



IPA Instrument for
Pre-Accession
Assistance

**A new focus to EU assistance
for enlargement**

European
Commission





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IPA – Instrument for Pre-Accession Assistance

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Introduction

European Union enlargement has always been a two-way process. New Member States benefit from belonging to this unique organisation – the world's largest trading bloc and most advanced exercise in shared government. And the EU gains from extending itself into wider territories, welcoming new cultures, and linking in to new markets.

Over recent years this two-way process has taken on an additional dimension as the EU has begun to integrate countries from the rapidly-changing world on its eastern borders. Many candidate states have had to introduce major reforms – economic, political and social – to qualify for EU membership.

Reforms bring domestic benefits, but often require costly investments and pose short-term challenges for countries on the

road to accession. In response, the EU has provided many different forms of assistance – in money and in expertise – to countries taking on the task.

Since 2007, all the EU assistance to the countries now with a prospect of EU membership – Turkey and the Western Balkans – has been brought under a single heading, the Instrument for Pre-Accession Assistance (IPA). This brings a new focus to EU assistance for enlargement.

This booklet offers a snapshot of what IPA is, why it was created, how it operates, and how it benefits both the EU and the countries currently seeking to join it.

“The crux of the matter in the EU’s enlargement process is that the political, economic and institutional reforms lead to results on the ground, in each and every country. They have to deliver in this challenging process. But they are not alone. The EU stands by their side with political support, technical advice and substantial financial assistance to help them carry out these reforms.”

Enlargement Commissioner Olli Rehn, June 2007, on finalisation of the strategic planning of assistance under IPA

IPA – Instrument for Pre-Accession Assistance – is the streamlined mechanism created by the EU to deliver aid efficiently to the Western Balkans and Turkey. Needs differ widely among the candidate countries – Turkey, Croatia and the former Yugoslav Republic of Macedonia – and the potential candidates – Albania, Bosnia and Herzegovina, Kosovo¹, Montenegro, and Serbia. IPA is designed to meet these needs precisely with a single but flexible instrument. It is targeted to directly benefiting the citizens.

The projects it supports are geared to bringing the candidates and potential candidates into line with EU standards.

IPA came into effect at the start of 2007², and is to provide nearly €11.5 billion to these countries in 2007–2013. Allocations per country, decided so far for the period 2007–2012, are as follows:



EU financial assistance under IPA in 2007–2012, in € million							
	2007	2008	2009	2010	2011	2012	2007–2012
Croatia	141.2	146.0	151.2	154.2	157.2	160.4	910.2
The former Yugoslav Republic of Macedonia	58.5	70.2	81.8	92.3	98.7	105.8	507.3
Turkey	497.2	538.7	566.4	653.7	781.9	899.5	3,937.4
Albania	61.0	70.7	81.2	93.2	95.0	96.9	498.0
Bosnia and Herzegovina	62.1	74.8	89.1	106.0	108.1	110.2	550.3
Kosovo	68.3	184.7	106.1	67.3	68.7	70.0	565.1
Montenegro	31.4	32.6	33.3	34.0	34.7	35.4	201.4
Serbia	189.7	190.9	194.8	198.7	202.7	206.8	1,183.6
Multi-country support	109.0	135.7	160.0	157.7	160.8	164.2	887.4
TOTAL	1,218.4	1,444.3	1,463.9	1,557.1	1,707.8	1,849.2	9,240.7

Status: November 2008



¹ Under United Nations Security Council Resolution 1244/99



² Council Regulation (EC) No 1085/2006 of 17 July 2006 establishing an Instrument for Pre-Accession Assistance

What does IPA do?

IPA provides assistance in different forms to countries undertaking political and economic reforms on their path to EU membership:

- ◇ investment, procurement contracts or subsidies;
- ◇ Member State experts to build administrative cooperation;
- ◇ action to support the beneficiary countries;
- ◇ aid in implementing and managing programmes;
- ◇ in exceptional cases, budget support.

The assistance is linked to improving the conditions in the beneficiary countries and bringing them and their citizens closer to the EU.

In June 2007, the European Commission finalised the first strategic plan of assistance under IPA for 2007–2009. This was based on the specific needs of each country, and listed priorities for financial

assistance. A multi-country programme also supports joint projects in regional cooperation, infrastructure, justice and home affairs, internal market and trade, market economy, supporting civil society, education, youth and research. The strategic planning is updated each year.

“The assistance provided will be used in the following areas: strengthening of democratic institutions, as well as the rule of law, including its enforcement; the promotion and the protection of human rights and fundamental freedoms and enhanced respect for minority rights, the promotion of gender equality and non-discrimination; public administration reform; economic reform; the development of civil society; social inclusion; reconciliation, confidence-building measures and reconstruction; regional and cross-border cooperation.”

**EU General Affairs Council, Brussels,
17 July 2006**

The EU supports maritime transport safety projects in Turkey. Workers face safety risks, with a high level of accidental injuries in the workplace. In May 2008 an 18-month project to improve the health and safety inspection capacity of the Turkish authorities was launched, funded with € 1.3 million through IPA.



Why was IPA created?

IPA has been designed to maximise focus, precision and impact in meeting real pre-accession needs through a single simplified framework.

It is bringing a new degree of coherence and consistency to the Union's action, achieving even better results with the resources available.

IPA replaces the five previous EU instruments for pre-accession – Phare, ISPA, SAPARD, the Turkey programme, and CARDS.

It will help candidate countries to fully implement the EU legislation (“Community acquis”) at the time they become Member States. And potential candidate countries are helped to align themselves progressively with the EU legislation.

The new instrument is also designed to progressively entrust administrations in the beneficiary countries with the management of EU funds.

In addition to boosting the sense of ownership in pre-accession projects, this will also help prepare the countries for the management methods they will have to deploy as they come closer to benefiting from funds as EU Member States.



How does IPA work?

IPA is focused on needs. So its priorities are based on clear assessments. Key elements are the Accession/European Partnerships that the EU has established with each of the beneficiary countries, the Commission's enlargement strategy paper, and the annual reports on each of the countries.

The allocation criteria take account of each country's capacity to use and to manage the funds, and their respect of the conditions for accession. A suspension clause can be applied if conditions are not met. In this way, IPA provides the link between the political framework for enlargement and the EU budgetary process.

IPA contains five components. Two of them – general capacity-building and cross border cooperation – are available to all beneficiary countries. Three other components – regional development, human resources development, and rural development – are available only to candidate countries. Because these three strands of IPA specifically prepare for management of the EU's structural funds and agricultural support,

they necessitate well-developed administrative capacities and structures.

Funding is allocated in line with a rolling three-year multi-annual indicative financial framework linked with the enlargement policy framework. This provides information on the Commission's intentions by country and by component.

On this basis, multi-annual indicative planning documents are then prepared for each country (plus one for the multi-country programme). These contain the Commission's specific objectives and choices for pre-accession aid, and are also revised and updated every year.

Who can take part?

Participation in the award of procurement or grant contracts is open to all nationals of a Member State, legal persons established in a Member State of the EU or the European Economic Area (EEA), a country that is a beneficiary of the IPA or of the European Neighbourhood and Partnership Instrument, and to international organisations.

IPA also acts as a catalyst for attracting further domestic and foreign investment, including European Investment Bank development finance of € 25 million for small enterprises and private households for rural and housing loans in South-East Europe. *“These activities are fully in line with the Instrument for EU Pre-Accession Assistance focused on attracting private investors into this region.”*

The European Investment Bank, November 2007.



For Croatia, the strategy for the pre-accession assistance is concentrated on institution building, cross-border cooperation and preparation for the implementation of the EU's common agricultural policy and cohesion policy.

In December 2007 the European Commission approved investment of € 180.7 million in four programmes in Croatia, on regional competitiveness, transport, environmental protection and human resources development.

In February 2008, the Commission agreed a € 76 million IPA Rural Development Programme for Croatia. This will contribute to the sustainable modernisation of the agricultural sector, including the processing industry. It will make targeted investments, and will simultaneously encourage improvements in areas related to the EU rules – notably in food safety, veterinary, phytosanitary, environmental and other standards.

This will not only help sustainable development of rural areas. It will also help equip the country with the expertise it will need – and that the EU will demand of it – when it becomes a Member State.

Fishing remains important for Croatia, and has been one of the points of discussion in the accession negotiations. The EU is helping the sector both with new piers and strengthening the country's capacity for fisheries inspection. € 12 million has been earmarked for this assistance, as part of the EU's commitment to increase support for the sector in aligning with the EU legislation.



The former Yugoslav Republic of Macedonia

The wide-ranging programmes for IPA assistance in the former Yugoslav Republic of Macedonia cover reform of public administration, the judiciary and the police, improving local infrastructure, helping the country adopt and implement EU legislation and standards, and preparing for the implementation of the EU's cohesion and rural development policies.

Under the 2007 national programme, €9 million is to be employed to assist police reform at both central and local level. A project preparation facility, worth €3 million, will help in implementing projects speedily and in preparing future IPA programmes.

In December 2007 the European Commission agreed a €19 million IPA Rural Development Programme for the country to help modernise the agricultural sector in a sustainable manner.

The same month, the Commission approved programmes worth €56.8 million for regional development (including transport and environment) and human resources development in the former Yugoslav Republic of Macedonia.



The first IPA project launched in the former Yugoslav Republic of Macedonia was to provide assistance in police development – demonstrating the importance the EU attaches to police reform in the country. This project, with continuous advice to the police at central, regional and local level, as well as to the Ministry of Interior, is the latest phase of longstanding support for justice and home affairs reform. Another recent project provided new communications for the police through the provision of new radio facilities.

PA assistance to Turkey includes support to institutions – within the judiciary, the law enforcement services and key sections of the public administration – that are directly concerned with political reforms and further support to the development of civil society. This also includes support to the adoption and implementation of EU law to prepare Turkey's ability to assume the obligations of membership. A further important aspect is the promotion of EU-Turkey Civil Society Dialogue.

EU assistance will also help the country prepare for participation in the EU's cohesion policy and rural development instruments. In this context, the Commission has adopted four multi-annual programmes with assistance worth € 682.7 million in the period 2007–2009 for regional competitiveness, environment, transport and human resources development in Turkey.

The Commission has also adopted a multi-annual IPA Rural Development Programme for Turkey with assistance amounting to € 159 million between 2007–2009, which is to contribute to the modernisation of the agricultural sector, and to encourage alignment with the EU rules on food safety, veterinary, phytosanitary, environmental and other standards.

“It is fundamental that people in the EU and in Turkey get to know each other better. We need to further support a genuine civil society dialogue between the business community, trade unions, cultural organisations, universities, think tanks and NGOs.”

European Commission President José Manuel Barroso, Turkish Grand National Assembly, Ankara, 10 April 2008

A EU-funded project has supported the efforts of Turkey to eliminate child labour by 2011. It provided approximately 3000 children and their families with education, rehabilitation and support services. More than 2000 children were registered in schools and part of their educational costs was covered by the project budget.



Main focus areas of EU assistance to Albania include economic and social development as well as democratic stabilisation. IPA will ensure that institution-building projects are continued, to increase the effectiveness of Albania's executive and legislative bodies. Support will also be given to providing legal certainty on property ownership and improving the enforcement of rule of law.

IPA funds will promote social and economic inclusion of minorities and vulnerable groups, anticorruption projects and civil society development to contribute to

democratic stabilisation. Other examples of supported sectors are transport, environment as well as rural and regional development.

Finally IPA funding will strengthen Albania's cross-border cooperation with Greece, Montenegro and the former Yugoslav Republic of Macedonia, and Albania's participation in the transnational "South East Europe" programme which promotes better integration across the region.



The EU has funded this new court building in Vlora, Albania. Democracy and rule of law in the country will be further consolidated through a € 4.5 million 30-month IPA project launched in May 2008 to help develop an independent and impartial modern justice system.

Strengthening administrative capacity and supporting domestic efforts at building up democratic institutions are among the principal objectives for IPA in Bosnia and Herzegovina, to help it become a more democratic, sustainable and functional state. Support will also be provided for the development of local democracy and for civil society development to contribute among other things to fighting corruption.

Other priorities for the programme are assistance to judiciary, human rights, social inclusion and protection of minorities, returnees and vulnerable groups. There will

also be financial support for economic development and generation of jobs, adjustment of the education system to the needs of the labour market, and reform the public health system.

IPA will support cross-border co-operation with neighbouring Croatia, Montenegro and Serbia, and with Italy through the IPA Adriatic programme.

The EU funds educational reform too, both to improve the links with the labour market, and also to upgrade facilities. The primary school in Hadzici-Binjezevo was in a dilapidated state until the EU funded its rehabilitation – including installing heating and restoring classrooms to a usable condition. Now the 80 children who attend the school can enjoy appropriate conditions for learning.



In Kosovo, EU assistance will focus on the development of a stable, modern, democratic and multi-ethnic society based on the respect of human rights, the rule of law and the interests of all communities.

Strengthening the rule of law is one of the priorities in the IPA programme for Kosovo, alongside assisting return, reintegration and maintenance of cultural heritage. Other priorities are building an enabling economic environment for all of Kosovo's communities, road infrastructure, support for local government, education, energy, food safety and veterinary services and public procurement.

In 2008, IPA started to offer EU scholarships to enhance the professional capacity of Kosovo's public services through the provision of university education in EU Member States.

A boy holds the "Come to Europe" brochure as the EU roadshow, which encourages local interest in the integration process, visits Klinë/Klina on 18 May, 2008.



IPA will complement the € 50 million the EU has spent on rehabilitating transport infrastructure in Kosovo since 1999 – including this new bridge on the Pristina-Skopje highway.

The challenges that IPA will help Montenegro meet include continuing reforms in the judiciary and public administration, and the fight against corruption and organised crime. Projects will support the police in fighting terrorism, drugs, and trafficking of human beings, and will help the authorities to ensure adequate assistance to victims.

IPA will also fund projects in the internal market, customs, competition, environment, energy, agriculture and veterinary and phytosanitary controls. The agenda also includes strengthening the competitiveness of the Montenegrin economy and improving the business environment. Projects will aim at consolidating the macro-economic situation, restructuring enterprises, improv-

ing technology and education and vocational training, and improving infrastructure in transport, energy and environment.

The key environmental areas include impact assessment; waste water, solid waste and air pollution. Transport will benefit from help in developing policy, legislation and institutional capacity, especially in aviation.

Montenegro is also taking part in cross-border cooperation on environmental and maritime matters with Italy, Slovenia and Greece, and with Serbia, Croatia, Bosnia and Herzegovina and Albania.

As the town of Perast proves, Montenegro is a paradise for tourism, which is one of the mainstays of the economy. The EU has helped create a legal environment for establishing public-private partnerships in the sector. But IPA will also help delineate institutional competences for tourism and environmental protection, and in reform of the country's statistical office so that the impact of key industries is more clearly tracked.



Concrete IPA projects can now start in Serbia following the April 2008 signature by Serbia and the European Commission of a financial agreement on the IPA programme for 2007.

EU assistance aims at supporting Serbia to implement the necessary reforms needed on its path to the EU. Projects are among other things focused on helping build up the state's institutions and public administration, on fighting corruption, on balanced regional development, and on encouraging compliance with the International Criminal Tribunal for the Former Yugoslavia. Other projects include support

to internally displaced persons and refugees and the establishment of the Ombudsman office. And they also aim at reducing pollution and improving the safety of traffic on the Danube.

A total of € 165 million was allocated for use in 37 projects in 2007. One of these, worth € 21 million, deals with regional socio-economic development.

Serbia will also take part in cross-border programmes involving Bulgaria, Romania, Hungary and Western Balkan countries.



Developing Serbia's agriculture – and the capacity of its agriculture ministry – is one of the EU's priorities. Experts from the Rioja region of Spain are assisting Serbian winegrowers to improve their quality and competitiveness, and helping officials in simplifying rules for producers and consumers in line with the EU legislation.

The Multi-beneficiary programme supports activities that promote regional cooperation between potential candidate and candidate countries. It focuses on common interests and needs, with the overall aim of increasing cohesion and advancing the region's economic standing. The programme complements actions undertaken in national IPA programmes.

About € 880 million are allocated through the IPA Multi-beneficiary programme to support efforts towards EU accession. Some of the activities to be supported are:

- ◇ joint interventions with international financing institutions to help meet economic and social development needs;
- ◇ reforming academic institutions and assisting exchanges of students and academic staff through the Tempus and Erasmus programmes;

- ◇ strengthening administrative capacities and helping bring national bodies and legislation into line with the EU acquis;
- ◇ supporting civil society dialogue and development;
- ◇ administrative and judicial reform and the fight against organised crime and corruption;
- ◇ establishing of a regional strategy for disaster risk reduction in the Western Balkans and Turkey.

Multi-beneficiary programmes strengthen the multilateral experiences of the beneficiaries and encourage the good-neighbourly relations which are a prerequisite for EU membership. They also promote growth and stability across the region, from which all EU Member States also benefit.

The EU's assistance in creating a regional strategy for disaster risk reduction in the Western Balkans and Turkey will help combat natural disasters such as fires, floods and earthquakes, and provide better coordination for coping with the aftermath too.



The IPA advantages

The Instrument for Pre-Accession Assistance not only gives the EU more impact from its investment in helping the countries on the road towards membership.

Administratively, IPA offers the EU with a coherent framework for management and for gradual decentralisation or delegation of management to the beneficiary countries. It also permits flexibility in the application of assistance.

It provides a powerful link between the budgetary and policy aspects of enlargement. It makes clear to the beneficiary countries what they may expect in terms of assistance, provided they meet the conditions attached. In this way, IPA reinforces the guidance that the EU provides to the candidate and potential candidate countries on the priorities they should be pursuing.

But above all, IPA helps ensure that these countries which are not only its neighbours, but are also potential future members of the EU, develop the standards and values that the EU is built on. In this way, IPA is a real investment in the future – for the beneficiary countries, and for the EU itself. It brings a new focus to EU enlargement assistance.

“The EU continues to support the reforms in and development of Southeast Europe through the IPA. On average, the annual allocation for the Western Balkans in 2007–2011 will be € 800 million. This is by far the highest per capita amount provided by the Commission to any region in the world.”

Olli Rehn, Conference on Civil Society Development in Southeast Europe, Brussels, 17 April 2008

DG Enlargement provides a wide range of information on IPA, and on all aspects of the enlargement process and the countries involved as candidates and potential candidates for EU membership. See http://ec.europa.eu/enlargement/index_en.htm

Key texts on IPA include:

- ◇ *Council Regulation (EC) No 1085/2006 of 17 July 2006 establishing an Instrument for Pre-Accession Assistance (IPA) [Official Journal L 210 of 31.7.2006].*
- ◇ *Decision 2007/766/EC of 14 November 2007 drawing up the list of regions and areas eligible for financing under the Cross-border Cooperation Component of the Instrument for Pre-accession Assistance for the purpose of cross-border cooperation between Member States and beneficiary countries for the period 2007 to 2013 [Official Journal L 310 of 28.11.2007].*
- ◇ *Commission Regulation (EC) No 718/2007 of 12 June 2007 implementing Council Regulation (EC) No 1085/2006 establishing an instrument for pre-accession assistance (IPA) [Official Journal L 170 of 29.6.2007]*
- ◇ *Communication from the Commission to the Council and the European Parliament – Instrument for pre-accession assistance (IPA) – Multi-annual indicative financial framework for 2010–2012 [COM (2008) 705 final].*

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