

## IPA II MANAGEMENT

The Commission is responsible for the implementation of the IPA regulation. Actions under this Regulation are managed, monitored, evaluated and reported on in accordance with the **Financial Regulation (EC, Euratom) No 6p. 2018/1046**.

According to the financing regulation the management with the assistance (IPA) may be implemented:

- direct management,
- shared management
- indirect management

Community financing may be implemented in the form of **financing agreements** drawn up between the Commission and the beneficiary country, procurement contracts or grant agreements with national or international public sector bodies or natural or legal persons responsible for carrying out the action, or employment contracts. For cross-border programmes with Member States implementation tasks may be delegated to the Member States in which case they shall be implemented through joint/shared management.

Every year the Commission submits to the European Parliament and to the European Council a report on the implementation of the assistance containing information on activities financed during the year and on the findings from the monitoring, assessing the results.

### COMMITTEES

According to IPA regulations IPA Committee shall be established, composed of representatives of the Member-States chaired by Commission representative and NIPAC of the beneficiary country.

The IPA monitoring committee shall review the overall effectiveness, efficiency, quality, coherence, coordination and compliance of the implementation of all actions towards meeting their objectives. For this purpose, it shall, where relevant, base itself on the information provided by the sectoral monitoring committees. It may make recommendations for corrective actions whenever needed.

The IPA monitoring committee shall be composed of representatives of the Commission, the NIPAC and other relevant national authorities and bodies of the IPA II beneficiary and, where relevant, international organisations, including international financial institutions and other stakeholders, such as civil society and private sector organisations.

The IPA monitoring committee shall meet at least once a year.

**Under indirect management by IPA II beneficiaries, sectoral monitoring committees shall be set up by the IPA II beneficiary by policy area or by programme.**

## TYPES OF ASSISTANCE

The Union's financial assistance may be provided through the types of financing envisaged by Regulation (EU, Euratom) No 966/2012, and in particular:

- (a) grants;
- (b) procurement contracts for services, supplies or works;
- (c) general or sector budget support;
- (d) contributions to trust funds set up by the Commission, in accordance with Article 187 of Regulation (EU, Euratom) No 966/2012;
- (e) financial instruments such as loans, guarantees, equity or quasi-equity, investments or participations, and risk-sharing instruments, whenever possible under the lead of the EIB in line with its external mandate under Decision No 1080/2011/EU, a multilateral European financial institution, such as the European Bank for Reconstruction and Development, or a bilateral European financial institution, e.g. bilateral development banks, possibly pooled with additional grants from other sources.

## SUPPORT MEASURES

Assistance may also be used to cover the costs of actions linked to preparation, follow-up, control, audit and evaluation directly necessary for the administration of the programme and the attainment of its objectives, in particular studies, meetings, information and publicity, as well as any other expenses for administrative and technical assistance of which the Commission can avail itself for the administration of the programme.

## IMPLEMENTATION OF ASSISTANCE

The Commission and the beneficiary countries shall conclude **framework agreements** on the implementation of the assistance.

The Government of the Republic of Macedonia signed the Framework Agreement with the European Commission on 27 March 2015 and it was ratified by the Assembly of the RoM on 10 June 2015. The Framework Agreement sets out the rules for co-operation concerning EU-financial assistance in the framework of the implementation of the assistance under the IPA.

Subsidiary agreements concerning implementation of assistance are concluded between the Commission and the beneficiary country (sectoral agreements).

**The Framework Agreement for IPA II**, signed between the Republic of North Macedonia and the European Commission sets out:

- a) Rules for indirect management by the IPA II
  - management and control systems
- b) Specific provisions relating to entrusting the IPA II beneficiary with budget implementation tasks
- c) Rules for programming
- d) Rules for implementation
  - general rules and principles for implementation
  - transparency and visibility
  - data protection and confidentiality
  - granting of facilities and taxation

- e) Rules on financial management of IPA II assistance
  - general provisions
  - rules relating to indirect management by the IPA II beneficiary
  - closure of a programme
  - supervision, control and audit and protection of financial interests
- f) Monitoring, evaluation and reporting
  - monitoring
  - evaluation
  - reporting
- g) Provisions on multi-annual action programmes with split commitments
- h) Provisions on cross-border cooperation programmes
  - general provisions
  - rules for programming
  - operations
  - implementation
  - programme structures and authorities and their responsibilities
  - reporting
- i) Final provisions

For the Policy area 4 - Agriculture and Rural Development, a Sectoral Agreement for implementation of the IPARD Programme is signed on the basis of indirect management without ex-ante controls by the European Commission.

## **ENTRUSTING MANAGEMENT OF IPA II**

The Commission entrusts budget implementation tasks to an IPA II beneficiary by concluding a financing agreement in accordance with the provisions of Articles 60(1) and (2), 61 and point (b) of Article 184(2) of Regulation (EU, Euratom) No 966/2012.

Before the Commission entrusts tasks of budget implementation (indirect management) referring to a programme or measure of the beneficiary country, the Commission shall ensure that the respective country fulfills the requirements in a view of establishing the management and control systems.

The management, control, supervision and audit systems set up in the IPA II beneficiary shall provide for an effective internal control system which includes at least the following five areas:

- A. Control environment;
- B. Risk management;
- C. Control activities;
- D. Information and communication;
- E. Monitoring activities.

By concluding the first financing agreement on 23.12.2015 the management was entrusted of the Action Programme for 2014 under IPA II.

## **PROTECTION OF COMMUNITY FINANCIAL INTERESTS**

Any agreements resulting from this Regulation shall contain provisions ensuring the protection of the Community's financial interest, in particular with respect to fraud, corruption and any other irregularities. Investigations shall be conducted by the European Anti-Fraud Office (OLAF). On-the-spot checks and inspections shall be carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities.

Each agreement provide for the Commission and the Court of Auditors to have the power of audit, on the basis of documents and on the spot, over all contractors and subcontractors who have received Union funds. They shall also expressly authorise the Commission to carry out on-the-spot checks and inspections.

The IPA II beneficiary shall report suspected fraud and other irregularities which have been the subject of a primary administrative or judicial finding, without delay, to the Commission and keep the latter informed of the progress of administrative and legal proceedings. Reporting shall be done by electronic means using the module provided by the Commission for this purpose.

## **RIGHT TO PARTICIPATION, SUPPORT AND QUALIFICATION FOR RECEIVING GRANTS**

All natural persons who are nationals of the Member States or all legal entities established in the Member States, the Member State of this Regulation, the country of use of the instrument "European Neighborhood and Partnership" or the Member State of the European Economic Area shall have the right to participation in the procurement or in the contracts for obtaining grants financed according to this Regulation.

In accordance with the Regulation (EU, Euratom) No 2018/1046, physical persons may receive grants.

With regard to procurement, the transposed Directive 2014/24 / EU in the national legislation of the IPA II user is considered equivalent to the rules applied by the Commission in accordance with the Financial Regulations. The Commission may accept such a national law to apply for the implementation of IPA II assistance depending on the terms of the relevant provision in the Financing Agreement.

## **COHERENCE, COMPATIBILITY AND COORDINATION**

Programmes and projects financed under this Regulation shall be consistent with EU policies. They shall comply with the agreements concluded by the Community and its Member-States with the beneficiary countries and respect commitments under multilateral agreements to which they are parties.

The Commission and the Member-States shall ensure coherence and coordination between Community assistance provided under this Regulation and financial assistance provided by the Community and the Member-States through other internal and external financial instruments and by the European Investment Bank.

## SUSPENSION OF ASSISTANCE

Respect for:

- principles of democracy,
- the rule of law and for human rights and minority rights,
- and fundamental freedoms,

is an essential element for the application of this Regulation and the granting of assistance under it.

Where a beneficiary country **fails to respect** these principles or the commitments contained in the relevant Partnership with the EU, or where progress toward fulfillment of the accession criteria is insufficient, the Council, on a proposal from the Commission, may take appropriate steps with regard to any assistance granted under this Regulation. The European Parliament shall be fully and immediately informed of any decisions taken in this context.

## EVALUATION

The Commission shall regularly evaluate the results and efficiency of policies and programmes and the effectiveness of programming in order to ascertain whether the objectives have been met and enable it to formulate recommendations with a view to improving future operations. These results shall feed back into programme design and resource allocation.