

# Plenary 1: Update on 2014-2020 programming in Cohesion Policy, IPA II and ENI

Update on IPA II

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## From IPA 2007-13 to IPA 2014-20 (IPA II)

- Content:
  - IPA countries context;
  - IPA II objectives;
  - Several novelties under IPA II;
  - IPA II programming and implementation;
  - Regional development under IPA II;
  - Practical perspectives of regional development;
  - Simplicity and integration (Western Balkans);
  - Key messages.

## IPA countries context

- **Evolving political environment:**
  - Montenegro and Serbia have started accession negotiations;
  - Albania has become a candidate country;
  - The SAA between B&H and the EU entered into force;
  - Kosovo\* has signed the SAA;
  - Regional cooperation has been improved, but challenges remain.
- **Still high regional disparities due to the similar socio-economic challenges:**
  - High public debt and macroeconomic instability;
  - High unemployment;
  - Weak infrastructure;
  - Weak industry and obstacles to entrepreneurship;
  - Need for more efficient public administration and judiciary.

## IPA II objectives

- **General objective:**
  - to support the beneficiaries in adopting and implementing the political, institutional, legal, administrative, social and economic reforms required in order to comply with the Union's values and to progressively align to the Union's rules, standards, policies and practices, with a view to Union membership
- **Four specific objectives:**
  - support for political reforms ...
  - support for economic, social and territorial development, with a view to smart, sustainable and inclusive growth ...
  - strengthening the ability of beneficiaries to fulfil the obligations stemming from membership and alignment to the EU acquis ...
  - strengthening regional integration and territorial cooperation ...
- **Available budget 2014 – 2020: € 11.7 billion**

# 1. Several novelties under IPA II

- **Candidate countries and potential candidate countries** are “Beneficiary countries” which have access to assistance in **all five “policy areas”** (formerly “components”);
- **Sector approach:** almost complete shift from project-based assistance to co-financing of agreed country sector strategies;
- **Institutional changes:** no more CAO and SCO, single OS for CBC programmes, DG EMPL and DG REGIO are not involved any more in IPA (until the time comes);
- **IPA II mid-term review:** a chance for improvements and/or adjustment of allocations.

## 2. Several novelties under IPA II

- **Flexibility to re-allocate funds** between policy areas and/or countries;
- **Performance reserve** to be used based on the mid-term review;
- **Sector budget support**: stable macro financial framework, good management of public finances, transparency over the national budget and existence of sector policies;
- Increased **blending of loans and grants**;
- **Change of terminology** (e.g. decentralized management is indirect management).

# IPA II programming and implementation

| IPA II Policy Areas  | Sectors Defined in Indicative Strategy Papers   | Programming Documents  |
|--|---|--|
| <b>Reform in preparation for Union membership &amp; Capacity Building</b>                      | <ol style="list-style-type: none"> <li>1. Democracy and Governance</li> <li>2. Rule of Law and Fundamental Rights</li> </ol>  | <p>The Indicative Country Strategy Paper 2014-2020 which is translated into:</p> <ul style="list-style-type: none"> <li>• Multi-annual Sector Planning Documents/Sector Operational Programmes and multi-annual or annual Action Documents</li> <li>• IPARD Programme 2014-2020</li> <li>• CBC Operational Programmes</li> </ul> |
| <b>Socio-economic and Regional Development</b>   | <ol style="list-style-type: none"> <li>3. Environment and climate change</li> <li>4. Transport</li> <li>5. Energy</li> <li>6. Competitiveness and Innovation</li> </ol> |  |
| <b>Employment, Social Policies, Education, Gender Promotion and Human Resource Development</b> | <ol style="list-style-type: none"> <li>7. Education, Employment and Social Policies</li> </ol>  |  |
| <b>Agriculture &amp; Rural Development</b>   | <ol style="list-style-type: none"> <li>8. Agriculture &amp; Rural Development</li> </ol>  |  |
| <b>Regional and territorial cooperation</b>  |   |  |

## Implementation:

- Direct management: carried out directly by the EC
- Indirect management: delegated to and carried out by entities entrusted by the Commission (beneficiary country – to be the norm; an agency of EU MS; an international organization or an EU specialized agency).

# Regional development under IPA II

**Regional development is a cross cutting issue relevant for all sectors, but currently, except CBC programmes, not well applied, because:**

- **In the first years of IPA II priorities are focused on:**
  - Enlargement and Economic Governance issues (public administration reform, including public finance management; justice reform and fight against corruption);
  - Resolving unforeseen situations (e.g. floods recovery and/or Syria refugees).
- **The main focus of key authorities is on IPA II management requirements:**
  - Introduction of sector approach;
  - Getting entrustment for indirect management;
  - Defining mechanisms/conditions for management of sector budget support;
  - Resolving obstacles for implementation of infrastructure projects.



## Practical perspectives of regional development

- Status in EU accession process defines requirements, but **Cohesion policy should be the main driving force (Chapter 22)**
- **Principles for Chapter 22 and especially strategic and institutional framework:** simplicity and integration
- **Single project pipeline for infrastructure projects:** a methodology for selection and prioritization of infrastructure projects (strategic relevance and maturity)
- **Programming documents** (SPDs and ADs) should have section in which territorial development of (specific) regions should be elaborated. **Partnership** with regional authorities should be further strengthened.

# Simplicity and integration (Western Balkans)

- A Coordination Body should be institution directly linked to the Prime Minister and integrate existing functions of NIPAC, strategic planning and regional development planning
- Existence of NDP is optional

Coordination Body/Partnership Agreement

- MAs should be established on central level.
- Existence of consolidated national strategies per sector, on regional (NUTS II) and local level (per municipality)

Managing Authority / Operational Programmes

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- IB should be identified asap per type of ESI support (e.g. National Employment Service) and all available funds should be channeled through them

Intermediate Body (IB)

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Regional Development Agencies (RDAs) and local authorities should be partners to national authorities in programming and monitoring. RDAs should generate projects and enhance regional cooperation/coordination.

## Key messages

- **IPA II sector approach and administrative organization of a country will influence preparations for Chapter 22** (management structures will be established on central level);
- **Sector budget support** ensures disbursement but, without programming mechanisms for reaching indicators, desirable impact and successful preparation for Cohesion policy will not be ensured;
- **Consolidated strategic framework** on central, regional and local level and greater role of regional authorities in programming and monitoring;
- **Single infrastructure project pipeline** based on methodology for selection and prioritization of projects (relevance and maturity);
- **Increase funds for project preparation;**
- **Formalise cooperation with CSO;**
- **(Re)define roles and responsibilities between RDAs and municipality administration** (e.g. local offices for economic development);
- **Enhance regional cooperation** (e.g. cities and larger municipalities to be involved in preparation of project/urbanistic documentation on behalf of smaller municipalities).

**THANK YOU FOR YOUR ATTENTION**