

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

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This is the fifth Commission Report on the pre-accession instruments, Phare, Ispa and Sapard in accordance with Article 13 of Regulation 1266/99/EC and covers the year 2004. It is a general Report and gives an overall description of the three instruments; their structure, spending, monitoring and funding procedures. Thus, for example, it describes in detail how funds are transferred, the implementation of the structures in the candidate countries and the move towards decentralisation under the Decentralised Implementation System or DIS. Also scrutinised is the Co-ordination Regulation, which seeks to bind the three instruments. Phare, for example, falls under the responsibility of DG Enlargement, ISPA under the responsibility of DG Regional Policy and SAPARD under the responsibility of DG Agriculture. The Co-ordination Regulation, however, ensures close co-operation between the three pre-accession instruments, specifying carefully the field to which each instrument provides assistance.

To recall, Phare is a programme which seeks to help in the adoption of the EU's *acquis communautaire*. This can be done either through investing in the applicant countries' administrative procedures or through investing in related economic activities. It also has an element of Economic and Social Cohesion. ISPA is an instrument through which funding can be channelled in support of major environmental and transport infrastructure projects and SAPARD offers agricultural and rural development funding. For more detail on the individual programmes, the Commission has prepared reports unique to each of them.

As far as the monitoring and evaluation of Phare is concerned the final evaluation results report mixed findings. Three shortfalls have been identified. First, substantial weaknesses in Phare require further analysis. Second, the objectives set by Phare have not been adequately achieved and third, implementation of the programme suffers from pervasive inefficiency. In spite of these findings the Commission Report suggests that in view of the complexities involved in the pre-accession objectives and in light of the constraints vis-à-vis implementation periods, Phare achievements are nevertheless remarkable. For ISPA, an ex-post evaluation is impossible to deliver given that many of its projects have not yet reached fruition.

Lastly, for SAPARD, the Commission notes that eight out of the ten beneficiary countries became new Member States in May 2004. However, many of the acceding countries continued with Sapard projects until they were in a position to switch to post-accession programming. As a result of this, up to the end of 2004, the Sapard agencies approved as many as 37 000 projects involving EUR 2.2 billion.

Also discussed by the Commission is co-ordination with the EIB and other International Financial Institutions. As in previous years co-operation with the EIB and other IFIs continued in 2004. Figures available for the years 2000-2004 show that IFI operations to pre-accession assistance amounts to some EUR 6.9 billion in loans signed with Bulgaria and Romania.

To conclude, the Report gives a Financial Overview of allocations per country for PHARE, ISPA and SAPARD in 2004. This overview states that in 2004 Bulgaria was allocated a total of EUR 497 million and Romania a total of EUR 907 million. A total of EUR 31 million was awarded to multi-country programmes such as nuclear safety, statistics and the European Training Foundation.