

Instrument for Pre-Accession Assistance (IPA) 2007-2013

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The Commission presents a report covering the main strategic and operational developments that occurred in 2010 regarding implementation of pre-accession assistance. The report covers in one single document both the Instrument for Pre-Accession Assistance (IPA) (which has an overall budget of EUR11.5 billion for the period 2007-2013) and the preceding instruments for pre-accession and for the Western Balkans (i. e. PHARE, CARDS, Turkey Pre-accession Instrument and the Transition Facility). It sets out briefly the political and economic context in which EU-funded activities took place. It also:

- covers key events in the year and progress made to improve strategic planning and programming documents;
- provides summary reports on project implementation and results as well as on donor coordination;
- presents priorities for improving the impact of IPA funds;
- uses analysis of past experience, provided by evaluations and conclusions from the IPA 2010 Conference, to draw recommendations for further improving the impact of IPA funds up to and beyond 2013.

The report notes that the global financial crisis has had a deep impact on the region in 2010. Candidate countries and potential candidates faced challenges of high unemployment, increased poverty levels, reduced capital investment, and increased public deficits and uneven growth. In spite of the difficult economic context there were some notable milestones towards EU integration for a number of enlargement countries in 2010 :

- Croatia is in the final stages of its accession to the EU;
- Montenegro and Iceland were granted candidate status and Iceland opened accession negotiations;
- Serbia presented its application for EU membership;
- Visa-free travel to the Schengen area was extended to Albania and Bosnia and Herzegovina

The report states that the enlargement process has created opportunities for the EU to engage in broader strategic actions. To this end and with a view to ensure policy coherence, enlargement policy has begun to dovetail with the Europe 2020 strategy. In this way, enlargement policy generates benefits for the EU, and for the candidate countries and potential candidates to achieve strategic objectives for economic recovery and sustainable growth.

Stable institutions and protection of minorities: the Commission considers that 2010 was a good year for IPA, showing steady improvement in strategic focus and better impact. The report shows how pre-accession funding assisted in building stable institutions, strengthening democratic processes and the rule of law, human rights and the respect for and protection of minorities. The latter issue regarding minorities and vulnerable groups is a serious and urgent issue for **Kosovo**. IPA-funded projects produced achievements in this area in 2010. The Roma Camp in Cesmin Lug was closed and 130 refugee families from minority communities were able to return to Kosovo, with a comprehensive package of assistance and professional training aimed at ensuring their resettlement and reintegration.

The Multibeneficiary MIPD highlighted support to enhance regional cooperation in the fight against organised crime and corruption and for IPA beneficiaries to establish strong public administrations, notably through the establishment of the Regional school for Public Administration in Danilovgrad, Montenegro

Market economies: IPA support helped create the conditions for better functioning market economies and supported the development of better skilled, more employable work forces in a time of economic difficulty. It encouraged regional cooperation, contributed to sustainable development and inclusive growth, in addition to beginning to build awareness of the critical challenge of climate change. Candidate countries were also better prepared to take on the obligations of EU membership. This concerned in particular the preparation for the implementation of future structural and rural development policies and funds. Not only has the setting-up of social, environmental and economic infrastructures and competitive agricultural as well as safe and hygienic food production been supported but efficient and effective implementing structures and systems for post-accession funds have continued to be built up successfully as well.

Closer partnership: the Commission recognises that there are differentiated development needs across enlargement countries and that IPA must be targeted towards preparations for accession for beneficiaries who are very different in terms of their socio-economic development and at different stages of accession. In 2010 the Commission played a role of coordinator in support of the EU enlargement agenda, and promoted coherence and complementarity between the different EU actors who continued to provide bilateral support to the Western Balkans and Turkey. The closer partnership with the Western Balkans and Turkey embodied in pre-accession assistance also offers benefits for EU Member States, such as enhanced security of energy supply as well as safe and hygienic food imports, more security at the external borders of the EU and better prospects for the management of global challenges such as combating climate change and pollution.

Sector approach: the 2011-2013 Multi-annual Indicative Planning Documents (MIPDs) prepared in 2010, to set the strategy for financial pre-accession assistance, introduced for the first time the shift towards a sector approach. Nine reference sectors were identified as being the areas of most relevance to the EU integration process, namely: i) public administration reform; ii) justice and home affairs; iii) private sector development; iv) transport; v) energy; vi) environment

and climate change; vii) social development; viii) agriculture and rural development; and ix) support and other activities. From these, a lesser number of priority sectors were selected in individual MIPDs.

The introduction of the sector approach in the MIPDs for 2011-2013 will lead to a reduction of the number of intervention fields in all enlargement countries, better prioritisation and a more definite focus on results. It also helped the beneficiary countries to pay greater attention to the feasibility, complementarity and coherence of IPA funded interventions with the national sector plans and strategies, and the support for these plans by other donors. More remains to be done in 2011 and beyond to ensure more complete ownership at the country level and to correctly identify and address capacity building needs in the beneficiary countries

so as to reap the full anticipated benefits of the sector approach. In areas that expose the region to dynamic global challenges, such as climate change, the MIPD 2011-2013 recognises that efforts need to intensify at the national and regional level to prepare the countries to mitigate and adapt to climate change impacts. The Commission will seek to apply as far as possible principles of alignment, division of labour and management for development results.

EU and financial institutions: the EU also explored how deeper partnerships between the EU and European and international financial institutions could help meet the needs of the beneficiaries through enhanced partnerships and new financing mechanisms such as blending. The 2010 IPA Conference confirmed the importance of investments and strengthened partnerships, particularly with the International Financial Institutions to support the beneficiary countries to participate in the shared Europe 2020 vision of smart, sustainable and inclusive growth. Complementarity, blending and the leverage effect of IPA assistance for IFI support, investment and knowledge transfer could enhance the impacts of pre-accession financing. The Western Balkans Investment Framework (WBIF) was seen as a good example of pooled

grants, loans and expertise from the EU, IFIs as well as bilateral donors for priority investment projects. 2010 saw increased ownership by beneficiaries of IPA, as demonstrated through increased leadership of donor coordination and through carrying out their own needs assessments for preparing for EU accession and for achieving broader development aims, macro-economic stability and sustainable growth in preparation for the IPA 2010 Conference. In addition, there was considerable engagement from beneficiaries, especially the National IPA Coordinators and authorities responsible for European integration in supporting and developing approaches to improve performance measurement and demonstrate the impact of IPA funds to their citizens.

Future prospects: credible prospects of future EU membership remains the strongest driving force for reforms and the transformation of the societies in the enlargement countries. The efficient and well targeted use of IPA funds combined with its power to leverage resources from IFIs should contribute to faster progress in the accession process.

Lastly, 2010 opened a public consultation on how the IPA instrument can be further improved, under the next multi-annual financial framework of the EU, to produce the most positive impact on the progress of the Western Balkans, Turkey and Iceland, which would also bring benefits for the EU and its Member States.