

# Instrument for structural policies for pre-accession ISPA

2001/0058(CNS) - 08/03/2001 - Legislative proposal

**PURPOSE:** to present a Commission proposal for a Council Regulation amending Regulation 1267/1999 /EC establishing an Instrument for Structural Policies for Pre-Accession. **CONTENT:** pursuant to the Council Regulation establishing the Instrument for Structural Policies for Pre-Accession (ISPA), measures eligible for Community assistance under this instrument must be of a sufficient scale to have a significant impact in the field of environmental protection or in the improvement of transport infrastructure networks. Experience acquired by the Commission in appraising applications for financing submitted by the beneficiary countries shows that these countries often have difficulties part-financing such measures from available public resources. Accordingly, to ensure that ISPA has the greatest possible impact in the beneficiary countries, as much funding as possible must be obtained from the EIB or other international financial institutions (ERBD, World Bank, NIB, NEFCO, etc.) and, where appropriate, from the private sector. In 2000, ISPA obtained funding from international institutions in around 40% of approved measures and was thus able to achieve a multiplier effect of around 25%. By increasing cooperation with other sources of funding, the Community hopes to increase the resources used in the sectors at which pre-accession aid is directed, improve the financial packages available to each measure and increase ISPA's multiplier in the years to come. However, such funding is proving difficult due to the absence, in the ISPA Regulation, of specific provisions allowing a derogation from the rule laid down in Article 114(1) of the Financial Regulation applicable to the General Budget of the European Communities. Pursuant to this provision, which applies to external aid, invitations to tender for contracts financed by the Community are open only to natural and legal persons in the Member States of the Union and ISPA beneficiary countries. In view of these circumstances, and in order to facilitate access by the beneficiary countries to the financial resources which could be supplied by international financial institutions or by the private sector, it is proposed to include in the ISPA Regulation specific provisions allowing for a derogation from the tendering rules under Title IX. It is also proposed that these new provisions replicate the wording of the provisions already laid down in the Phare Regulation. The Commission could therefore, for technical or financial reasons essential to the implementation of a measure supported under ISPA, authorise beneficiaries, exceptionally and on the basis of a case-by-case examination, to open all or some of the invitations to tender to nationals of third countries. Where a measure co-financed by financial institutions on the basis of their own tendering rules (and not those in Title IX of the Financial Regulation), the expenditure incurred by these institutions must be included in the total expenditure eligible under ISPA. When this share of financing is included by the Commission in the list of approved costs, it must be available as a supplement to ISPA assistance and therefore form part of the calculation of expenditure eligible under ISPA. This new definition of eligible expenditure in no way alters the application of the provisions of Title IX of the Financial Regulation with respect to the implementation of the share of the measure directly supported by ISPA.