOTAL
Contracted	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	
Contract 1.1			1										1
Contract 2.1			3										3
Cumulated			4										4

													TOTAL
Disbursed	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	
Contract 1.1			0.4						0.5			0.1	1
Contract 2.1			1.2						1.5			0.3	3
Cumulated			1.6						2			0.4	4

Please note that the table is for the IPA contribution only. The information to be included in the contracting table should match the dates in Table 5 of the Fiche. The information to be included in the disbursement table depends on the payment schedule to be used for the various contracts in line with PRAG. The payment schedule options are included in the general conditions for services, supplies and works and are based on the following rules:

Service contract

Option 1 (fee based – technical assistance contracts):	**Option 2 (global price)**
First payment (Q when the contract is signed): • for projects up to 12 months: 40% • for projects between 12 and 24 months: 30% • for 24 months projects or longer: 20% Payments during project implementation: every 6 months in equal amounts. Final payment: 10%.	First payment (Q when the contract is signed): 60% Payments during project implementation: no payments in most cases, but it depend on the project. If there are payments: 10% every 6 months. Final payment: 40%.

Supply contract

- First payment (Q when the contract is signed): 60%
- Payments during project implementation: in most of the cases there are no payments.
- Final payment: 40%

Works contract

- First payment (Q when the contract is signed): 10%
- Payments during project implementation: every month in equal amounts
- Final payment: 10%

Twinning

- First payment (Q when the contract is signed): 20%
- Payments during project implementation: instalment every three months
- Final payment: 5%

Grant

- First payment (Q when the contract is signed): 80%
- Payments during project implementation: 0 if project lasts for 1 year; if project lasts for more than 1 year additional 10% can be added to pre-financing later on during project implementation. It can be a single payment or 10% can be split up into 5+5% depending on the project duration.
- Final payment: 20% if project lasts for 1 year; could be 10% if project lasts for longer than 1 year.

Advice:

- Make sure that the total for each row (i.e. for each contract) matches the total in the table in Section <Indicative budget> for the EU's contribution for the corresponding contract
- The Cumulative totals for "Contracted" and "Disbursed" match
- The Quarter when funds contracted in the above table match the dates for the corresponding contract in Table 5.
- The total in the bottom right hand corner (i.e. the cumulative total) matches the figure in Section <Overall cost>

Description of the Institutional Framework

Analysis of the **institutional framework** focuses on an assessment of the structure and regulations within which individual organisations work (e.g. organisational structure, linkages between organisations and the influence of the policy framework).

The description of institutional framework requests the elaboration of a capacity assessment in order to:

- Help identify appropriate stakeholder partners and assess the institutional capacity to deliver services and manage change;
- Identify and design relevant and feasible project interventions, which take account of absorptive capacity and effectively support local institutions and organisations to deliver a sustainable stream of benefits; and

[10] *For further details on the Logframe see section "Mandatory annexes to the project fiche"*

- Support an assessment of good governance issues (including organisational adequacy, accountability and transparency)

Therefore, institutional capacity assessment should be initiated early on in the project cycle, already while developing the logframe of a project, at the level of problem analysis stage.

This section should provide enough information regarding organisational structure (organisational charts), number of employees and capacities of the departments which will be directly involved in project implementation for each beneficiary institution.

It should also provide information about the steering committee or working group that is supposed to be formed for the sake of managing and monitoring the project .

Reference List of Laws, Regulations and Strategic Documents

This Annex should list laws, regulations and strategic documents relevant to the project proposal.

The aim of the section is to provide a clear overview of the normative framework in which the project is supposed to be implemented and becomes an important reference point at later stages of project cycle (contracting and implementation phase).

The following information should be provided in this section:

- Relevant international conventions ratified by beneficiary state
- National legislation and if necessary by-laws
- Relevant strategic documents
- Reference to AP /NPAA / EP / SAA
- Reference to MIPD
- Reference to national/ sectoral / investment plans (where applicable)

Each document should be presented by its official name and Official Gazette reference accordingly.

Details per EU Funded Contract

For each Project Fiches detailed information on the type of contract envisaged is required.

The most common contracts used under IPA are:

Service Contracts

For Service Contracts, the project fiche should include an account of tasks expected from the contractor which will be detailed in the Terms of References.

- Service contracts apply to the employment of external experts (consultants) from the private sector and cover 'soft' activities such as training, technical assistance, carrying out studies, drafting legislation etc.
- Details of the activities, outputs and results to be produced by the contract are given in the Terms of Reference (ToR). The ToR provides detailed description of tasks to be undertaken and expected outputs (concrete products) to be produced under the contract in order to reach the expected results. It will become part of the legal contract, which the Contracting Authority will have with the service provider.

Twinning

For twinning, the project fiche should include an account of tasks expected from the team leader, resident twinning advisor and short-term experts.

Twinning and Twinning Light are among the main types of contract for institution building projects. They are based on co-operation between public administrations in member states (MS) and candidate countries (CC) / potential candidate countries (PCC). Twinning focuses on achieving a mandatory result in terms of the capacity of the CC / PCC to implement part of the Acquis.

The general rules for Twinning and Twinning Light are set out below and should be followed closely.

For **Standard Twinning**, the basic features are:

- Minimum duration 12 months and maximum 24 months;
- Inclusion of Resident Twinning Advisor (RTA) from the MS and Project Leaders for both MS and PCC/CC, in addition to a package of short term missions and training,
- Contracting phase, where the MS and PCC/CC partners jointly define the work schedule

RTAs normally spend at least 12 consecutive months working in the PCC/CC, but there may be exceptional cases where the presence of the RTA could be reduced. The RTA could, for example, be present on a full-time basis for a period of perhaps 4 to 6 months to start the project, followed by part-time presence for the remainder of the project (e.g. one week or more per month) to ensure that the momentum is maintained.

This "softening" of the RTA requirement must be used very judiciously and based on careful analysis. It must under no circumstances become the norm and wipe out the benefits that the long-term presence of RTAs has proven to yield. The decision on the duration of the RTA's stay in the country must be made at the programming stage and implementation monitored very strictly by the Commission.

Twinning Light retains the essential flavour of Twinning, but differs in two respects.

- It is aimed at smaller-scale activities, where it would be disproportionate to have a Resident Twinning Advisor (RTA) for the usual minimum twelve months period
- The approach is simpler for the Member State, which is only required to guarantee the input to the project. The mandatory result is the sole responsibility of the beneficiary Country

For example, under Twinning Light, a Member State provides civil servant experts who visit on one or more occasions, on short missions of one or two weeks, and/or, less frequently, civil servant experts staying for intermediate periods.

Twinning Light may apply to all institutional issues raised by the Acquis communautaire in so far as the subject addressed is of limited scope and the PCC/CC assumes responsibility for conceiving and driving the reform process, with only ad hoc assistance from a MS. This is more appropriate for specific implementation issues. Such projects are limited to eight months and a maximum budget of EUR 250,000.

Terms of Reference for Twinning Light projects should, therefore, clearly reflect the beneficiary's capacity to assume full responsibility to achieve the mandatory result, as well as provide evidence that the project fits into the strategy of the beneficiary.

Detailed instruction on preparation of Twinning projects are available in Annex 7 of the Manual.

Grant Schemes

For grants schemes the project proposal should include an account of components of the schemes.

Grants schemes are usually employed to distribute relatively small amounts of money, normally to non-profit non-governmental organisations (NGOs).

Grants can be used to procure services, supplies and works and grant beneficiaries must follow the procurement procedures in PRAG.

Works and Supply Contracts

For works contracts the project proposal should include the following:

1. The account of services to be carried out for the service part of the contract – as mentioned above
2. A reference list of feasibility study as well as technical specifications and cost price schedule for the investment or construction (works) part of the contract
3. A section on investment criteria applicable to all infrastructure contracts and constructing works with indication of :

    - Rate of return
    - Co-financing
    - Compliance with state aids provisions
    - Ownership of assets (current and after project completion)

As regards to **co-financing requirements**, the general rule is that the IPA contribution should be matched with national funds. However, in the event of centralised or joint management, it is up to the Commission to decide on the rates of contribution (this will be established in the fiche and in the Commission financing decision). Detailed rules on co-financing are available in Annex 5 of the manual.

Templates for a standard works or supply tender dossier which includes **Technical Specifications** (TS) is available on the EuropeAid website.

In the case of works contract it should be mentioned if FIDIC rules are to be used in the project implementation.

This guidance for ex-ante evaluation has a two fold objective. Firstly it aims to support the drafting of project fiches by providing tools for a self-assessment of the proposal. Secondly, it provides the necessary information for quality assessment of project proposals at the different appraisal stages.

4 PART

EX-ANTE EVALUATION OF IPA PROJECT FICHES

This guidance for ex-ante evaluation has a two fold objective. Firstly it aims to support the drafting of project fiches by providing tools for a self-assessment of the proposal. Secondly, it provides the necessary information for quality assessment of project proposals at the different appraisal stages.

Why an Ex-ante Evaluation?

The European Commission, supported by the Court of Auditors, is increasingly promoting a culture and practice of evaluation in general, and ex-ante evaluation in particular. The Financial Regulation (No.1605/2002) includes references to ex-ante evaluation.

Actually, an increasing number of examples where projects which were financed purely based on needs without adequate readiness, preparation or ownership were considerably delayed or failed during implementation. This in turn had a serious impact upon the contracting and disbursement (payment) and affected the effectiveness of the EU assistance.

Therefore, ex-ante evaluation is included in the framework for identifying IPA cooperation projects and programmes as an aid to their design and their monitoring and evaluation in the future.

The purpose of the ex-ante evaluation (also called appraisal) is to assess the relevance of the project proposal, its feasibility (development efficiency, effectiveness), potential impact and sustainability, in a systematic and objective way.

According to EU recommended best practice[16], ex-ante evaluation enables those involved in the design of cooperation projects and programmes to:

- check that the objectives of the programme or project are clear and coherent (short or long-term need to be addressed, objectives to be achieved);
- ensure the proposed level of resources is sufficient in relation to the intended results (amount of funding, staff resources and other administrative expenditure to be allocated in line with the principle of cost-effectiveness);

[16] *Source: "Good practice for including principles of ex ante evaluation in the design of cooperation projects and programmes" - June 2005, European Commission, EuropeAid Cooperation Office, Evaluation Unit*

- quantify the intended impacts in a practical way;
- define the indicators necessary to monitor the implementation of the project or programme (even monitoring system to be established) and evaluate its effects (in the framework of a future ex post evaluation it);
- take into account the risks, linked to the proposals and the alternative options available

Ex-ante evaluation does not require a specific exercise to be undertaken to gather and analyse information; usually the information required has already been collected, or in fact analysed, during the preparation of the project or programme as stipulated by the project cycle management process.

This information is to be collected by establishing the links between the stages/steps in the ex-ante check-list and those in the logical framework approach.

European Commission Requirements for Project Readiness

According to recommendations from the EC IPA programming Guide, projects should not be financed unless they are "ready".

Unless minimum elements are provided during programming, the project should not be funded. These elements shall include:

- Clearly established objectives and results to be achieved under each project;
- As a general rule no project under a programme is to include more than 2 or 3 tenders, exceptions can be envisaged but will require the prior approval of the Commission.
- Streamlining of the sequencing of projects as to avoid designs where an investment component is dependent upon the outcome of a TA contract financed within the same programme with the risk of the investment component not being contracted during the time frame of the programme;
- In the designing of the projects, careful consideration needs to be taken on the lessons learned drawn on previous projects
- Full analysis of linked activities, coordination with other projects, including coordination with other donors providing assistance in the same area avoiding any overlap.
- For investment (INV) projects or project components , clear commitment on the side of the national authorities for the timely fulfilment of the land acquisition, planning and permitting procedures and of the provision of the required human resources that will operate the facilities that were purchased (e.g. linked to laboratory equipment for control of food, veterinary, customs, metrology);
- For investment (INV) projects or project components covering specialised equipment or with a substantial amount earmarked, the final approval of the related project fiche will be subject to the prior presentation of an adequate market study. Any necessary exceptions from this rule need to be justified by the NIPAC to the European Commission in writing
- For investment (INV) projects or project components covering works contracts, the final approval of the related project fiche will be subject to the prior presentation of feasibility studies. Any necessary exceptions from this rule need to be justified by the NIPAC to the European Commission in writing.

- Terms of references, guidelines for calls for proposals and technical specifications should be drafted in parallel to the programming process and should be completed prior to the signature of the Financing Agreement. The NIPAC will justify to the European Commission any necessary exceptions from this rule in writing

Appraisal of IPA Project Fiches in Serbia

According to the Action Plan for programming and reporting on EU funds and donor assistance there are two stages of ex-ante evaluation of project proposals:

1. **A technical evaluation** is carried out by the NIPAC Technical Secretariat, following the receipt of all draft project proposals submitted by authorised project proposers, and
2. **A quality assessment** of the draft project proposals that have passed the Technical Evaluation proposed projects is conducted by the Project Assessment Group.

Technical evaluation

At this stage, draft proposals go through an eligibility check of compliance with the identified priorities and measures for annual programming and the administrative requirements irrespective of the quality and readiness of the project applications (compliance of project proposal with prescribed project fiche template and its completion).

The acceptance of a project application depends only on "yes" / "no" answers to a number of formal compliance questions.

Only proposals accepted in the eligibility check should then go on to the next evaluation phase.

The assessment form attached in Annex 8 should support the technical evaluation of draft project proposals.

Quality Assessment of Project Proposals

Quality assessment is carried out by the Project Evaluation Group, on the basis of the submitted project idea and Logframes, in order to identify a broader list of draft project proposals (150% of the total value of the annual national programme) which are eligible for financing out of the annual national programme.

In summary the proposals are assessed according to the following criteria:

- Operational quality of the draft project proposals (relevance, feasibility and viability)
- Clear description of activities and results;

- Measurability and relevance of indicators for achievement of objectives;
- Non-overlapping or duplication with previous EU assistance programmes, other bilateral or multi-lateral cooperation projects, and nationally funded interventions;
- Definition of the direct project beneficiary

The assessment form attached in Annex 8 should support the quality assessment of project proposal.

Following consultations with the relevant stakeholders, namely the EUD, representatives of authorised project applicants, donors and CSO's, the Project Evaluation Group endorses a narrow list of draft project proposals (120% of the total value of the annual national programme) which are then developed into full Project Fiche format.

This evaluation phase is a strategic evaluation which includes all the items that define the appropriateness of the proposed projects within the IPA framework.

The objective is to assess if the proposed project is relevant to the priorities and measures of the specific IPA programme as well as the political, geographical, socio-economic criteria and cultural environment where it will be implemented.

The strategic evaluation is a determining factor carried out before and independently of the assessment of the technical quality of the proposal:

- **Before:** if a proposal is not relevant because it does not fit into the program, or it is not appropriate nor has enough priority or strategic value for the settings where it should be developed, it is worthless to assess its operational quality. A project in these conditions should be rejected outright. On the other hand, if a project is deemed sufficiently relevant, if the project is interesting to the programme, any operational defects found during the operational evaluation could be subject to recommendations in order to correct them during the contract negotiation period, instead of being a direct cause of rejection;
- **Independently:** a high operational quality of a proposal could easily obscure the fact that the project will not bring any real benefit to the communities where it will be carried out, especially if the evaluator has a strong technical bias.

Good practices for operational assessment imply that the process is carried out by persons with the right technical background and knowledge about the specific contents of each project proposal.

In order to carry out this evaluation it is recommended that the Project Evaluation Group pays attention to the evaluation of project readiness and the requirements specified by the EC programming guide as summarised in the previous section.

5 PART

ANNEXES TO THE GUIDE

Annex 1: Template IPA Project Fiche

Component 1: Centralised Management

Guideline for drafting Project Fiche[17]

Standard Summary Project Fiche – IPA centralised programmes (maximum 15 pages without annexes)
(Regional / Horizontal programmes; Centralised national programmes)

1. Basic information
1.1 CRIS Number:
1.2 Title:
1.3 ELARG Statistical code:
1.4 Location:

Implementing arrangements:
1.5 Contracting Authority: EU Delegation
1.6 Implementing Agency: EU Delegation
1.7 Beneficiary (including details of project manager):

Financing:
1.8 Overall cost (VAT excluded)[18]:
1.9 EU contribution:
1.10 Final date for contracting:
1.11 Final date for execution of contracts:
1.12 Final date for disbursements:

2. Overall Objective and Project Purpose
2.1 Overall Objective:
2.2 Project purpose:
2.3 Link with AP/NPAA / EP/ SAA
2.4 Link with MIPD
2.5 Link with National Development Plan (where applicable)

[17] This annex provides a standard IPA project fiche form to be used in preparation of projects, whereas detailed instructions could be found in the main part of the manual.
[18] The total cost of the project should be net of VAT and/or other taxes. Should this not be the case, the amount of VAT and the reasons why it should be considered eligible should be clearly indicated (see Section 7.6)

2.6 Link with national/ sectoral/ investment plans (where applicable)

3. Description of project
3.1 Background and justification:
3.2 Assessment of project impact, catalytic effect, sustainability and cross border impact (where applicable)

3.3 Results and measurable indicators:

Result 1: ….
Indicator: ….
Result 2: …
Indicator: ….
Etc.

Or:
Component 1….
Result 1.1….
Indicator:….

3.4 Activities:

Result 1:.....
Activity 1.1.
Activity 1.2.

Activities ..... will be implemented by one (service/supplies/twinning....) contract.
Activity ..... will be implemented by a (service/supplies/twinning....) contract.

3.5 Conditionality and sequencing:

- Conditionality
- Sequencing

3.6. Linked activities
3.7 Lessons learned

4. Indicative Budget (amounts in EUR)

				SOURCES OF FUNDING								
			TOTAL EXP.RE	IPA COMMUNITY CONTRIBUTION		NATIONAL CONTRIBUTION					PRIVATE CONTRIBUTION	
ACTIVITIES	IB[19] (1)	INV[20] (1)	EUR (a)=(b)+(c)+(d)	EUR (b)	%(2)	Total EUR (c)=(x)+(y)+(z)	% (2)	Central EUR (x)	Regional/ Local EUR (y)	IFIs EUR (z)	EUR (d)	% (2)
Activity 1												
contract 1.1	–	–										–
contract 1.2	–	–										–
Activity 2												
contract 2.1	–	–										–
contract 2.2	–	–										–
……												
TOTAL IB												
TOTAL INV												
TOTAL PROJECT												

NOTE: DO NOT MIX IB AND INV IN THE SAME ACTIVITY ROW. USE SEPARATE ROW
Amounts net of VAT

(1) In the Activity row use "X" to identify whether IB or INV
(2) Expressed in % of the **Total** Expenditure (column (a))

[19] IB stands for: services contract, aid agreement, twinning and grant.
[20] INV stands for: supplies contract and works contract.

5. Indicative Implementation Schedule (periods broken down per quarter)

CONTRACTS	START OF TENDERING	SIGNATURE OF CONTRACT	PROJECT COMPLETION
Contract 1.1			
Contract 1.2			
Contract 2.1			
Contract 2.2			
……			

6. Cross cutting issues (where applicable)

6.1 Equal Opportunity
6.2 Environment
6.3 Minorities

ANNEXES TO PROJECT FICHE

1. Log frame in Standard Format
2. Amounts contracted and Disbursed per Quarter over the full duration of Programme
3. Description of Institutional Framework
4. Reference to laws, regulations and strategic documents:
5. Details per EU funded contract (*) where applicable:

ANNEX 1: Logical framework matrix in standard format

Logframe planning matrix for Project Fiche		Programme name and number		
		Contracting period expires		Disbursement period expires:
			Total budget :	IPA budget:
Overall objective	**Objectively verifiable indicators**	**Sources of Verification**		
Project purpose	**Objectively verifiable indicators**	**Sources of Verification**		**Assumptions**
Results	**Objectively verifiable indicators**	**Sources of Verification**		**Assumptions**
Activities	**Means**	**Costs**		**Assumptions**
				Pre-conditions:

ANNEX 2: amounts (in EUR) Contracted and disbursed by quarter for the project

CONTRACTED	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q...	TOTAL
Contract 1.1											
Contract 1.2											
Contract 1.3											
Contract 1.4											
……											
CUMULATED											
DISBURSED	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q...	TOTAL
Contract 1.1											
Contract 1.2											
Contract 1.3											
Contract 1.4											
……											
CUMULATED											

ANNEX 3: Description of Institutional Framework

ANNEX 4: Reference to laws, regulations and strategic documents

ANNEX 5: Details per EU funded contract

Annex 2: Instructions for preparation of Logical Framework Matrix (project idea)

As with most other donors, one needs to use the Logical Framework Approach for identification and formulation of projects receiving financial assistance from the European Union. It is an **analytical process and a set of tools (instruments)** to be used in project management.

Logical Framework Matrix (Logframe) is prepared before a project fiche and makes its integral part. What is achieved in this way is the development of a balanced project which has measurable objectives and takes into account assumptions and risks.

The logframe matrix approach is composed of two stages used in project identification and formulation:

- **Analysis stage and**
- **Planning stage**

1. What must be analysed before preparation of logframe matrix?

Analysed are the following:

- Stakeholders
- Problems
- Objectives
- Potential ways of reaching the goal

Given the basic content of this Manual, this section will not include the analysis stage but only the planning stage relating to the preparation of logframe matrix[21].

2. Planning stage

The second step in project preparation is planning stage. The planning stage includes the following activities:

- defining the project logic (preparation of logframe matrix);
- preparation of plan of action;
- planning of input resources – budget

2.1. Defining project logic

The results of analysing stakeholders, problems, objectives and strategies are used as material and preparatory documentation for the development of logframe. The matrix contains a brief project summary in 1 to maximum 4 pages. The development of logframe matrix is not a one-way process. During matrix development individual boxes may be reviewed and updated to match alterations made in other boxes.

[21] *Detailed guidance on LFA is available in the second edition of the "Guide to the LFA" (SEIO, 2011)*

There is a general order of steps to be observed in filling in the matrix:

- **first,** logic of intervention is entered (the first left-hand side column), top down;
- **second,** the last column is filled in: assumptions, bottom up, starting from preconditions, if any;
- **third,** indicators are defined and sources of verification, horizontally (across).

Logframe matrix format

Project title		Programme name and number	
Project beneficiary		Contracting period expires:	Disbursement period expires:
		Budget total:	IPA budget:
Overall objective	**Objectively verifiable indicators**	**Sources of verification**	
What is the overall objective that the project will contribute to?	What indicators are linked to overall objective?	What are information sources for these indicators?	
Project purpose	**Objectively verifiable indicators**	**Sources of verification**	**Assumptions**
What is the purpose of project to be realised by the project?	Indicators showing the extent to which project purpose has been achieved?	What are information sources for these indicators?	Factors and conditions not under direct project control, but necessary to achieve the overall project objective?
Results	**Objectively verifiable indicators**	**Sources of verification**	**Assumptions**
What are concrete visible outcomes to contribute to realisation of project purpose? What changes and improvements will be achieved by the project?	What are the indicators showing whether expected outcomes have been achieved?	What are information sources for these indicators?	Factors and conditions not under direct project control, but necessary to achieve the overall project objective?
Activities	**Means**	**Expenses**	**Assumptions**
What activities are required and in what order in order to achieve the expected outcomes?	What funds are required for implementation of listed activities? (by type of PRAG contract)	What are the expenses for each of the contracts?	Factors and conditions not under direct project control, but necessary for results to be achieved as planned?
Preconditions:			
What pre-requisites must be fulfilled for project implementation to start?			

Data must be clear, precise and concise so that their sense is clear to whoever is reading. For example, „defining methodology and content of research" is unclear as it does not say what or who the research is about?

What follows are the definitions of various terms to facilitate log frame matrix preparation and clarify the terms used:

Overall objective describes the desired state that the project should contribute to (project justification). Only in special circumstances there can be more than one overall objective. Overall objective may not be achieved by one project only, but calls for impact of several programmes and projects.

Project purpose/Specific objective is the state that the project tries to achieve. It is an accomplished immediate objective for direct beneficiaries as a clearly defined state in the future. The benefit for the target group must be clearly identified, for example „increased, improved, enhanced, etc". The rule is that a single project may have only one specific objective/purpose.

Example:

NO	Project purpose	Lower rate of acute complications in the delivery and post-delivery infections
YES	Project purpose	Improved health care for pregnant women, women in childbed, and newly born babies

Result is a concrete condition. Those are the products and services to come as a result of project activities. They are targets that the project management should achieve and sustain during the project life. All project results together should be sufficient for achieving a specific objective/purpose of the project. They should be defined as ''accomplished, produced, achieved, etc.".

Activities should be formulated as processes in the present tense, starting with the verb such as: ''prepare, analyse, conduct, design, etc". All results should be numbered in such a way as to link them with the activities that should lead to achieving that result.

Means are the input data required for the implementation of project activities (consultancy services, equipment, etc). The means show what kind of assistance is required: e.g. twinning with one Resident Twinning Advisor (RTA) and three short-term consultants, training, etc.

Expenses present the figure of estimated costs needed for the implementation of project activities within each contract.

Preconditions are requirements that must be met before the beginning of project.

Assumptions are external factors (events, conditions, decisions) that may affect the project performance beyond direct influence of project management. Assumptions may be derived from the „objectives tree". Assumptions are formulated as **positive,** desired state. Assumptions are defined for any matrix level, except for overall objective. Entered in the matrix are only those pre-requisites that are important for project performance. Assumptions are weighed depending on their significance and predictability.

Assumptions are identified at every matrix level up to the level of overall objective and may be read as follows:

Once we have implemented **Activities**, provided **Assumptions** at this matrix level are correct, **Results** will be achieved.

↓

Once **Results** are achieved and **Assumptions** at this matrix level are achieved, the **Purpose** of the project will be achieved.

↓

Once **Purpose** of the project has been achieved, and assumptions at this matrix level are achieved, the project will contribute to achieving **Overall objective.**

Objectively verifiable indicators are qualitative and quantitative indicators for measurement or assessment of accomplishment of project objectives, purposes and results. Indicators define the standard that should be met for the objective to be achieved.

Indicator elements:

Quality – How? Type or nature of changes made (how well it was made).
Quantity – How much? Extent/scope of changes (how extensive is the change, what has been changed).
Time framework – When? When is the change to take place (what is the deadline).
Target group – For whom?
Location – Where? Location where the change takes place.

Example: Infancy mortality rate reduced by 2/3 in undeveloped municipalities until 2012.

How should indicators be formulated? A good indicator is defined according to **SMART** principle:

- **S**pecific for the objective to be measured and clearly expressing the essential aspect of objective.
- **M**easurable quantitatively and qualitatively in terms of the facts.
- **A**vailable in terms of acceptable expenses and based on available data.
- **R**elevant in terms of required information and authentic.
- **T**ime-bound, we know when we can expect the objective to be achieved.

Indicators at all levels of logframe matrix must be verified/justified from a source. **Sources of verification** indicate where and in what form one can find information about what is achieved and what is described by indicators. Verification sources are

identified at the same time as indicators. Indicators that are not verifiable should be replaced by others that are.

Verification sources have three elements:

- **Form** of verification source (report, research, analysis, Official Gazette, Rule book).
- **Who** collects data (statistical bureau, ministry, project management team, interviewers)?
- **When** are the data collected, what is the frequency of data collection (monthly, quarterly, annually)?

Example: Health indicators annual report of Serbia's Institute of Public Health.

Annex 3: Logical Framework Matrix quality assessment grid

Note: before submitting of project ideas, Project Management Units should check the quality of Logframe against the given format. In addition, the Project Assessment Group applies the bellow format when assessing project ideas.

Name of project			
1. Relevance	**Required changes**	**Acceptable**	**Good**
	Comments		
1.1 Does the project context (background and justification) clearly and extensively describe identified problems?			
1.2 Is the draft project proposal in line with European Partnership and Multi-Annual Indicative Planning Document (MIPD)?			
1.3 Is the draft project proposal in line with the national strategic documents?			
2. Feasibility			
2.1 Will the project purpose (specific objectives) contribute to overall objective (provided assumptions prove to be true)?			
2.2 Will the project purpose (specific objectives) be achieved if results are achieved?			
2.3 Do individual activities lead to accomplishing specific results?			
2.4 Are activities formulated as a process, rather than as a final state?			
2.5 Have the important external factors (assumptions) been identified?			
2.6. Are indicators formulated in such a way as to meet the criteria of relevance, measurability and time-bounding?			
2.7 Is there a potential overlap with EU or other donor projects?			
2.8 Is there a match/link with EU or other donor projects?			
2.9 Is a large number of components/contracts foreseen with a level of complexity that could lead to complicated project implementation?			
2.10 Is the budget clearly defined and the ratio between envisaged activities and expenses for their implementation satisfactory?			
3. Sustainability			
3.1 Is there a legal framework necessary for project implementation?			
3.2 Is the beneficiary institution absorption capacity satisfactory? (it has the organisational unit for project implementation, sufficient number of staff, etc)?			
For investment projects only:			
3.3 Is there relevant documentation for works contract (feasibility study, technical documentation, environmental impact assessment), and technical specification for procurement of equipment?			

Annex 4: Contracting according to PRAG rules and general rules for budget preparation

According to PRAG, contracts are classified into services (e.g. technical assistance, feasibility studies, providing know-how and training), supplies or goods (e.g. equipment and materials) and works contracts (i.e. infrastructural and other building construction works), twinning and grants.

Rules for implementation of standard contract award procedures and dynamics of their implementation are shown in the table below.

Type of contract	Duration of procedure	When to be used?
Services/twinning		
International restricted procedure	6-8 months	for projects >EUR 200,000
Framework contracts	1-3 months	for projects < EUR 200,000 but > EUR 10,000
Competitive negotiated procedure	2-4 months	for projects < EUR 200,000 but > EUR 10,000
Single tender	2-4 months	for projects < EUR 10,000
Twinning	6-12 months	for projects >EUR 1,000,000 which last >12 months
Twinning light	3-5 months	for projects <EUR 200,000 which last < 8 months
Supplies		
International open tender	5-7 months	for projects > EUR 150,000
Local open tender procedure	3-5 months	for projects <EUR 150,000 but > EUR 60,000
Competitive negotiated procedure	2-4 months	for projects <EUR 60,000 but > EUR 10,000
Single tender	2-4 months	for projects < EUR 10,000
Works		
International open tender procedure	6-8 months	for projects >EUR 5,000,000
Local open tender procedure	4-6 months	for projects <EUR 5,000,000 but >EUR 300,000
Competitive negotiated procedure	2-4 months	for projects < EUR 300,000 but > EUR 10,000
Single tender: 2-4 months	2-4 months	for projects < EUR 10,000
Grants		
Call for proposal	5-7 months	

General Rules for Budget Preparation

The logic behind budget preparation depends on the type of the contract. In this section general instructions for budget preparation will be provided for key contracts.

Service Contract

Service contracts are used for engagement of experts for delivery of defined tasks. The budget includes expert fees (which includes the margin or profit for the consulting company) which are calculated in relation to type and number of experts (see table). Maximum duration of such project is two years (sometimes three).

Fee Charged by Company (by sector) (EUR)	Category I (>15 years)	Category II (>10 years)	Category III (>5 years)
Macroeconomic / finance; economic development; energy	6,000 – 20,000	5,000 – 15,000	4,000 – 12,500
Public administration; culture; telecommunication/ICT; humanitarian work	5,000 – 16,000	4,000 – 12,500	3,000 – 10,000
Agriculture / rural development / food safety; environment / health / transport / infrastructure / education	4,000 – 12,000	3,000 – 10,000	2,000 – 7,500

Other costs:

- Incidental expenditure (*between 2 & 5, sometimes 10% of budget*):
- Bank charges
- Per diems for experts working outside project base of operations (e.g. Belgrade)
- Visibility events, translation etc.
- Verification (e.g. around 2% of budget for external auditor fees)

Source: This table shows how to calculate the total fees for the project and is based on average rates charged by consulting companies for each category of expert. However, the budget can vary significantly from project to project.

Type of TA Support	Indicative Outputs	Number of Experts	Total days	Rate / day (EUR)	Total Fees (EUR)
TA team leader	Strategic planning Expert	1	440	1,100	484,000
Technical Expert	Finance Expert	1	440	950	418,000
Sector Expert	IT Expert	1	220	950	209,000
Sector Expert	Agriculture Expert	1	440	950	418,000
Training Expert	Trainer	1	110	950	104,500
Total for Core Team					1,633,500

Twinning / Twinning Light

Twinning aims to support beneficiary countries in the development of modern and efficient administrations, with the structures, human resources and management skills needed to implement the *Acquis Communautaire* under the same standards as Member States. Twinning provides the framework for administration and semi-public organisations in the beneficiary countries to work with their counterparts in Member States.

Each Twinning project has at least one Resident Twinning Adviser (RTA) and a Project leader. The RTA is seconded from a Member State administration or from another approved body in a Member State to work full time for a minimum of 12 months in the corresponding ministry in partner country to implement the project. Based on the experience, standard budget for twinning is between 1-1.5 million euro and not more than EUR 2m.

'Twinning Light' can be used to tackle any self-contained institutional issues provided the subject addressed is of a more limited scope than for standard Twinning, i.e. the structures needed are not complex or the existing ones need little adjustment. 'Twinning Light' consists of the provision by a MS of well-defined public sector expertise, generally involving the delivery of short or medium term expertise by officials (civil servants), and/or, less frequently, civil servant experts staying for longer periods.

The financial ceiling for 'Twinning Light' projects has been set at EUR 250,000 and their maximum duration (time span for Twinning activities) limited to 6 months; in exceptional cases this can be extended to 8 months. This duration is supplemented by the standard 3 months period foreseen for inception and reporting

Supply contract

Supply contract is used for purchase of equipment. Contract covers equipment, including installation, training, spare parts etc.

For calculation of the budget for supply contract expert's estimation is necessary. In addition, it is necessary to take into account the timeframe (1.5 years for implementation). Value of the budget depends on the type and quantity of equipment (please see table).

Agency	Item	Estimated price per unit (eur)	Number of units	Total cost (eur)
Customs	Server	4,000	2	8,000
	Router VPN, Switch	4,000	1	4,000
	Database management system	12,000	1	12,000
	Software for support of joint investigation	50,000	1	50,000
Tax Service	Server	4,000	1	4,000
	Router VPN, Switch	4,000	1	4,000
	Database management system	12,000	1	12,000
National bank	Server	4,000	1	4,000
	Router VPN, Switch	4,000	1	4,000
	Operation system	2,000	1	2,000
	Database management system	12,000	1	12,000
			Total budget for supply contract	116,000

Works contract

Works contract is used for construction and reconstruction (infrastructure). Contract covers all costs related to (re)construction, including materials, workers, engines etc. For calculation of the budget for works contract experts estimation is necessary. Value of the budget depends on type and shape of (re)construction. In the budget calculation it is necessary to take into consideration contingency reserve (6-15%) and supervision of works.

Grants

Grants contract is used for the grant scheme as direct donation for local and regional authorities and civil society organisations. Budget is composed from the total value of the grant scheme.

Annex 5: Co-financing requirements

(Extract from IPA programming guide for Component I & II, European Commission, 2008)

General principle:

all operations receiving assistance under IPA shall require national and Community contributions (Article 37 of the IPA Implementing Rules (IPA IR)).

- All co-financing in decentralised management should be provided on a joint basis. Parallel co-financing will only be accepted as an exception and on a case by case basis. Project fiches will in all cases indicate the type of co-financing used (joint or parallel).
- Co-financing under centralised management can be provided on a parallel basis as the Commission is the Contracting Authority. However, in the case of grants, the final beneficiaries should contribute to the costs of the project, subject to Article 169 of the Financial Regulation and Article 253 of the Implementing Rules to the Financial Regulation. These Articles permit a derogation from the co- financing requirement in cases of humanitarian aid, crisis situations, actions resulting from the implementation of financing agreements with third countries and actions with international organisations within the meaning of Article 43 of the Implementing Rules to the Financial Regulation.
- Co-financing should be clearly quantified as well as the degree of certainty of such co financing (i.e. for National Public Funds: is it already earmarked in local or national budget; for IFIs Loans: are they already approved/ under appraisal).
- For the purpose of estimating the total eligible expenditure (on the basis of which the Community contribution is calculated), the eligibility rules applicable to the national co-financing funds are the same as for the IPA funds. Therefore, the expenses listed in Articles 34 and 66 of the IPA IR should not be considered as national eligible co-financing. This includes the VAT, which in general may not be considered as national co-financing.

Co-financing requirements vary with the type of management of the programme:

Centralised and joint management: (Article 67.3 of the IPA IR):

- The Commission decides on the rate of the Community contribution

Decentralised management: (Article 67.2 of the IPA IR)

- Investment: the Community contribution may not exceed 75% of the public expenditure, the other 25% being provided from public funds in the beneficiary country (loans by IFIs may be considered as public fund if they are reimbursed or guaranteed by the national authorities). In exceptional and duly justified cases, the Community contribution may exceed 75%. Expenditure related to equipment (regulatory infrastructure or ESC- related) and to Technical Assistance supporting investment (e.g. pre feasibility study / supervision of works / technical specifications) should be considered as Investment support in the project fiche.
- Grants: the final beneficiaries may be required to contribute to the operation's eligible costs. In general, final beneficiaries must contribute a minimum of 10 percent of the project, both for investment and institution building projects.

- Institution building activities: require a degree of co-financing by the final beneficiary and/or public funds. Exceptionally and in dully justified cases, activities may be funded 100% by Community funds
- Administrative co-operation (twinning and TAIEX type of activities) may be funded 100% by Community funds. If twinning is involved, clearly state the expected co-financing budget of the twinning contract. To note that contributions in kind are not eligible.

Annex 6: Ineligible Expenditure

(Extract from IPA programming guide for Component I & II, European Commission, 2008)

The following expenditure shall not be eligible under the IPA Regulation:

- taxes, including value added taxes;
- customs and import duties, or any other charges;
- purchase, rent or leasing of land and existing buildings;
- fines, financial penalties and expenses of litigation;
- operating costs;
- second hand equipment;
- bank charges, costs of guarantees and similar charges;
- conversion costs, charges and exchange losses associated with any of the Component specific Euro accounts, as well as other purely financial expenses;
- contributions in kind;

In addition to the above set out rules, under **Component I** the following expenses shall not be financed:

- leasing costs;
- depreciation costs

Whereas, by way of derogation, the following expenditure under Component I shall be eligible on a case by case basis:

- operating costs, including rental costs, exclusively related to the period of co-financing of the operation. This derogation only applies to the interim civilian administration type of projects.
- value added taxes, if the following conditions are fulfilled: the value added taxes are not recoverable by any means; it is established that they are borne by the final beneficiary, and they are clearly identified in the project proposal.

In addition to the above set out rules, under **Component II** the following expenses shall not be financed:

- interest on debt;
- the purchase of land for an amount exceeding 10% of the total eligible expenditure of the operation concerned

Whereas, by way of derogation, the following expenditure under component II shall be eligible on a case by case basis:

- value added taxes, if the following conditions are fulfilled: they are not recoverable by any means : it is established that they are borne by the final beneficiary, and they are clearly identified in the project proposal.
- charges for transnational financial transactions;
- where the implementation of an operation requires a separate account or accounts to be opened, the bank charges for opening and administering the accounts;
- legal consultancy fees, notary fees, costs of technical or financial experts, and accountancy or audit costs, if they are directly linked to the co-financed operation and are necessary for its preparation or implementation;

- the cost of guarantees provided by a bank or other financial institutions, to the extent that the guarantees are required by national or Community legislation;
- overheads, provided they are based on real costs attributable to the implementation of the operation concerned. Flat rates based on average costs may not exceed 25% of those direct costs of an operation that can affect the level of overheads. The calculation shall be properly documented and periodically reviewed

Annex 7: Instructions on Twinning and Twinning Light

(Extracted from IPA programming guide for component I & II, European Commission, 2008, Annex 19)

The decision whether to implement a project through standard **Twinning or Twinning Light** is taken at the programming stage, based on the scope of needs to be addressed.

The Twinning/Twinning Light methodology for implementing pre-accession funded institution building projects rests on a number of fundamental assumptions:

The beneficiary is committed to, owns and drives the reform process. This is made explicit by putting the onus on the Potential Candidate Country (PCC)/ Candidate Country (CC) to fix the overall result and benchmarks and to allocate identifiable human and financial resources.

Moreover the know-how required to address the needs identified is primarily located in the administrations (or mandated bodies, where appropriate) of the member State (MS). Experience confirms that the private sector cannot deliver successful projects in such circumstances. That is the justification for dispensing with a traditional tendering procedure. For certain sectors this distinction is clear (JHA, agriculture, environment, finance), for others the dividing line is sometimes more ambiguous (industry, transport)

The project targets a concrete, operational (mandatory) result, which can be sustained even after project completion. Therefore, terminology such as "improved" and "upgraded" or similar is to be avoided.

The ideal definition of a desirable final result could be e.g.: "Reduction of waiting time at border post x from average 2 hours to 20 minutes" or "Procedure for measurement of air quality in place and compliant with EU standard" or "X staff trained and capable of applying particular *Acquis*-related standards by the end of the project, with a view to Y in place by accession".

These principles apply to standard Twinning projects as well as Twinning Light projects. Before indicating "Twinning" or "Twinning Light" as implementing methodology, reflect carefully whether these underlying principles apply.

Suitable subjects for Twinning / Twinning Light: As for all projects, Twinning/ Twinning Light projects will be based on priorities identified in the Accession Partnerships and actions set out in the Action Plans for reinforcing administrative and judicial capacity. There will be cases where the relationship with the *Acquis* will be easily established, but there will also be cases where Twinning is the most suitable method for the achievement of a desired result in a broader sense of the *Acquis* or in fulfilment of the Copenhagen criteria. It is likely that this scenario will become more frequent as the mechanism becomes more established and the obvious implementation capacities are satisfactorily achieved.

Relevant examples could be: the capacity of accountants to deliver transparent financial reports, i.e. establishing professional practices pursuant to the 4th Directive. Another could be the respect of the Copenhagen criteria in relation to human rights or general civil service structures.

Whatever the purpose of the Twinning project may be, it has to be clearly defined. Items such as "training of judges" with no further specification are certainly not appropriate, as it represents a means and not an objective. It is particularly important to be specific about the critical mass of suitably trained staff needed to be able to implement the specific *Acquis*-related areas, on accession.

Design of Twinning / Twinning Light projects: The design of Twinning/Twinning Light projects should always be vertical and based on the building blocks necessary for implementing legislation, i.e. legal base (laws, procedures), institutional competence and organisation, implementing tools/management systems, training/awareness of implementers and end-users.

The final result targeted and intermediary benchmarks should be as concrete and measurable as possible (avoid terms like "improved" or "upgraded", but also "Alignment with the Schengen *Acquis*" as too imprecise and over-ambitious). **There is no need for a single project to reach the ultimate state of compliance.** It is acceptable and preferable for a project to target a more modest but achievable intermediate benchmark.

Contrary to traditional TA projects, for standard Twinning projects the emphasis is on outputs, whereas the definition of detailed inputs should be limited and left to be defined by Twinning partners. They will share the responsibility for the achievement of the targeted result. Ideally, the benchmarks for the subsequent Twinning contract should already be identifiable from the project fiche.

For Twinning Light projects, on the other hand, the emphasis needs to be on a description of the beneficiary's work schedule to move the reform process forward, comparable to a skeleton contract. The inputs required from the MS partner need to be specified in detail, similar to a traditional TA project, while still targeting an operational result under the sole responsibility of the beneficiary.

Size and scope of Twinning / Twinning Light projects: This is one of two key elements on which the distinction between Twinning and Twinning Light is based. Full scale Twinning should be foreseen for the reform of a significant part of the administration responsible for complex subject matters. The definition of a standard Twinning project continues to include the continuous presence of a RTA in the PCC/CC (this is the

other key distinguishing factor). The minimum size of a Twinning project is partially conditioned by the cost for a RTA, which runs to an average of EUR 140,000 a year. A RTA alone cannot be expected to have the full range of expertise required for the implementation of the project and must be complemented by a Project Leader and short-term experts. As a consequence, EUR 350,000 should be considered a minimum per project. The ceiling for each Twinning Light project is in principle EUR 250,000.

Duration: The minimum duration for a standard Twinning project is 1 year. As regards the maximum length, it is conditioned by the expiry of the FA's execution period. The lapse of time between launch of a request for proposals from MS to endorsement of a contract should not exceed 8 months. In fact, the contracting process should be shortened as much as is possible, so as to allow a timely start to the project.

No minimum duration has been set for Twinning Light projects, but their maximum duration has been capped at 8 months in principle. Twinning Light projects are subject to the same disbursement constraints as standard Twinning projects.

Key elements required: The compulsory inclusion of a RTA in standard Twinning projects has already been mentioned. In practice, the RTA must be backed by a Project Leader in the MS, and the two must be seen as a complementary team at the core of the project. Other elements to be included in Twinning projects are short- term missions and training. For standard Twinning projects their determination should be left to the partners when they elaborate the contract. Even then, the exact unit numbers of inputs are subject to change during implementation, taking account of the generous flexibility inherent to Twinning.

For Twinning Light, on the other hand, short-term missions and training constitute the sole inputs. There is no long-term RTA because of the limited scope and short duration of the project and the PCC/CC commitment towards its implementation. Continuity is ensured by a single expert from the MS who is responsible for the input. In some cases this expert might be a resident "twin" for the full period. Therefore, the inputs must be defined precisely, similar to terms of reference for traditional TA. The responsibility of the Member State is limited to the inputs. Responsibility for the result rests with the PCC/CC.

Checklist Twinning - project fiche

Project name		
Project number		
Twinning number		
	Yes/No	**Comment**
RELEVANCE: Background provides the required Acquis/ Regular Report /Accession Partnership and NPAA / European Partnership link?		
Background provides sufficient information to MS to understand the requested assignment (max 2 pages)?		
Detailed description of the beneficiary institution and context in the BC, methodology for reform?		
Coordination with other related activities and projects properly described and ensured/ overlap avoided, including donor coordination?		
Mandatory results are formulated as joint results between MS and BC and can be achieved at the end of the project + measured by indicators?		
Coherent Logframe approach Objectives-Results-Activities?		
Expertise is best provided by the public sector in MS, i.e. TW rather than TA?		
RTA profile included? (civil servant, min. 3 years exp. with Acquis, , relevant experience and language knowledge, min. 12 months duration) - profile realistic and allows for fair competition?		
RTA tasks clearly defined in the fiche?		
High level project leader foreseen for MS, incl. profile?		
High level Project leader clearly identified for BC as well as day-to-day RTA counterpart/project manager?		
Indicative tasks and Profiles of STEs identified? (no overlaps)		
Identified (limited) private sector inputs if necessary (e.g. IT specialists, auditor)?		
All indicative inputs/activities clearly specified and linked to budget (translation, study visits, RTA assistant, training materials, facilities, visibility, final audit) etc.? Indication if financing from IPA or national co-financing?		
Bias to certain MS avoided?		
Project duration clear? (min 12 + 3 months)		
Indicative timetable of activities included?		
Sustainability of activities is ensured? e.g. practical manuals prepared, training of trainers, follow-up, evaluation/assessment in the end?		
Adequate membership in Steering Committee and all relevant parties included during the project implementation?		
Language issues addressed (interpretation and translation)?		
Total EC budget available for the TW indicated?		
Available/required cash co-financing in budget as well as other (in kind) provisions from BC indicated (office space, computer etc.)?If required local experts to be provided by BC from co-financing?		

Annex 8: Template of assessment form for Evaluation IPA PF

Applicant
[Insert Name of Institution responsible/applicant]

Project Fiche Title
[Insert Project Fiche Title]

Technical evaluation – Eligibility check
(Eliminatory criteria)

	Criterion	Yes	No	Comment/ recommendation
0.1	Is the submitted project proposal in line with prescribed project fiche format?			
0.2	Are necessary contact information presented? Are all sections of PP filled?			
0.3	Note: if sections 1,2, 3, 6 are fully filled in draft form and indications about actions engaged to complete missing information, the fiche can be considered as filled?			
0.4	Is a summary logframe annexed to PF ?			

First Quality Assessment:

(Relevance and strategic evaluation of project proposal)

	Criterion	Yes	No	Comment/ recommendation
	RELEVANCE – Eliminatory criterion			
1.1	Is the project proposal adequate for the scope of support of the Instrument for Pre-accession assistance (IPA)? Note compare project objectives, type of assistance against IPA regulation (scope of intervention)			
1.2	Are project objectives in line with Draft Multi- annual indicative programming document (MIPD) 2007 – 2009? Are the strategic choices consistent with the MIPD's assessment of strategic needs and priorities?			
1.3	Does the Project Fiche contribute to the realisation of the priorities defined by European Partnership?			
1.4	Are project objectives in line with Needs Assessment Document (NAD) of 2006?			
1.5	Does the Project proposal refer to the National Strategy of Serbia for Accession to the European Union?			
1.6	Does the project fiche refer to other specific/sector strategy of Government?			
1.7	Does the project proposal identify properly the stakeholders and beneficiaries?			
1.8	Does the overall objective explain why the draft project proposal is important for society?			
1.9	Does the draft project proposal take in to consideration lesson learned drawn on previous projects financed by EU funds? Note: Are lessons learnt from other relevant past programmes (Phare, SAPARD, ISPA, CARDS and Turkey pre-accession instrument) clearly reflected?			
	FEASIBILITY – Eliminatory criterion			
2.1	Will beneficiary institution be able to implement the project?			
2.2	Is there any overlapping of activities/project with other EU or EU MS funded activities			
2.3	Is the Project Purpose likely to contribute to the wider policy or sector objectives as summarised in the project's Overall Objective? Note: particular reference to factors of ownership by beneficiaries, policy support, economic and financial factors, socio-cultural aspects, gender equality, appropriate technology, environmental aspects, and institutional and management capacity.			
2.4	Have the general and specific objectives been expressed in terms of intended effects (i.e. impacts, results, outcomes)?			
2.5	Will the Project Purpose be achieved if the Results were delivered? Note: in other terms, are the results likely to contribute to the achievement of the project purpose ?			
2.6	Do the Results lead to Activities and Overall Objective?			
2.7	Have appropriate objectively verifiable indicators been included to measure the necessary resources (means), both from a financial perspective and a human resources perspective?			

	Criterion	Yes	No	Comment/ recommendation
	FEASIBILITY – Eliminatory criterion			
2.8	Have appropriate objectively verifiable indicators been included to measure the results?			
2.9	Have appropriate objectively verifiable indicators been included to measure the impacts of the project?			
2.10	Is there more than 3 implementation contracts?			
2.11	Is the project planning process complete ? Note: all sections of the fiche are filled and annexes included			
2.12	Is the additional project documentation necessary for the appraisal of the project fiche? Note: Environment Impact Assessment, Cost Benefit Analysis, Project Documentation, Financial Analysis, see also section 5 of project fiche (Details per contracts)			
	IMPACT & SUSTAINABILITY – Eliminatory criterion			
3.1	Are there important risks for the project and can the project deal with these risks?			
3.2	For work and infrastructure projects, will the ecological environment be preserved during and after the project?			
3.3	Have important external conditions been identified (risks presented objectively)?			
3.4	Will the relevant authorities have a supportive policy after the project has ended?			
3.5	Will there be adequate ownership of the project by the beneficiaries?			
3.6	Are there projections in the Memorandum of Budget related to the draft project proposal?			
3.7	Is the Project Purpose defined in terms of benefits to the beneficiaries?			
3.8	Is the project likely to have a tangible impact on and benefits for its target groups? Note: specific assessment of the benefits accruing to target groups, including women and men and identified vulnerable groups such as children, the elderly and disabled may be applicable when relevant.			
3.9	Will women (and other groups) have adequate access to benefits and production factors during and after the project			

Second Quality Assessment :

(Project readiness and operational evaluation of project proposal)

	Criterion	Yes	No	Comment/ recommendation
	RELEVANCE			
1.13	Are the strategic choices consistent with the MIPD's assessment of strategic needs and priorities?			
1.14	Are the strategic choices sufficiently underpinned by sectoral strategies?			
1.15	Has complementarities with national strategies been ensured?			
1.16	Are the main priorities and objectives of priority axes of project proposal consistent with the identified strategic priorities and needs?			
1.17	Are the activities proposed appropriate, practical, and consistent with the objectives and expected results ?			
	FEASIBILITY			
2.9	Are overall objectives, project purpose, results and activities coherent and clearly relate to what is mentioned in the Background, and identical to the logframe?			
2.10	Can the project results be realistically achieved by the end of the project; are they sustainable and not overambitious?			
2.11	Is programme sequencing developed ?			
2.12	Are responsibilities and institutional framework of the project clearly described?			
2.13	Are necessary elements about legislation in place ?			
2.14	Is the expertise requested (from public/TW or private sector/TA) appropriate in view of the nature of job/sector to be addressed?			
2.15	Is there clear links between INV and IB components? (when applicable)			
2.16	Are detailed contracting information provided?			
2.17	Are Contracting deadline realist and feasible?			
2.18	Is co-financing or co-funding taken into account?			
2.19	Note: Does the Project Fiche contribute to the advancement of positive experiences/removal of detected deficiencies recognised in implementation of previous project? See references to previous experiences and risk assessment.			
2.20	Has a link to and coordination with other related activities, donors and projects been properly addressed? Note: Are indication of related activities, other donors or national support well defined?			
	IMPACT			
3.8	Have the main risks and assumptions linked to the intervention been accurately identified?			
3.9	Are the preconditions and conditions/assumptions for the implementation of the project realistic and correctly evaluated?			
3.10	Does the document identify the means intended to mitigate these risks? Note: Are countermeasures to risks envisaged?			
3.11	Are there any major points on financing, regularity and legality which could seriously impede the implementation of the programme?			

	Criterion	Yes	No	Comment/ recommendation
	SUSTAINABILITY			
3.12	Are the expected results of the proposed action sustainable (after external funding has ended):- financially Note: how will the activities be financed after the funding ends?- check particular references to economic and financial factors			
3.13	Are the expected results of the proposed action sustainable (after external funding has ended) institutionally? Note: Is there necessary absorption capacity? will structures allowing the activities to continue be in place at the end of the action? Will there be local "ownership" of the results of the project?			
3.14	Are the expected results of the proposed action sustainable (after external funding has ended) at policy level (where applicable) Note: see what will be the structural impact of the action — e.g. will it lead to improved legislation, codes of conduct, methods, etc?)			
3.15	Is the proposal likely to have multiplier effects? Note: Include scope for replication and extension of the outcome of the action and dissemination of information. See catalytic effect and particular reference to policy support such as National Investment Plan, Co- financing,…			

Conclusion and recommendations on project proposal

Relevance and quality of design
[…]
Feasibility, Effectiveness to date
[…]
Potential Impact and Sustainability

Annex 9: Glossary of Terms

TERM	DEFINITION
ABSORPTION CAPACITY	A concept requiring that beneficiary institutions are endowed with necessary complementary infrastructure, including office space, qualified staff and budgetary comments, to be in place within the beneficiary institutions. Lack of absorption capacity delays the period for investment programmes and specific projects to reach the stage where the EC will be able to make decisions on their financing.
ACCREDITATION	A condition for obtaining EU assistance requiring that the country has the administrative capacities and structures to take responsibility for the management of assistance.
ACQUIS COMMUNAUTAIRE	The body of common rights and obligations that is binding on all the Member States of the European Union
ASSUMPTIONS	External factors that have the potential to influence (or even determine) the success of a project, but lie outside the direct control of project managers.
AUDIT AUTHORITY	Body designated by the beneficiary country, functionally independent from all actors in the management and control system and with the necessary expertise. It shall be responsible for verifying the effective and sound functioning of the management and control systems.
BENEFICIARY	Individuals, groups, or organisations, body whether public or private, carrying out an individual project and receiving public aid, or that benefit, directly or indirectly, from a development intervention/the implementation of a project. Related terms: reach, target group. Distinction can be made between: (1) project partners/direct beneficiaries: those who are supported by EC funds in order to manage design and implement a project, i.e. usually: ministries, implementation agencies; (2) intermediate beneficiaries: those who are supported within the project in order to better perform services to the target group(s), i.e. agricultural extension staff, benefiting from training measures to better perform their advisory services to "female and male members of farm households"; (3) target group(s): the group or entity that will be positively affected by the project at the project purpose level and with whom the project will work very closely, i.e. the "female and male members of farm households" in case of the above extension project; (4) Final beneficiaries: those who, beyond the level of the target groups, benefit from the project in the long term at the level of the society or the sector at large, i.e. "children" due to increased spending on health and education, "consumers" due to improved agricultural production and improved agricultural production and marketing, or "the state" as such due to increased export earnings from improved agricultural production and marketing.
CANDIDATE COUNTRIES	Croatia, Turkey, the former Yugoslav Republic of Macedonia - countries that will receive assistance through all five IPA components.
CENTRAL CONTRACTING AND FINANCING UNIT (CFCU)	A Central Contracting and Financing Unit established in the beneficiary country responsible for the overall tendering, contracting, payments, accounting and financial reporting aspects of all procurement in the context of the EU funded programmes.
CO-FINANCING	A principle guiding IPA assistance that requires complementary financial contribution from national public funds/beneficiaries in the implementation of projects.
COMMUNITY CONTRIBUTION	That part of any eligible expenditure which is financed by the Community.
COMPETENT ACCREDITING OFFICER (CAO)	The CAO is a high-ranking official appointed by the government of the beneficiary country. The CAO is responsible for issuing, monitoring and suspending or withdrawing the accreditation of the national authorising officer.

TERM	DEFINITION
CONCENTRATION	A concept guiding programming cycle aiming to have a limited number of consistent priorities and measures/projects in order to ensure impact.
CONTRACTING AUTHORITY	The party concluding the contract. Depending on the implementation system it is the Commission, a public administration body of the beneficiary country or a private legal entity
DECENTRALISATION PROCESS	The process of transfer of competencies and responsibilities from central to local level launched in July 2005, which has been promoted with the Ohrid Framework Agreement.
DECENTRALISED MANAGEMENT	Management arrangements under which, in accordance with the provisions of Article 53c of (revised) Regulation (EC, Euratom) No 1605/2002, the Commission confers the management of certain actions on the beneficiary country, while retaining overall final responsibility for general budget execution under Article 53c of Regulation (EC, Euratom) No 1605/2002 and under the relevant provisions of the EC Treaties. For the purposes of assistance under the IPA Regulation, management is decentralised where the national administration in the beneficiary country is responsible for the underlying grants and contracts which implement the programme.
DECONCENTRATION	Transfer of responsibility fro managing assistance programmes from the EC Headquarters to the Delegation in the beneficiary country, covering all phases of the project cycle.
ENLARGEMENT PACKAGE	Set of documents presented each year to the Council and the European Parliament by the Commission, the strategic and political part of which consists of: the revisions, where appropriate, of the accession partnerships and the European Partnerships, the regular reports established by country, the Commission's strategy paper and a multi- annual indicative financial framework.
EURO ACCOUNT	Interest bearing bank account opened by the national fund in a financial or treasury institution, on behalf of the beneficiary country and under its responsibility, to receive payments from the Commission.
EUROPEAN PARTNERSHIP (EP)	A list of short and medium term priorities which serves as a check-list against which the Commission measures progress of the preparations of the country for further integration with the European Union.
FINAL BENEFICIARY	Body or firm, whether public or private, responsible for initiating or initiating and implementing operations. In the context of aid schemes, final beneficiaries are public or private firms carrying out an individual project and receiving public aid.
FINANCIAL CORRECTION	Decision by the Commission or by the beneficiary country to reduce Community support, for example by excluding from financing expenditure, which it finds not in accordance with the applicable rules
FINANCIAL YEAR	calendar year, from 1 January to 31 December;
FINANCING AGREEMENT	Annual or multi–annual agreement concluded between the Commission and the beneficiary country, following a Commission financing decision approving the Community contribution to a program or an operation falling within the scope of this Regulation..
FRAMEWORK AGREEMENT	An agreement concluded between the Commission and the beneficiary country laying down the principles of their cooperation. It has the power of an international treaty and therefore has supremacy over national (beneficiary country) legislation. It forms the basis of the relationship between the Community and the beneficiary country to benefit form the IPA assistance.
FRAMEWORK REGULATION	It lays down the objectives and main principles for pre-accession assistance and presenting the articulation of the five components which compose the Instrument for Pre-accession Assistance.
IMPLEMENTING REGULATION	Common provisions aimed to ensure maximum coherence, coordination and harmonisation of the management and implementation methods used by each IPA component, which have different objectives and operating modalities under the same global goal of pre-accession.
INDICATOR	Quantitative or qualitative factor or variable that provides a simple and reliable means to measure achievement, to reflect the changes connected to an intervention, or to help assess the performance of a development actor

TERM	DEFINITION
INSTRUMENT FOR PRE-ACCESSION ASSISTANCE (IPA)	A single instrument for pre-accession assistance for the period 2007–2013 which supersedes the five previously existing pre-accession instruments, Phare, ISPA, SAPARD, Turkey pre-accession instrument, and CARDS.
INTERNAL CONTROL	Set of controls, organisational structures and systems established with a view to ensuring that the following objectives are achieved: efficient, effective and economic delivery of the objectives of the entities concerned; true and fair financial reporting; safeguarding of assets and information; prevention and detection of fraud and irregularities; legal and regular implementation of tasks; adequate management of the risks relating to the legality and regularity of underlying transactions
IRREGULARITY	any infringement of a provision of applicable rules and contracts resulting from an act or an omission by an economic operator which has, or would have, the effect of prejudicing the general budget of the European Union by charging an unjustified item of expenditure to the general budget.
LOGICAL FRAMEWORK MATRIX (LOGFRAME)	Management tool used to improve the design of interventions, most often at the project level. It involves identifying strategic elements (inputs, outputs, outcomes, impact) and their causal relationships, indicators, and the assumptions or risks that may influence success and failure. It thus facilitates planning, execution and evaluation of a development intervention. Related term: results based management.
MATURITY	Readiness of project activities to be financed. The assessment of Project readiness will become a "hard" condition and a key criterion in deciding whether a project should be included or not in a financing decision.
MEASURE	Means by which a priority axis is carried out, which is assigned a set of specific targets and specific measurable goals; a measure may be subdivided into operations.
MULTI-ANNUAL INDICATIVE FINANCIAL FRAMEWORK (MIFF)	Indicative multi-annual financial framework, which allocates funds by country and by component on a three years rolling basis.
MULTI-ANNUAL INDICATIVE PLANNING DOCUMENTS (MIPD)	An indicative multi-annual planning document established for each beneficiary country on a three years rolling basis which translates orientations set out in European Partnerships and Regular Reports into specific priorities and indicative financial allocations.
MULTI-ANNUAL OPERATIONAL PROGRAMMES	Multi-annual Operational programmes are three year programmes which develop in more detail the main priority axes of the MIPD under the Regional Development Component, the Human Resources Development Component, and the Rural Development Component.
NATIONAL AUTHORISING OFFICER (NAO)	The National Authorising Officer is a senior official in the national administration of the beneficiary country. The NAO heads the national fund, bears the overall responsibility for the financial management of the EU pre-accession funds, including the observance of the Financing Memorandum and the Practical Guide and supervision of the National Fund. The NAO is responsible for the legality and regularity of the underlying transactions and the existence and effective functioning of a management and control system under IPA. He functions as the contact point for financial information sent between the Commission and beneficiary country.
NATIONAL FUND (NF)	The National Fund is the only channel through which Community pre- accession funds flow. It is a body located in a State level Ministry of the beneficiary country with central budgetary competence, which acts as a central treasury and is in charge of the overall financial management of assistance under IPA.
NATIONAL IPA COORDINATOR (NIPAC)	The National IPA Coordinator is a high-ranking official appointed by the government of the beneficiary country as its principal representative ensuring the overall co-ordination for IPA. The NIPAC is the main contact point for the Commission in any IPA- related matter. He/she is responsible for ensuring co-ordination both at the level of programming and at the level of monitoring and assessment of the programmes.

TERM	DEFINITION
OBJECTIVE	Intended impact contributing to physical, financial, institutional, social, environmental, or other benefits to a society, community, or group of people via one or more development interventions.
OPERATING STRUCTURE	For each IPA component or programme, entity or collection of entities, within the administration of the beneficiary country, which deals with the management and implementation of assistance under the IPA Regulation, to the exclusion of the tasks undertaken by the national IPA co-ordinator, the sectoral co-ordinator, the national authorising officer and the national fund?
OPERATION	Project or group of projects implemented by the Commission or by one or more final beneficiaries, allowing achievement of the goals of the measure and/or the priority axis to which it relates.
OPERATIONAL PROGRAMMES	Operational programmes are annual programmes established for each beneficiary country, which develop in more detail the main priority axes of the MIPD under each component of IPA.
POTENTIAL CANDIDATE COUNTRIES	Albania, Bosnia and Herzegovina, Montenegro, Serbia including Kosovo acc. to UNSCR 1244 - countries that will receive assistance through Components I and II of IPA.
PRIORITY AXIS	Subdivision of a programme which defines a global objective to attain, and which, depending on the IPA component considered, comprises measures or operations.
PROGRAMME	Document submitted by the beneficiary country (or prepared by the Commission in the case of regional and horizontal programmes) and adopted by the Commission, presenting a coherent set of priority axes, measures where needed and a description of the financing needed in order to implement the strategy defined in the multi-annual indicative planning document.
PROGRAMMING GUIDE	Document designed to give guidance to ELARG Country Co-ordinators, and to those involved in planning and project preparation in the Candidate and Potential Candidate Countries on how to programme under IPA components.
PROJECT	A project is a series of activities aimed at bringing about clearly specified objectives within a defined time-period and with a defined budget.
PROJECT FICHE	The project fiches set out clearly the priority axes, the envisaged operations and their chosen implementing methods. The Commission in view of the project fiches prepares financing proposals.
PUBLIC EXPENDITURE	Any public contribution to the financing of operations whose origin is the European Community, the budget of the public authorities of the beneficiary country and any similar contribution. Any contribution to the financing of programmes whose origin is the budget of public law bodies or associations of one or more regional or local authorities or public law bodies shall be regarded as similar expenditure.
PUBLIC LAW BODY	any body having legal personality established for the specific purpose of meeting needs in the general interest, not having an industrial or commercial character. A public law body is either financed, for the most part, by the State, regional or local authorities, or other bodies governed by public law; or it is subject to management supervision by those bodies; or it has an administrative, managerial or supervisory board, more than half of whose members are appointed by the State, regional or local authorities, or by bodies governed by public law.
SECTORAL AGREEMENT	Agreement related to a specific IPA component drawn up, where appropriate, between the Commission and the beneficiary country, and setting out the relevant provisions to be respected which are not contained in the country specific framework agreement or financing agreements.