



Make More of EU Money

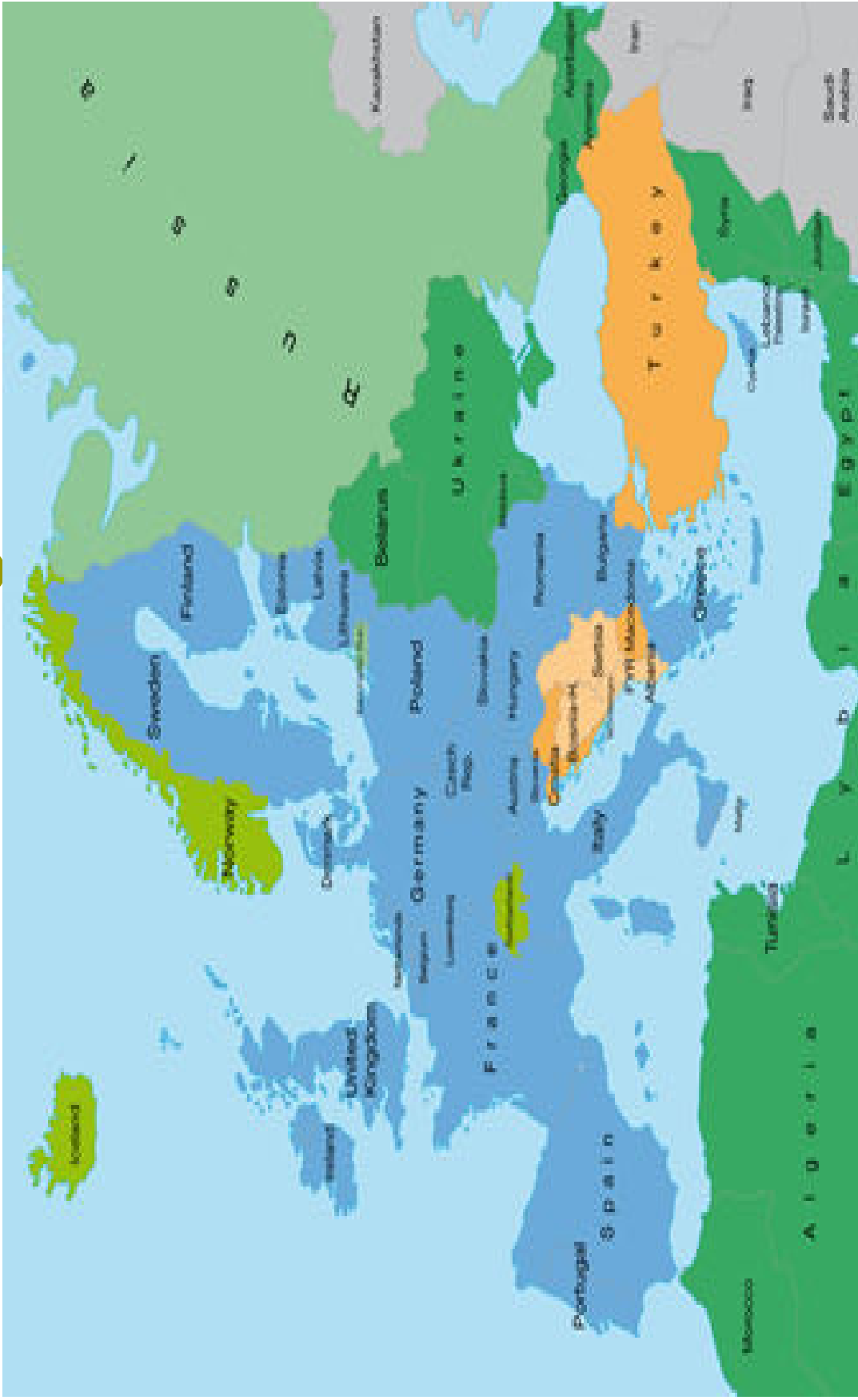
An Introduction to EU funds

20 March 2008
Dubrovnik, Croatia

The Emerging Markets Team

- Grow public sector sales
- Focus on donor funding
- Schuman Associates part of support structure
- Jan Dröge partner in Schuman

The EU and its neighbours

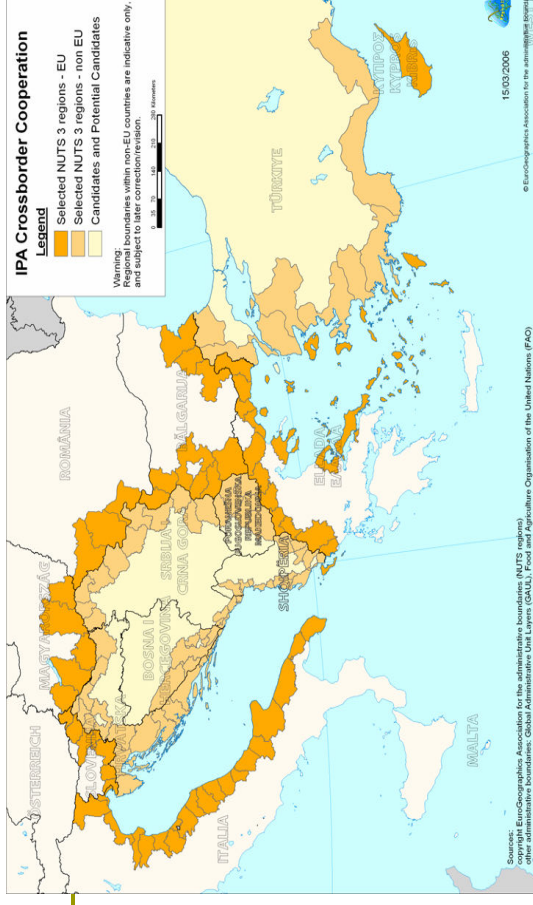


Structural Funds

ENPI

IPA

Two groups of beneficiary countries



(1) Candidate countries :

Turkey, Croatia, Macedonia

(2) Potential candidate countries :

Serbia, Albania, Bosnia and Herzegovina, Montenegro, Kosovo

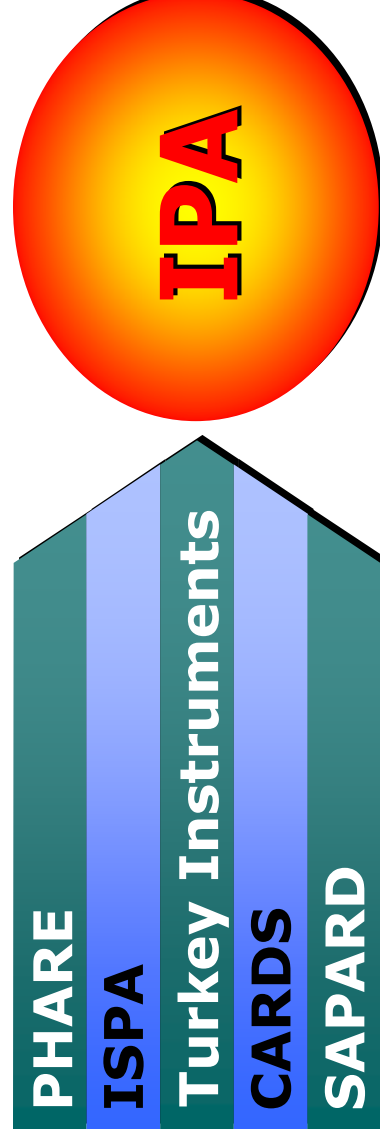
Why it matters

Example: Requirements in MoF

Free movement of capital (Chapter 4)	Agriculture (Chapter 1)	Taxation (Chapter 16)	Customs (Chapter 29)	Financial control (Chapter 32)
<ul style="list-style-type: none"> □ Capital movements □ Payments systems □ Fight against money laundering 	<ul style="list-style-type: none"> □ IACS 	<ul style="list-style-type: none"> □ "fiscal blueprints" Secure network (CCN/CSI); VAT Information Exchange System (VIES) and VIES on web; CCN mail messaging system; System for the Exchange of Excise Data (SEED); Excise Movement Control System (EMCS); Information exchange system on taxation of savings 	<ul style="list-style-type: none"> □ "customs blueprints" New Computerised Transit System (NCTS); Integrated Community Tariff (TARIC/ITMS); Management of tariff quotas, ceilings and goods under surveillance (TQS); European Binding Tariff Information (EBTI); Information System for Processing Procedures (ISPP); Automated export/import system (AES/AIS) 	<ul style="list-style-type: none"> □ Public internal financial control Public Internal Financial Control (PIFC) system

IPA in a snapshot: key facts and figures

- Streamlined pre-accession financial assistance
- Replaces: PHARE, ISPA, Sapard, Cards and Turkish pre-accession instrument



- Global financial envelope: 11 b EUR (2007-2013)
- 5 distinct Components
- IPA Novelty: « **Entry ticket concept** »- Moving gradually to a Structural Funds environment

Budget Breakdown

- ▣ SERBIA: 770 m EUR (2007-2010)
- ▣ CROATIA: 600 m EUR (2007-2010)
- ▣ BOSNIA I HERZEGOVINA: 332 m EUR (2007-2010)
- ▣ ALBANIA: 305 m EUR (2007-2010)
- ▣ MACEDONIA: 302 m EUR (2007-2010)
- ▣ KOSOVO: 260 m EUR (2007-2010)
- ▣ MONTENEGRO: 132 m EUR (2007-2010)

5 COMPONENTS: one framework - a differentiated approach

Five components:

I. Transition Assistance and Institution Building (ex Phare)

II. Cross-Border Co-operation

III. Regional Development

IV. Human Resources Development

V. Rural Development

eligible for PCCs

eligible for CCs

INSTRUMENT FOR PRE-ACCESSION



The 5 Components

Component I: Transition Assistance and Institution Building Component

(old Phare/Cards)

- ❑ Administrative capacity, institutional reform;
- ❑ reform in the field of justice and home affairs, such as reform of the legal system, the police, the prosecution, the judiciary, the penitentiary systems;
- ❑ the customs and border control system, organised crime, terrorism, and illegal migration and establishing information systems linked to these areas;
- ❑ modernisation of the regulatory framework, including support for investment to equip key institutions;
- ❑ establishment or reinforcement of financial control systems;
- ❑ modernizing key sectors of the economy;

Component II: CBC

- CBC at land and maritime borders with Member States (EU external borders)
- participation of candidates/potential candidates in the Structural Funds' transnational and interregional programmes, and in ENPI Sea basins programmes, where appropriate.
- Single management structures: Shared management and control system (Structural Funds rules) – EU Member States
- **Scope:** Cross-border cooperation, reducing isolation through improved access to transport, information and communication networks and services, ensuring efficient border management.

Component III: Regional Development

- ❑ Transport infrastructure,
- ❑ environment measures,
- ❑ operations which enhance regional competitiveness, access and use of ICTs, promotion of technological development,

Breakdown of components

- Environment - 35-40%
- Transport - 30-35%
- Regional Competitiveness - 25-35%

Component IV: Human Resources Development

- ❑ Soft skills oriented
- ❑ operations which enhance regional competitiveness, access and use of ICTs, promotion of technological development,
- ❑ research and innovation including through cooperation with tertiary education and research institutions and research and technology centres, Life-Long Learning, etc.
- ❑ Employment, social inclusion
- ❑ Investment in human capital

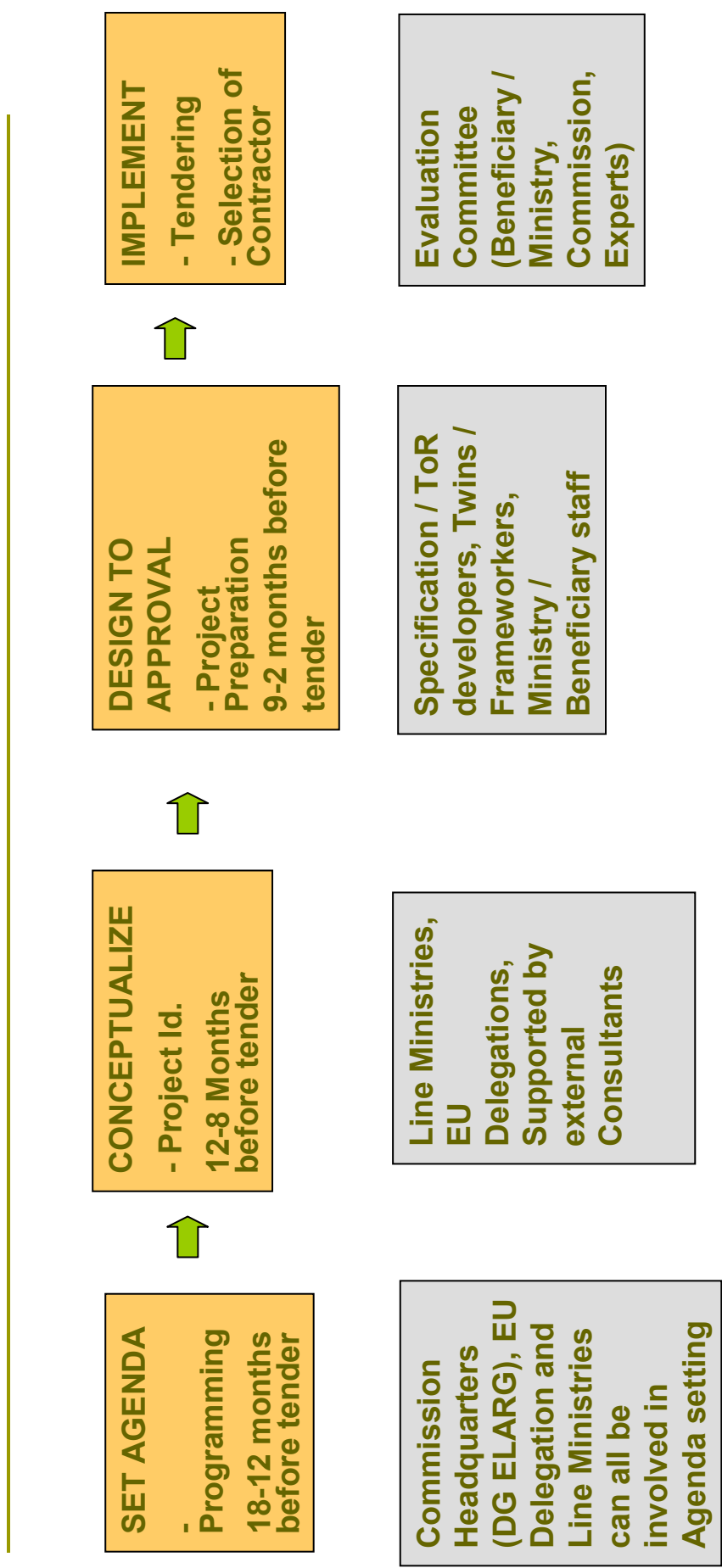
Breakdown of components

- Employment - 40-50%
- Education and Training - 30-40%
- Social Inclusion - 20-25 %

Component V: Rural Development

- ❑ Preparatory actions for implementation of the agri-environmental measures and local rural development strategies;
- ❑ investments in agricultural holdings to restructure and upgrade to Community standards (also the purchase of new machinery and equipment, including computer software);
- ❑ development of the rural economy.
- ❑ Preparation for Common Agricultural Policy

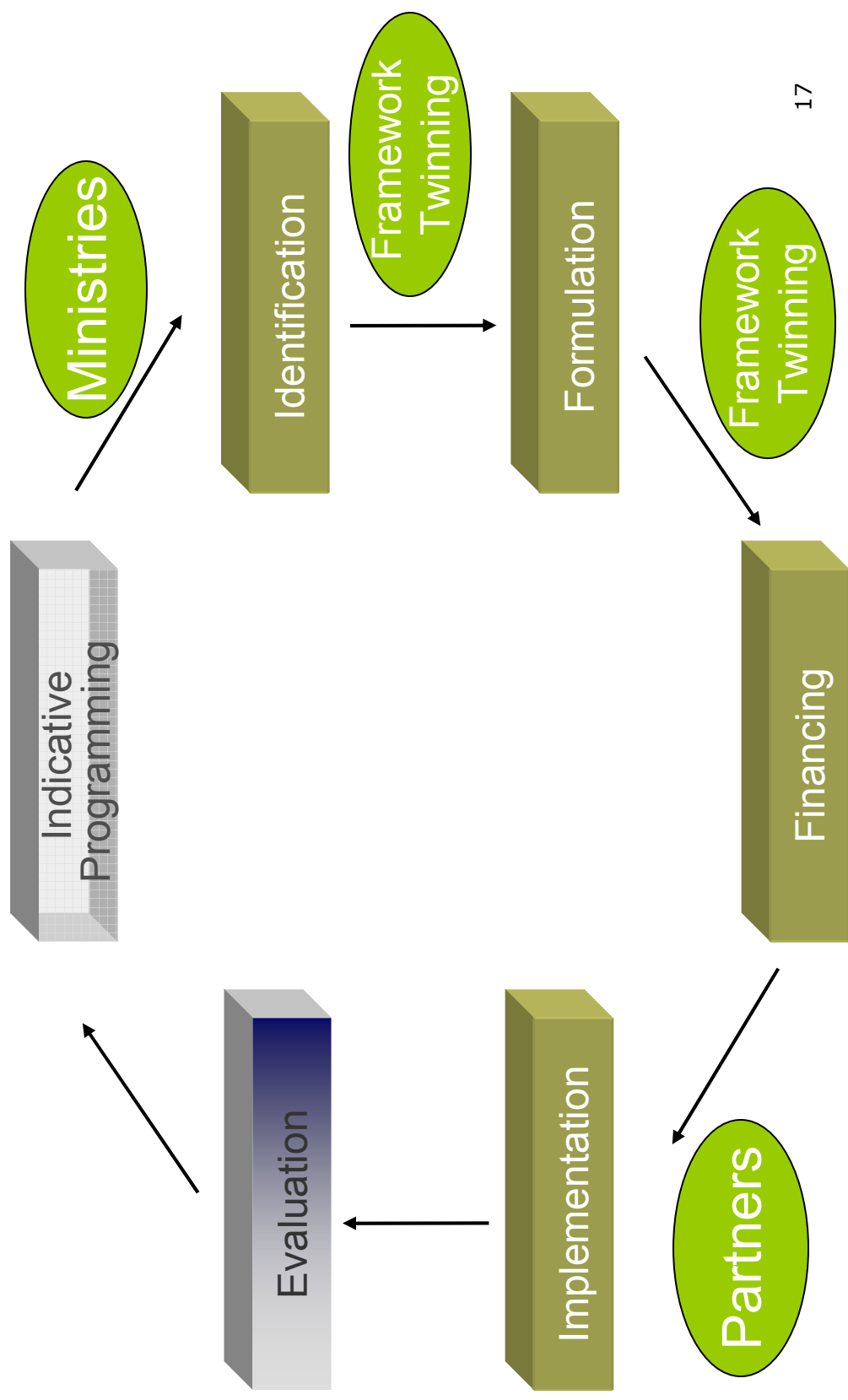
Key Influencers



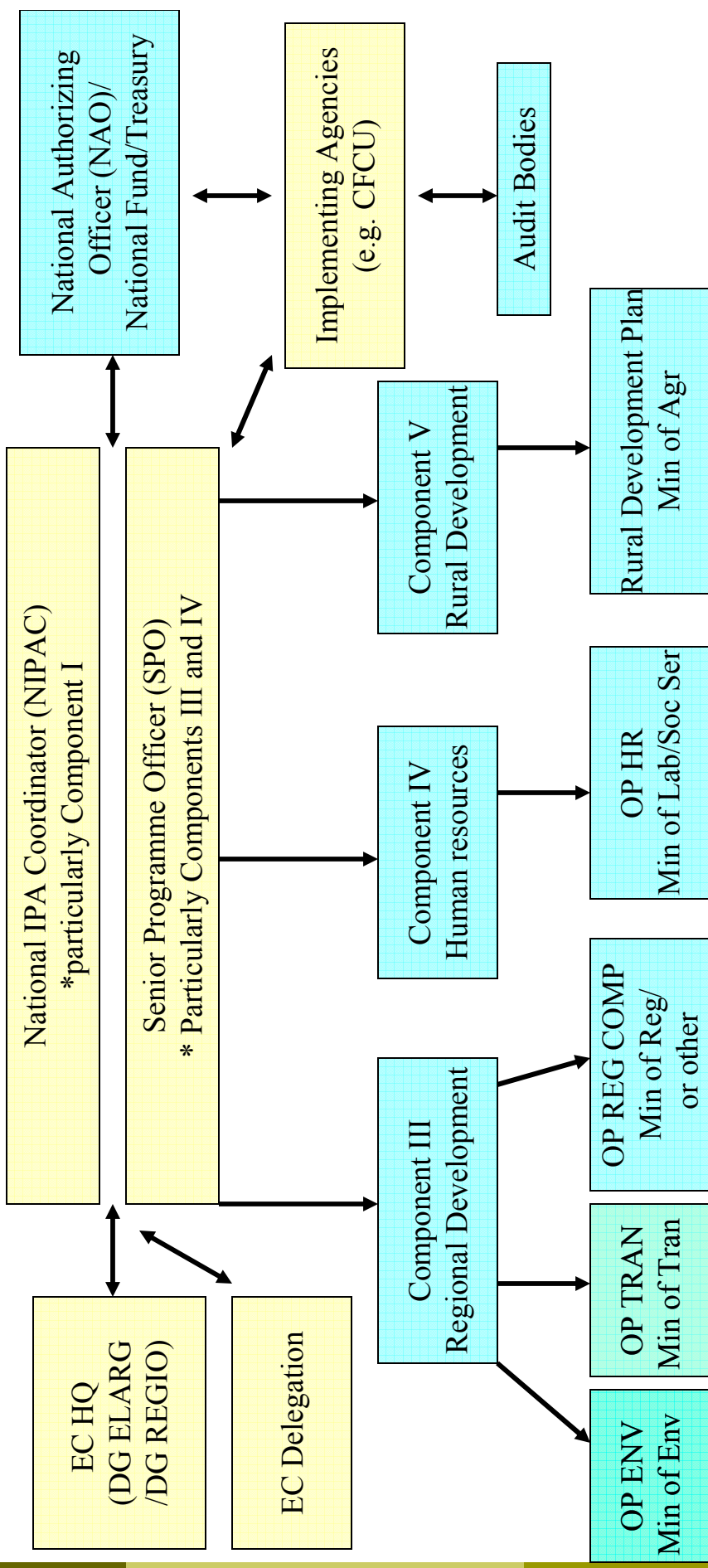
IPA Contacts per country

	National IPA Coordinator	National Authorising Officer
FYROM	Deputy Prime Minister in charge of European Affairs and National Aid Coordinator	Head of Sector for Public Debt Management
Croatia	State Secretary of the Central Office for Development Strategy and Coordination of EU funds (CODEF)	State Secretary, MoF
Albania	Ministry for European Integration	
BiH	Director Directorate for European Integration	
Kosovo	CEO of the Agency for European Integration	No NAO, as the EC funds are governed centrally from Brussels and not by the beneficiary states themselves. The management of aid on a decentralised basis is a medium-term objective.
Montenegro	Deputy Prime Minister for European Integration	
Serbia	Deputy Prime Minister in charge of European Integration	

Information Flow of the Project Cycle



IPA Institutional Structures in the candidate countries for the 3 SF-type Components



Only for Candidate Countries

Common to all countries

CROATIA

Component	2007	2008	2009	2010
I. Transition Assistance & Institutional Building	47.6	45.4	45.6	39.5
II. CBC	9.7	14.7	15.9	16.2
III. Regional development	44.6	47.6	49.7	56.8
IV. Human Resources Development	11.1	12.7	14.2	15.7
V. Agricultural and Rural Development	25.5	25.6	25.8	26.0
Total	138.5	146.0	151.2	154.2

MACEDONIA

Component	2007	2008	2009	2010
I. Transition Assistance & Institutional Building	41.6	39.9	38.1	36.3
II. CBC	4.2	5.3	5.6	5.7
III. Regional development	7.4	12.3	20.8	29.4
IV. Human Resources Development	3.2	6.0	7.1	8.4
V. Agricultural and Rural Development	2.1	6.7	10.2	12.5
Total	58.5	70.2	81.8	92.3

SERBIA

Component	2007	2008	2009	2010
I. Transition Assistance & Institutional Building	178.5	179.4	182.6	186.2
II. CBC	8.2	11.5	12.2	12.5
Total	186.7	190.9	194.8	198.7

MONTENEGRO

Component	2007	2008	2009	2010
I. Transition Assistance & Institutional Building	27.5	28.1	28.6	29.2
II. CBC	3.9	4.5	4.7	4.8
Total	31.4	32.6	33.3	34.0

ALBANIA

Component	2007	2008	2009	2010
I. Transition Assistance & Institutional Building	54.3	61.1	70.9	82.7
II. CBC	6.7	9.6	10.3	10.5
Total	61.0	70.7	81.2	93.2

BOSNIA AND HERZEGOVINA

Component	2007	2008	2009	2010
I. Transition Assistance & Institutional Building	58.1	69.9	83.9	100.7
II. CBC	4.0	4.9	5.2	5.3
Total	62.1	74.8	89.1	106.0

KOSOVO

Component	2007	2008	2009	2010
I. Transition Assistance & Institutional Building	60.7	62.0	63.3	64.5
II. CBC	2.6	2.7	2.8	2.8
Total	63.3	64.7	66.1	67.3