

Agenda 2000: pre-accession, coordinating aid to the applicant countries

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PURPOSE : to present the General Report from the Commission on pre-accession assistance (Phare - Ispa - Sapard) in 2002. **CONTENT :** the breakdown of the Community pre-accession assistance in 2002 was as follows: EUR 1,699 million for PHARE, EUR 1,107.4 million for ISPA and EUR 554.5 million for SAPARD. 1) The total PHARE commitments for 2002 amounted to EUR 1,699 million. The operations financed were: - National programmes: EUR 1,168 million, of which: Bulgaria : EUR 95 million; Czech Republic: EUR 85 million; Estonia : EUR 30 million; Hungary : EUR 112 million; Latvia : EUR 32 million; Lithuania : EUR 62 million; Poland : EUR 394 million; Romania : EUR 266 million; Slovakia : EUR 57 million; Slovenia : EUR 35 million; - Nuclear Safety: EUR 108 million; - Cross-border co-operation : EUR 163 million; - Regional and horizontal programmes : EUR 260 million. Approximately 30% of the aid aims to support Institution Building, the main instrument of which was Twinning (secondment of experts from Member States' administrations to candidate countries) and approximately 70% went on investments designed to improve the regulatory framework and Economic and Social Cohesion, thereby facilitating the adoption of the *acquis*. The European Commission has increasingly transferred responsibility for the management and implementation of PHARE programmes to the authorities in the candidate countries. 2) The year 2002 was also the third operational year for both ISPA and SAPARD. All SAPARD programmes had already been approved in 2000; one of them (Latvia) was modified in 2001, nine of them (all but Slovenia) in 2002. The establishment of SAPARD Implementing Agencies progressed substantially with all ten candidate countries having received conferral of management for their respective SAPARD Agencies resulting in SAPARD funds being transferred to them in 2002. 3) Concerning ISPA, it finances large infrastructure projects in the transport and environment sectors. In 2002 ISPA commitment appropriations from budget line B7-020 were mainly used for the 80 new ISPA measures and tranches⁵ for projects decided in 2000 and 2001 (EUR 1,107 million). Of this, EUR 4.2 million was committed for technical assistance for EDIS, and EUR 35.1 million for project preparation. A total of 80 new projects with a total eligible project cost of EUR 2.4 billion were decided on by the Commission, Community funding for these new projects is over EUR 1.5 billion. The remainder is to be co-financed by the beneficiary states (national sources at central, regional, and local level), and international financial institutions (IFIs). The average Community grant rate stood at 65 % of project cost in 2002. With the decisions taken between 2000 and 2002, the Commission approved a total of 249 ISPA measures, amounting to EUR 8.75 billion of investment, of which the EU is financing EUR 5.65 billion. With these decisions, the Commission already allocated about 75% of the funds foreseen for the entire period 2000-06. - In the field of environment, support from ISPA is intended to contribute to the implementation of Community environment policy. In order to maximise the impact of Community assistance on achieving the objectives of the environmental legislation, ISPA concentrates, in the first instance, on the investment-heavy environmental Directives i.e. the Directives that will be most costly to implement. These concern the following four sectors: drinking water supply; waste water treatment; management of solid waste and hazardous waste, and Air quality improvement. As in earlier years, projects focused primarily on sewerage works to extend, replace or repair current systems in the beneficiary countries. About 18% of the funding in this sector were applied to solid waste management, primarily to landfill projects. - ISPA funds allocated to this sector in 2002 have again been focused on upgrading and extending the TINA network. With 45.7 %, a substantial share of the transport sector funds has been allocated to road projects including new construction and improvements to meet EU capacity and safety standards. However, more than 50% of the transport sector funds are financing projects aimed at the rehabilitation and upgrading of existing rail infrastructure to EU standards. Along the TINA Network, priority should be given to the integrated development of the 10 Pan-European Transport Corridors which were endorsed by the third Pan-European Transport conference in Helsinki in June 1997. The co-ordination of the three instruments is ensured by a clear division of responsibilities between the

instruments, by a common basis for programming and regular contacts between the different parties involved. The Commission strongly encourages the applicant countries to enhance inter-ministerial co-ordination, which is a key pre-condition for the candidate countries' successful future management of the Structural Funds. The Commission also maintained regular contact with the EIB and other International Financial Institutions, in particular the EBRD, with a view to ensuring maximum complementarity of project and programme funding.