

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

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The Commission presents the 2011 Annual Report on financial assistance for enlargement (IPA, PHARE, CARDS, Turkey Pre-accession Instrument and Transition Facility). It covers the most significant developments regarding the implementation of pre-accession assistance in 2011, including considerations on future perspectives.

The Report briefly sets out the **economic and political context** in which EU-funded activities took place. It highlights the progress made to improve strategic planning and programming documents, providing summary reports on project implementation, their results and the on-going enhancement of donor coordination. Analysis of past experience is used to draw recommendations for further improving the impact of IPA funds up to and beyond 2013.

Further positive developments took place in the enlargement countries over the past year, including progress in EU-related reforms in most candidate countries and potential candidates:

- the Treaty of Accession of **Croatia** was signed in December.
- Accession negotiations with **Iceland** continued to advance;
- the Commission announced a new positive agenda for **Turkey**;
- In **Montenegro**, the reform process continued, allowing the Commission to propose the opening of accession negotiations.
- the **Former Yugoslav Republic of Macedonia** continued accession-related reforms with the support of IPA, though core challenges remained in 2011;
- EU financial assistance to potential candidates **Albania and Bosnia and Herzegovina** has played an important role during 2011 in further supporting the countries on their way towards European integration;
- in October, the Commission delivered its opinion on **Serbia's** application for EU membership, recommending that the European Council grants Serbia the status of candidate and that accession negotiations are opened as soon as it achieves further progress in meeting a key priority concerning Kosovo, another potential candidate country;
- further steps were taken regarding the European perspective of **Kosovo**, including as regards visa and trade issues. Progress was achieved within the framework of the Belgrade-Pristina Dialogue.

Following the global economic crisis, in 2011, all enlargement countries embarked upon a path of recovery but only Turkey managed to recover to a considerable extent. The Western Balkan countries are confronted with high and rising unemployment rates, while fiscal consolidation and the reform of labour markets remain most urgent economic priorities. In a number of countries important reforms were delayed. Enforcement of good governance, the rule of law and administrative capacity continue to represent major political challenges.

An evaluation to support the preparation of pre-accession financial instruments beyond 2013 found that there is a strong rationale for a future pre-accession financial instrument. The preferred option of the evaluators was the continuation of the current programme with similar levels of EU funding. The [new instrument for pre-accession assistance for the post-2013 period](#), proposed by the Commission in December 2011, as part of a package of external action instruments.

2011 saw an important step on the path towards making assistance to the Enlargement countries more **strategic, coherent, and result-oriented** as an integral part of the Enlargement strategy. The **legal and strategic planning framework** that the Commission has proposed for delivering pre-accession assistance from 2014 onwards will **reinforce its link with the political monitoring and reporting** and will put in place a framework aiming for results, achieving impact and rewarding performance. This will contribute to increasing even further the **added value of EU funds** allocated to Enlargement countries by creating stronger incentives for the transformation of their societies, legal systems and economies needed to become an EU Member State.

2011 marked the fifteenth anniversary of **TAIEX** (Technical Assistance and Information Exchange). While the basic principles at the core of TAIEX operations remain, the instrument is constantly kept up-to-date in order to respond to current challenges in the Enlargement regions, with almost EUR10 million spent in IPA beneficiary countries.

The report contains summary tables on the **status of IPA financial assistance to all the countries concerned**. However, further details on specific activities undertaken during the reporting period can be found in the Commission's [technical Staff Working Document](#) published in parallel which complements this report, covering in one single document both IPA and preceding instruments for pre-accession and for the Western Balkans (i.e. PHARE, CARDS, Turkey Pre-accession Instrument and the Transition Facility).