

The Instrument for Pre-Accession Assistance (IPA) 2014-2020

Analysis of the proposals for 2014-2020

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1. Instrument for Pre-Accession: from the 2007-2013 to the 2014-2020 cycle

The Instrument for Pre-Accession Assistance (IPA) offers assistance to countries engaged in the accession process to the European Union (EU) for the period 2007-2013. The aim of the IPA is therefore to enhance the efficiency and coherence of aid by means of a single framework in order to strengthen institutional capacity, cross-border cooperation, economic and social development and rural development. Pre-accession assistance supports the stabilization and association process of candidate countries and potential candidate countries while respecting their specific features and the processes in which they are engaged.¹

Currently, the EU is dealing with 5 candidate countries² and 4 potential candidates³. By 2014, only Croatia will become a Member State. Socio-economic indicators show that, with the exception of Iceland, enlargement countries are still well below the EU average and even below the level of the weakest Member States.⁴ With a view to future accessions, the EU should continue to offer candidate countries and potential candidates technical and financial assistance to overcome their difficult situation and develop sustainably.

In its Communication of June 2011 'A Budget for Europe 2020' the European Commission proposed to allocate an amount of EUR 14 110 100 000 (current prices) to the new Instrument for Pre-accession Assistance for the period 2014-2020.

¹ http://europa.eu/legislation_summaries/agriculture/enlargement/e50020_en.htm

² Croatia, the former Yugoslav Republic of Macedonia, Iceland, Montenegro and Turkey

³ Albania, Bosnia and Herzegovina, Serbia as well as Kosovo under UNSCR 1244/99

⁴ Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the Instrument for Pre-accession Assistance (IPA II), 2011/0404 (COD)

The proposal for the new Instrument for Pre-accession Assistance is in line with the principles of subsidiarity and proportionality under Article 5 of the Treaty on European Union.

2. IPA 2014-2020: what to expect?

According to the proposal for the regulation for 2014-2020 cycle, the new pre-accession instrument should continue to *focus on delivering on the Enlargement Policy*, which is one of the core priorities of EU External Action, and help to promote stability, security and prosperity in Europe. It should continue to pursue the general policy objective of supporting candidate countries and potential candidates in their preparations for EU membership and the progressive alignment of their institutions and economies with the standards and policies of the European Union, according to their specific needs and adapted to their individual enlargement agendas. The coherence between the financial assistance and the overall progress made in the implementation of the pre-accession strategy should be strengthened. In addition, future pre-accession assistance should be even more strategic, efficient and better targeted than it has been so far, aiming for more sustainable results in improving the readiness of these countries for membership. The new instrument needs to operate more flexibly and to leverage more funds from other donors or the private sector by using innovative financing instruments. The efforts to simplify the financial management of the financial assistance and reduce the administrative burden should be continued.

Although we are still in the programming period 2007-2013, the legislative proposal for the next programming period 2014-2020 is already under negotiation in the EU institutions.

The proposal for the new Instrument for Pre-accession Assistance is based on extensive consultation with stakeholders which started at the conference on '*IPA: sustainable results and impact*', organised by the Commission in Brussels on 6 and 7 December 2010. This was followed by a series of consultations with stakeholders throughout the first part of 2011, which provided input to an *ex-ante* evaluation in preparation of the future pre-accession assistance instrument.

As part of the preparation of the proposal for the new pre-accession instrument, the Commission carried out an impact assessment considering several options for amending or reforming the future pre-accession instrument. Analysis of the positions emerging from the stakeholder consultation showed support for:

- Continuing with the instrument with similar levels of resources covering both institutional development and socio-economic development;
- Tailoring assistance to the needs and characteristics of each country;
- Introducing multi-annual planning to cover the duration of the next multi-annual financial framework, with a mid-term review, and developing further multi-annual programming also for transition assistance and institution-building actions, together with better beneficiary involvement in programming, led by stronger national authorities in charge of IPA coordination;
- Rewarding good performance based on absorption and on achieving strategic targets; using conditionalities in a more strict and systematic way at country, sector strategy and project level;

- Making access to the various types of assistance no longer subject to status as candidate/potential candidate, but dependent on readiness to implement, combined with a phased approach to decentralising the management of assistance;

As a result of the impact assessment and consultations with stakeholders, an option to ‘Amend the existing Regulation’ was chosen, with further development aiming to ‘Maintain the scope and adjust implementation arrangements’, covering both compliance with the accession criteria and support for socio-economic development. In addition, some aspects of the current IPA set-up and implementation modalities will be adjusted.

A new approach has been introduced: considering that the discretionary policy decisions on the status of applicant countries should be taken at another level, it is proposed that amendments made to the list of beneficiary countries in Annex to the proposed Regulation to reflect such decisions should be adopted by way of a delegated act in accordance with Article 290 of the Treaty on the Functioning of the European Union, since such amendments will not actually affect an essential element of the Regulation.

As it is stated in the proposal for the regulation, the enlargement policy of the Union should continue to be supported by a specific financial instrument. The Instrument for Pre-accession Assistance (IPA) should therefore be renewed.

3. IPA 2014-2020: new elements

Important for all future IPA beneficiaries is the fact that the Commission is planning to introduce simplification measures also to IPA programme. In the regulation it is said that “A priority for the Commission in this new Regulation, as in other programmes under the Multiannual Financial Framework (MFF), is to simplify the regulatory environment and facilitate Union assistance to beneficiary countries and regions, civil society organisations, SMEs, etc.”

The objectives of the future IPA are more detailed in the proposal for 2014-2020 cycle than for the current financial perspective. Article 1 of the new proposal says:

The Instrument for Pre-accession Assistance (‘IPA’) aims to support candidate countries and potential candidates (‘beneficiary countries’) listed in the Annex in implementing the political, institutional, legal, administrative, social and economic reforms required to bring the countries closer to Union values and to progressively align to Union rules, standards, policies and practices with a view to Union membership.⁵

⁵ Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the Instrument for Pre-accession Assistance (IPA II), 2011/0404 (COD)

This description is more comprehensive than the one in the current regulation, which only explains that “The Community shall assist the countries listed in Annexes I and II in their progressive alignment with the standards and policies of the European Union, including where appropriate the *acquis communautaire*, with a view to membership.”⁶

In article 2 several new objectives were introduced in comparison to the current regulation. These are listed below:

Article 2

Specific objectives

(a) Support for political reforms, *inter alia*:

(...)

(ii) ..., freedom of the press, and promotion of good neighbourly relations;

(iii) the fight against corruption and organised crime;

(...)

(v) ..., social dialogue.

(...)

(b) Support for economic, social and territorial development, with a view to a smart, sustainable and inclusive growth, *inter alia* through:

(...)

(ii) ..., environmental goals;

(...)

(iv) social and economic inclusion, in particular of minorities and vulnerable groups (...).⁷

Five components from the current regulation for 2007-2013 cycle are changed into policy areas set up in article 3 of the new regulation:

Article 3

Policy areas

1. Assistance under this Regulation shall mainly address the following policy areas:

(a) the transition process towards Union membership and capacity building;

(b) regional development;

(c) employment, social policies and human resources development;

(d) agriculture and rural development;

(e) regional and territorial cooperation. (...)⁸

⁶ COUNCIL REGULATION (EC) No 1085/2006 of 17 July 2006 establishing an Instrument for Pre-Accession Assistance (IPA), Title I, Article 1

⁷ Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the Instrument for Pre-accession Assistance (IPA II), 2011/0404 (COD)

⁸ Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the Instrument for Pre-accession Assistance (IPA II), 2011/0404 (COD)

Although partnership is not as strongly underlined in the IPA regulation as it is in the general provisions for all Cohesion Policy funds 2014-2020, it is mentioned in article 4 of the new regulation:

(...)

5. When preparing, implementing and monitoring assistance under this Regulation, the Commission shall in principle act in partnership with the beneficiary countries. The partnership shall involve, as appropriate, competent national, regional and local authorities, economic and social partners, civil society and non-state actors.⁹

The Common Strategic Framework for the Instrument for Pre-Accession Assistance (CSF for IPA) is a new element that the Commission is proposing to introduce. The description of the CSF for IPA can be found in article 5 of the new regulation:

Article 5

IPA Common Strategic Framework

1. The Commission shall establish a Common Strategic Framework for the Instrument for Pre-accession Assistance. The IPA Common Strategic Framework shall translate the political priorities of the enlargement policy into key actions which can receive assistance under this Regulation.

2. The IPA Common Strategic Framework shall *inter alia* include:

(a) the criteria to be used for the allocation of funds to beneficiary countries as well as to multi-country and territorial cooperation actions;

(b) the types of actions which can be financed by the IPA;

(c) the common guidelines for management and implementation of the IPA.

3. The Commission shall approve the IPA Common Strategic Framework and any revision thereof in accordance with the examination procedure referred to in Article 15(3) of the Common Implementing Regulation.¹⁰

“Strategy papers” described in the new regulation in article 6 is also a new concept, which did not appear in the regulation for 2014-2020.

Article 6

Strategy papers

1. Assistance under this Regulation shall be provided on the basis of country or multi-country indicative strategy papers (hereinafter “strategy papers”), established for the duration of the Union’s Multi-annual Financial Framework, by the Commission in partnership with the beneficiary country or countries concerned.

(...)

⁹ Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the Instrument for Pre-accession Assistance (IPA II), 2011/0404 (COD)

¹⁰ Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the Instrument for Pre-accession Assistance (IPA II), 2011/0404 (COD)

3. The strategy papers shall include the indicative allocation of Union funds per policy area, as applicable, broken down per year, in line with the criteria set in the IPA Common Strategic Framework referred to in Article 5. (...)

4. The strategy papers shall be reviewed at mid-term and revised as appropriate. They may be revised at any time at the initiative of the Commission.

The implementation of IPA 2014-2020 is explained in article 7, which says i.e.:

Implementation shall, as a rule, take the form of annual or multiannual, country specific or multi-country programmes established in accordance with the strategy papers referred to in Article 6 and drawn up by the beneficiary countries and/or the Commission, as appropriate.

Article 9 of the new regulation explains the eligibility of programmes:

1. In duly justified circumstances and in order to ensure the coherence and effectiveness of Union financing or to foster regional cooperation, the Commission may decide to extend the eligibility of programmes and measures referred to in Article 7 to countries, territories and regions which otherwise would not be eligible for financing pursuant to Article 1, where the programme or measure to be implemented is of a global, regional or cross border nature.

Another new element is the delegation of powers to the Commission, explained in article 10:

The Commission shall be empowered to adopt delegated acts in accordance with Article 11 to amend the Annex to this Regulation and to complement the Common Implementing Regulation with specific rules establishing uniform conditions for implementing this Regulation.

The exercise of powers by the Commission is determined by article 11:

Exercise of the powers delegated to the Commission

1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.

(...)

3. The delegation of powers may be revoked at any time by the European Parliament or by the Council. A decision of revocation shall put an end to the delegation of the power specified in that decision. It shall take effect on the day following the publication of the decision in the *Official Journal of the European Union* or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.

Article 13 explains in which circumstance the European Union support can be suspended:

Without prejudice to the provisions on suspension of aid in partnership and cooperation agreements with partner countries and regions, where a beneficiary country fails to respect the principles of democracy, the rule of law, human rights,

minority rights and fundamental freedoms, or the commitments contained in the relevant agreements concluded with the Union, or where progress towards fulfilment of the accession criteria is insufficient, the Union shall invite the beneficiary country to hold consultations with a view to finding a solution acceptable to both parties, except in cases of special urgency. Where consultations with the beneficiary country do not lead to a solution acceptable to both parties, or if consultations are refused or in cases of special urgency, the Council may take appropriate measures in accordance with Article 215(1) of the Treaty on the Functioning of the European Union, which may include full or partial suspension of Union assistance. The European Parliament shall be fully and immediately informed of any decisions taken in this respect.

Article 14 of the regulation sets out the financial references for the new IPA:

1. The financial reference amount for the implementation of this Regulation for the period from 2014 to 2020 shall be EUR 14 110 100 000 (current prices). Up to 3% of the financial reference amount shall be allocated to cross-border cooperation programmes between beneficiary countries and EU Member States.
2. The annual appropriations shall be authorised by the budgetary authority within the limits of the Union Multi-annual Financial Framework.

In comparison, the financial reference for 2007-2013 was EUR 11 468 million.¹¹

An important new element is introduced in the regulation for 2014-2020 concerning “Erasmus for All” programme, which was not introduced in the regulation for 2007-2013:

3. As referred to in Article 13, paragraph 2 of the "Erasmus for All" Regulation, in order to promote the international dimension of higher education, an indicative amount of EUR 1 812 100 000 from the different external instruments (Development Cooperation Instrument, European Neighbourhood Instrument, Instrument for Pre-accession Assistance, Partnership Instrument and the European Development Fund), will be allocated to actions of learning mobility to or from non EU countries and to cooperation and policy dialogue with authorities/institutions/organisations from these countries. The provisions of the "Erasmus for All" Regulation will apply to the use of those funds.

As article 14 further explains:

“The funding will be made available through 2 multiannual allocations only covering the first 4 years and the remaining 3 years respectively. This funding will be reflected in the multiannual indicative programming of these instruments, in line with the identified needs and priorities of the countries concerned. The allocations can be revised in case of major unforeseen circumstances or important political changes in line with the EU external priorities.”

¹¹ COUNCIL REGULATION (EC) No 1085/2006 of 17 July 2006 establishing an Instrument for Pre-Accession Assistance (IPA), Title IV, Article 27

4. IPA 2014-2020: next steps

The aim of this analysis is to give an overview of changes introduced in the new proposal in order to prepare future beneficiaries of IPA to make the best use of available funding. The role of partnership between Member States and social and economic partners as well as regional and local authorities has been noticed and introduced to the regulation. Certain measures taken to simplify financial management of projects are also mentioned in the new regulation and described with more details in the general provisions for all Cohesion Policy funds 2014-2020¹².

The access to EU funds may seem to be a challenge for many civil society organisations, but the European Commission in cooperation with other EU institutions is making efforts to make the procedures more clear and accessible for potential beneficiaries of EU funds and to reduce the administrative burden. However, the changes will not be done without any commitment of civil society organisations, regional and local authorities and national governments, also for IPA regulation. All partners have to work together in order to achieve a common goal: better adjusted EU funds.

The time to advocate for the changes is now.

¹² Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund covered by the Common Strategic Framework and laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) No 1083/2006, 06.10.2011