

How to Fund SPI Platform Activities?

6.1. Fund-raising for the Public-Private Partnership Project

As sponsor of the SPI Platform, the banking association must take the lead in mobilizing financial resources for the SPI Secretariat, recruitment of technical assistance to identify financial modernization interventions, project implementation and organization of project-related events such as awareness-building and public information campaigns.

Part of the cost should be covered by the banking association from members' contributions, part in by kind potential secondments from local private or public institutions and the rest through international assistance. EU funding should be targeted, but other sources could be explored such as the European Bank for Reconstruction and Development (EBRD)¹⁰ (www.ebrd.com/about/index.htm), the United States Agency for International Development (USAID) (www.usaid.gov/business) and the Centre for International Private Enterprise (CIPE) (www.cipe.org/programs/ba/index.php). Information on international assistance available present in a country should be sought from the government donor coordination department or similar body.

As an example of approaching international donors, **Annex VI-1** provides two samples of funding applications sent to World Bank-managed Financial Sector Reform and Strengthening (FIRST) Initiative by SPI Albania.

6.2. Potential EU Funding Sources

The Financial Perspectives of the European Union adopted in April 2006 set the priorities of the EU for 2007–2013. On the basis of this document, the European Commission prepared 300 funding programmes for this period, with revised budgets and renewed priorities of competitiveness, innovation and employment.

The EC holds the view that it is of paramount importance to strengthen civil society in the region and that its organizations demonstrate their legitimacy and credibility as reliable and constructive partners. One of the programs developed by the EC is the Civil Society Facility (CSF) – Partnership Actions involving socio-economic partners that addresses the mandate of an SPI Platform.

Box 15- The EU Civil Society Facility

CSF has three areas of activity: i) local civic initiatives and capacity-building; ii) People 2 People; and iii) CSF Partnership Actions, which focus on developing networks of civil society organizations (CSOs) and promoting transfers of knowledge and experience.

CSF Partnership Actions favor: a professionally operating civil-society sector; new CSO networks, strategies and initiatives; improved services and dissemination of common values in the region; and greater support for democratic issues.

¹⁰ EBRD sponsors similar initiatives such as business support councils in Armenia, Georgia and Mongolia.

CSF is financed from the Instrument for Pre-Accession Assistance (IPA) multi-beneficiary program managed by DG Enlargement, Directorate D, and from national IPA programs managed by EC delegations. Regional partnerships should consist of at least three CSOs from three beneficiary entities and one from the EU.

Activities under CSF-partnership action include:

- organization and implementation of workshops, information events, training sessions and communication and awareness-raising campaigns;
- provision of training and expert advice to increase the capacity of CSOs to assist and advise their members on the implementation and impact of the relevant EU *acquis communautaire*;
- organization and implementation of partnership activities to link business associations, trade unions, think-tanks and other CSOs with each other and with stakeholders; and
- establishment of communication Platforms to promote and exchange good practices and to formulate recommendations and practical solutions (that is, the **SPI Platform**).

Banking associations could be beneficiaries of this program. They could apply under national IPA programs or, if organized in a regional partnership, under IPA multi-beneficiary program.

Under IPA multi-beneficiary program, the SPI Platform program will be implemented through grant contracts following calls for proposals. The selection and award criteria for the award of grants are laid down in the practical guide to contract procedures for EC external actions.

The IPA is the EC's financial instrument for the pre-accession process for 2007–2013. Assistance is provided on the basis of the European and accession partnerships of candidate countries, currently the western Balkan countries and Turkey. The IPA is a flexible instrument that provides assistance depending on the progress made by beneficiary countries and their needs as shown in EC evaluations and annual strategy papers.

Box 16- Information about EU IPA

Beneficiary countries are divided into two categories depending on their status as candidate countries for accession or potential candidate countries undergoing the stabilization and association process.

Candidate countries are Croatia, Turkey and the former Yugoslav Republic of Macedonia; potential candidate countries are Albania, Bosnia and Herzegovina, Montenegro and Serbia including Kosovo as defined by United Nations Security Council Resolution 1244. Exceptionally, and in the interests of coherence and efficiency, other countries may benefit from measures financed under IPA, provided the measures form part of a regional, cross-border, trans-national or worldwide framework and do not duplicate other programs under EC external aid instruments.

The IPA was designed to address the needs of beneficiary countries in the context of pre-accession. Its main aim is to support institution-building and the rule of law, human rights including the fundamental

freedoms, minority rights, gender equality and non-discrimination, administrative and economic reforms, economic and social development, reconciliation and reconstruction, and regional and cross-border cooperation.

To ensure targeted, effective and coherent action, the IPA is made up of five components covering priorities defined according to the needs of beneficiary countries. Two components concern all beneficiary countries:

- support for transition and institution-building, aimed at financing capacity-building and institution building; and
- cross-border cooperation, aimed at supporting beneficiary countries in cross-border cooperation among themselves and with Member States.

Banking associations should consult with the EU delegation in their countries for further details about other EU programs that could finance SPI Platforms in full or in part.

6.3. Preparation of the SPI Project for EU Funding

To prepare the SPI project as a sound business case for EU funding, applicants should first understand EC interests in a particular area. The project can be a strong case if it encompasses the EC priorities of competitiveness, innovation and employment. SPI projects fall under "innovation".

The applicant should select the optimal financing programme, because it is not possible to apply for several programmes at the same time for the same action. The EC provides a search engine on European programmes. The Convergence Program has identified the national IPA and the multi-beneficiary IPA Civil Society Facility – Partnership Actions project.

Preparing a EC funding application requires some knowledge of the EC programmes: their legal basis, geographical coverage, eligible organizations, partnership criteria and date of the publication of the next call for proposals.

The potential applicant should understand the life-cycle of a program: i) preparation – analysis and feasibility; ii) programming once the program is adopted and the legal aspects defined for one or more years; iii) implementation – before 31 March of each year the EC publishes an annual work programme defining the priorities of the program and the financial decisions for the year; and iv) re-programming – an evaluation at the end of the program to obtain operational results.

To select projects for the programs, the EC uses the call for proposals procedure. Examples may be found on the Welcomeurope website. If the program has a preliminary stage, the call for proposals refers to expression-of-interest papers (see **Annex VI-2** for the document prepared by Regione Puglia for an SPI Adriatic program under the Southeast Europe Transnational Cooperation Program (<http://www.southeast-europe.net/hu/>), one of the regional cooperation programmes supported by IPA.

The applicant should recruit the project participants and establish distribution of responsibilities among participants:

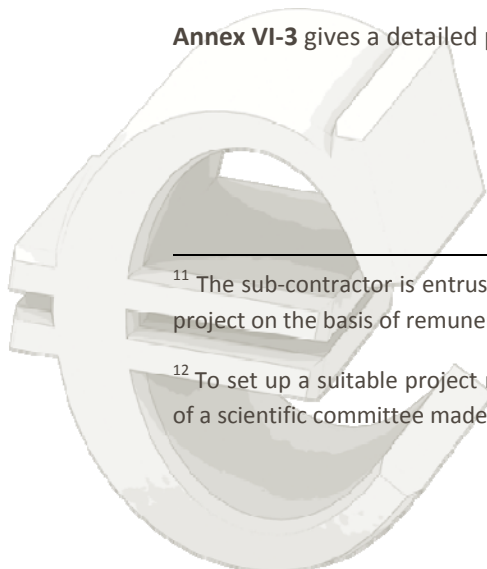
- The contractor is the organization that has prepared the funding request and that will sign the grant agreement with the EC if the project is selected. In the case of an SPI it should be the banking association and/or the SPI legal entity.
- The partners constitute a body that participates in the project from inception to conclusion. In the case of an SPI these include financial authorities, consumers' associations, universities, think-tanks and employers' associations.
- Other participants include the sub-contractor,¹¹ the associate partner or collaborator, the committee,¹² the co-financer and the sponsor. In the case of an SPI, the SPI Committee should be included.

The coordinator must prepare and propose to the partners a working method for the project and the partnership. In the case of an SPI Platform project this is covered by the SPI Committee operating guidelines; in the case of a regional partnership, the project should show the distribution of tasks among regional partners. Documentation of a regional partnership can be based on standard letters of intent provided by the EC for annexation to the application.

There must be a project sheet that answers the main initial questions:

- What is the rationale for your project?
- What is the context of your project – political, legislative, projects already funded in this field?
- What are its objectives? A European project has to be sound, meet a global objective and have several objectives.
- Whom does your project address?
- How?
- Which activities should be undertaken to achieve your objectives?
- With whom?
- What are the capabilities and appraisals needed for the project?
- Where?
- Where the project activities take place?
- What will the results be?
- What results do you aim to achieve through this project?

Annex VI-3 gives a detailed project description for applying for EU funding.



¹¹ The sub-contractor is entrusted by the project leader or by a member of the partnership to carry out part of the project on the basis of remunerated service delivery corresponding to the market price.

¹² To set up a suitable project monitoring and evaluation system, the project partnership may canvass the opinions of a scientific committee made up of external experts that will evaluate progress.

6.4 Other Potential Funding Sources

SPI Platform stakeholders (either public institutions or banking associations) can also apply for TAIEX assistance to receive technical support from EU experts on specific financial modernization projects that involve approximation with EU legislation. SPI Albania successfully applied for TAIEX assistance to ensure that the solution identified by the local team on modernization of public procurement for financial advisory services was in line with EU best practices. **Annex VI-4** gives information about TAIEX. **Annexes VI-5** and **VI-6** show the application and the structure of the TAIEX-supported intervention respectively.

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