

## LEGAL BASIS

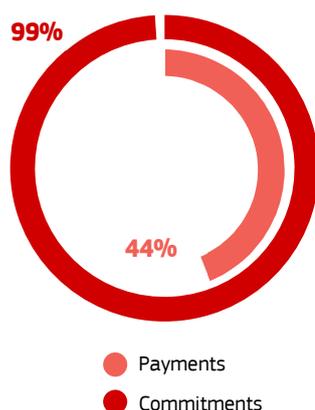
Regulation (EU) No 231/2014 of the European Parliament and of the Council

## MORE INFORMATION

<http://europa.eu/!Pf48uH>

## BUDGET ALLOCATION 2014-2020

EUR 12 893.6 million

OVERALL EXECUTION  
(2014-2020)Evaluations/  
studies conducted

The midterm evaluation of IPA II was carried out in 2017 within the framework of the midterm review of the external financing instruments. For further information please consult: <https://europa.eu/!MF73NR>

## How is it implemented?

The Directorate-General for Neighbourhood and Enlargement Negotiations is the lead DG for the implementation of the programme.

The programme is implemented through direct management (both centralised in Brussels and decentralised to EU delegations) and indirect management by beneficiary countries and entrusted entities.

## IPA II

## INSTRUMENT FOR PRE-ACCESSION ASSISTANCE

## What is IPA II?

The Instrument for Pre-accession Assistance (IPA) is the means by which the EU supports reforms in candidate and potential candidate countries through financial and technical assistance. The IPA's funding aims to build up the capacities of such countries throughout the accession process, resulting in progressive, positive development towards accession.

IPA funds help beneficiaries aspiring to join the EU prepare to fulfil the obligations that come with EU membership and to benefit from the rights enshrined in EU membership. The instrument supports reforms that provide citizens in the enlargement region with better opportunities and allow for the development of standards equal to those enjoyed by EU citizens.

Pre-accession assistance is designed to help the beneficiaries (currently Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, Serbia and Turkey) come closer to the accession benchmarks. By its nature, IPA II is an enabling instrument that supports beneficiaries in implementing the necessary reforms and achieving their respective targets and the conditionality of the stabilisation and association process.



## Specific objectives

- Support for political reforms.
- Support for economic, social and territorial development, with a view to promoting smart, sustainable and inclusive growth.
- Strengthening the ability of the beneficiary countries at all levels to fulfil the obligations stemming from EU membership by supporting progressive alignment with, and adoption, implementation and enforcement of, the *EU acquis*.
- Strengthening regional integration and territorial cooperation involving the beneficiary countries, Member States and, where appropriate, non-EU countries.

## Why is it necessary?

The IPA complements the EU's enlargement policy by supporting political and economic reforms in beneficiary countries. It contributes to meeting the broader objectives of ensuring stability, security and prosperity in the immediate neighbourhood of the EU.

The EU's political influence and leverage allow national authorities to be engaged with greater authority and legal certainty than is possible for individual Member States. Furthermore, granting pre-accession assistance under one single instrument on the basis of a single set of criteria is more efficient than granting assistance from multiple sources (including the national budgets of the Member States) following different procedures and priorities. The funds also help the EU reach its own objectives regarding a sustainable economic recovery, security of energy supply, improved transport connections, enhanced environmental standards, more effective action to combat climate change, etc.

## Outlook for the 2021-2027 period

IPA III will build on its 2014-2020 MFF predecessor IPA II, but will aim to accelerate project implementation by reducing the time between project selection (which will be based on both technical maturity and alignment with the country-specific recommendations of the enlargement package) and effective contracting.

Working on the lessons learned from IPA II, in IPA III the final selection of actions will also take into account an assessment of the beneficiaries' performance in relation to the enlargement agenda and their commitment to and progress in implementing reforms, with particular attention being paid to fundamental areas such as the rule of law and legal, administrative, social and economic reforms required to comply with EU values and to progressively align with EU rules, standards, policies and practices with a view to future EU membership, thereby contributing to mutual stability, security, peace and prosperity.

## Budget implementation (in million EUR)

EXECUTED COMMITMENTS		EXECUTED PAYMENTS	
2 042.0	2018	1 086.6	
2 393.2	2019	1 302.8	
1 608.6	2020	1 654.2	

## Key performance indicators

	Baseline	PROGRESS TO TARGET	Target	Results	Assessment
'Distance to frontier' (doing business) score (western Balkans)	60	> 100%	72	73 compared to a target score of 72	On track
'Distance to frontier' (doing business) score (Turkey)	65	> 100%	73	77 compared to a target score of 73	On track
GDP per capita as % of EU level – (western Balkans, excluding Kosovo) <sup>(1)</sup>	33%	42%	43%	37% compared to a target score of 43%	Moderate progress
GDP per capita as % of EU level – (Turkey) <sup>(1)</sup>	49%	63%	65%	59% compared to a target score of 65%	Moderate progress
Cross-border cooperation programmes concluded (IPA – IPA)		90%	10	9 out of 10 programmes	Moderate progress
Cross-border cooperation programmes concluded (IPA – EU Member States)		83%	12	10 out of 12 programmes	Moderate progress

■ % of target achieved by the end of 2020

<sup>(1)</sup> Latest results from 2019.

## Where are we in the implementation?

- In 2020, the Commission immediately readjusted ongoing projects, reoriented its programming for 2020, mobilised contingencies and savings and sped up the implementation of contracts in support of all IPA II beneficiary countries in order to maximise its response to the consequences of COVID-19 outbreak. EUR 1 billion from the IPA has been reallocated to address urgent, short-term emergency responses to the health crisis and the resulting humanitarian needs, to strengthen health and water systems and to address economic and social consequences.
- In October 2020 the economic and investment plan and the green agenda for the western Balkans were adopted. The long-term recovery of the region will be supported through a green and digital transition and through a renewed effort to foster economic regional integration within the region and with the EU, boosting economic growth and supporting the reforms required to move forward on the EU path. The plan already includes a list of flagship infrastructure projects on transport, energy, the environment and digital infrastructure, which will be financed mainly through the Western Balkans Investment Framework.
- Important milestones achieved in 2020 also included the organisation of the EU–Western Balkans Zagreb Summit in May 2020 and the Berlin Process Summit in Sofia in November 2020, which kept the enlargement process and the EU's strong partnership with the western Balkans on the political agenda at the highest level.
- The implementation of IPA II appears to be on track. At the end of 2020, an average of 4.2 years was needed to pay the total costs of legal commitments – slightly more than the target of 4 years, though much less time than in 2019 (5.5 years). In recent years the Commission has accelerated the implementation of IPA II. Payment implementation increased from EUR 1 billion in 2018 to EUR 1.6 billion in 2020, and is expected to further increase in 2021 and 2022, allowing for the total costs of taken commitments to be paid on time. The IPA budget is to a large extent an investment budget, and often finances projects that run over a long period of time.

## Performance assessment

- IPA II is making progress towards achieving its overall objectives, and some IPA indicators are on track to be achieved. For other indicators more work is needed. For instance, while there have been improvements in the fulfilment of fundamental areas of the political criteria for enlargement countries, such as the rule of law, these good results are counterbalanced by the backsliding in Turkey (see below).
- IPA II supports its beneficiaries in coping with ambitious political and economic reforms and in aligning gradually with the EU's rules, standards, policies and practices on their path towards membership. It fosters reforms in candidate and potential candidate countries through a combination of financial assistance and policy dialogue, preparing them for the rights and obligations that come with EU membership.
- The enlargement countries need to implement difficult and time-consuming reforms to make progress in the fundamental areas of the political accession criteria, including sustainable and far-reaching political and societal transformation. They also face challenges in terms of making advances in the fundamental areas of the economic criteria, which are interlinked with the political criteria.
- External factors have a large amount of influence when it comes to achieving IPA II's overall objectives. For enlargement to become a reality, a firm commitment to the principle of 'fundamentals first' remains essential. Structural shortcomings persist in the enlargement countries, notably in the key areas of the rule of law and the economy.
- IPA II is a unique instrument that supports its beneficiaries in coping with ambitious political and economic reforms and in progressively aligning with the EU's rules, standards, policies and practices on their path towards membership. These main principles will not change under IPA III. However, IPA III programming will be also built on a stronger performance-based approach, to be assessed on a yearly basis and closely linked to the revised enlargement methodology, whereas the IPA II performance reward was granted only twice under the current instrument. IPA III will also accelerate project implementation by reducing the time between their selection and effective contracting. The Commission will select actions on the basis of their policy relevance, namely their alignment with the programming framework and with the specific recommendations of the enlargement package for the countries. The second selection will then focus on technical maturity assessed against the action documents and supporting documents. Only actions that are sufficiently technically mature (i.e. when most preparatory activities have been finalised) will be considered ready for adoption.
- The revised enlargement methodology, endorsed by the Council in March 2020, builds on the four key principles of making the enlargement process more credible, subject to stronger political steer, more dynamic and more predictable. The changes introduced in the programming process for IPA III are part and parcel of this revised enlargement methodology, which aims to strengthen the performance-based approach of the instrument and increase its efficiency in terms of delivery.
- In line with the commitment to a merit-based enlargement process outlined in the revised enlargement methodology, the final selection of actions will also take into account the assessment of the performance of the IPA III beneficiaries in relation to the enlargement agenda and their commitment to and progress in implementing reforms, with particular attention to key areas of the political accession criteria.
- There are some examples of good progress in the political area. The 2020 enlargement reports noted improvements in the functioning of the judiciary in Albania, in the fight against corruption in North Macedonia and in the fight against organised crime in Montenegro, all of which reached 'some level of preparation / moderately prepared'. However, there was backsliding in Turkey on public administration reform, the functioning of the judiciary and freedom of expression, and no progress in the fight against corruption. Overall, progress towards meeting the 2020 target under the readiness of enlargement countries on the EU *acquis* is limited.

- Candidate and potential candidate countries made limited progress on meeting the economic criteria, according to the 2020 enlargement reports. In the area of a functioning market economy, Serbia advanced to the level of moderately prepared / good level of preparation. Albania and Montenegro remained at a moderately prepared level and North Macedonia at a good level of preparation, while Turkey is considered to be well advanced. On competitiveness, Montenegro, North Macedonia and Serbia remained moderately prepared, while Albania remained at some level of preparation.
- The Commission put a particular emphasis on these areas in its western Balkans strategy of February 2018 and in its communication of February 2020 on a revised EU accession methodology, which put an even stronger focus on these fundamental reforms. Also, the EU trained over 1 200 judges, prosecutors and lawyers in the enlargement region on EU standards and the EU *acquis*. Furthermore, to reinforce the effectiveness of public administration, structural reforms and good governance at all levels, almost 100 public policies were developed or revised, with EU support.
- During the IPA II period (2014-2020) significant milestones were reached. Bosnia and Herzegovina applied for EU membership in February 2016. The Commission adopted its opinion on the EU membership application of the country in May 2019, identifying 14 key priorities for the country to fulfil with a view to opening EU accession negotiations. In July 2018, the Commission confirmed that Kosovo has fulfilled all outstanding visa liberalisation benchmarks. A decision on the Commission's proposal is pending in the Parliament and the Council. In March 2020, the European Council endorsed the decision to open accession negotiations with Albania and North Macedonia. Since December 2015, negotiations on 19 chapters have been opened with Serbia, while two have been provisionally closed. With Montenegro, 30 chapters have been opened since the start of accession negotiations in 2012.
- The Facility for Refugees in Turkey continues to deliver much-needed assistance to refugees and host communities in Turkey in all the priority areas it covers, i.e. basic needs, education, healthcare, protection, socioeconomic support and municipal infrastructure. The Facility Steering Committee meets on a regular basis, and monitors and steers the implementation of the facility. Six-monthly monitoring reports, which are publicly available, confirm that the facility is continuing to achieve its goals. Under the Facility for Refugees, some EUR 65 million is being mobilised from savings and contingencies to respond to COVID-19-related needs among refugees.

### Concrete examples of achievements

100 000	1 800 000	416.5 km	7 805	75 000
students, researchers, staff and others participated in Erasmus+ activities involving western Balkans partners in 2014-2019.	of the most vulnerable refugees are currently provided with monthly cash transfers under the emergency social safety net in Turkey.	of the national road network in Albania have had better pavement conditions since 2015 due to adequate maintenance under IPA II.	housing units were built under the regional housing programme by the end of 2020.	people in Kosovo were connected to district heating in Pristina and Gjakova in 2014-2020, reducing air pollution and increasing energy efficiency.