

# **Agenda 2000: Instrument for Structural Policies for Pre-accession ISPA 2000-2006, aid for applicant countries**

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This is the Annual Report on the activities of the ISPA fund which covers the calendar year 2001. It provides information on the second year of the pre-accession instrument which was set up as part of Agenda 2000. The report highlights key messages for 2001 : - in 2001, 94 new projects were decided by the Commission. Community funding of these new projects amounts to over EUR 1.1 billion out of a total cost of EUR 2.3 billion to be co-financed by the ISPA Beneficiary states and international financial institutions (the EIB and the EBRD, continue to remain key partners for providing co-financing); - together with the projects already decided in 2000, the Commission approved a total of 169 ISPA projects, amounting to EUR 6.6 billion, of which the EU will finance EUR 3.9 billion (64.4 %); - with the decisions taken in 2000 and 2001, the Commission has already allocated about more than 40 % of the funds foreseen for environmental projects for the whole ISPA period, and more than 60 % that are set aside for the transport sector; - the amounts committed in 2001 were divided fairly equally between the environmental and transport sectors: 52% of the 2001 budget were allocated to environmental projects, and 48% for the transport sector. With these commitments the Commission corrected the slight funding inequality between the two sectors that existed in 2000; - with decisions taken in 2000 and 2001, a total of EUR 59.9 million for 30 TA measures was mobilised to strengthen the project pipeline for 2002 and beyond, including projects for the Cohesion Fund; - with the signing of the first works contracts, 2001 was the first year of real progress on the ground; - ISPA is currently implemented through the Decentralised Implementation System (DIS). With this system, procurement documents are checked in advance (ex ante approval) by the Commission. In 2001, the Commission made technical assistance (TA) funds available to assist Candidate Countries in taking the necessary measures to analyse and improve the capacity of the national implementing agencies to manage Community assistance in a fully decentralised manner. In 2001, the Commission undertook systems audits to assess the extent to which the Candidate Countries have established management and control systems that comply with the requirements defined in the ISPA Regulation.