



**IPA Components III, IV and V:  
Conditions for successful preparation and  
absorption of assistance**

Joint presentation by respective units in **DGs AGRI,  
EMPL and REGIO**



- **IPA framework: Structures and programming for Components III, IV and V**
- Essentials for the progress to be achieved
- How to ensure a good absorption of funds
- State of play in preparations for implementation



## IPA framework

- I. Transition Assistance and Institution Building
- II. Cross-Border Cooperation

**Candidate and potential candidate countries**

- III. Regional Development**
- IV. Human Resources Development**
- V. Rural Development (IPARD)**

**Only candidate countries**



## IPA framework

### Main IPA objectives

Progressive alignment with the standards and policies of the EU: Cohesion policy, Common Agricultural Policy

Prepare countries to implement and manage Community funds:

- European Regional Development Fund and Cohesion Fund, European Social Fund
- European Agricultural Fund for Rural Development

Strengthening public management capacities



## IPA framework

### IPA “side effect” - Strengthening public management capacities

Guiding countries in creating modern public management structures, based on the principles of good governance:

- Openness (transparency)
- Participation (partnership)
- Accountability
- Effectiveness
- Coherence

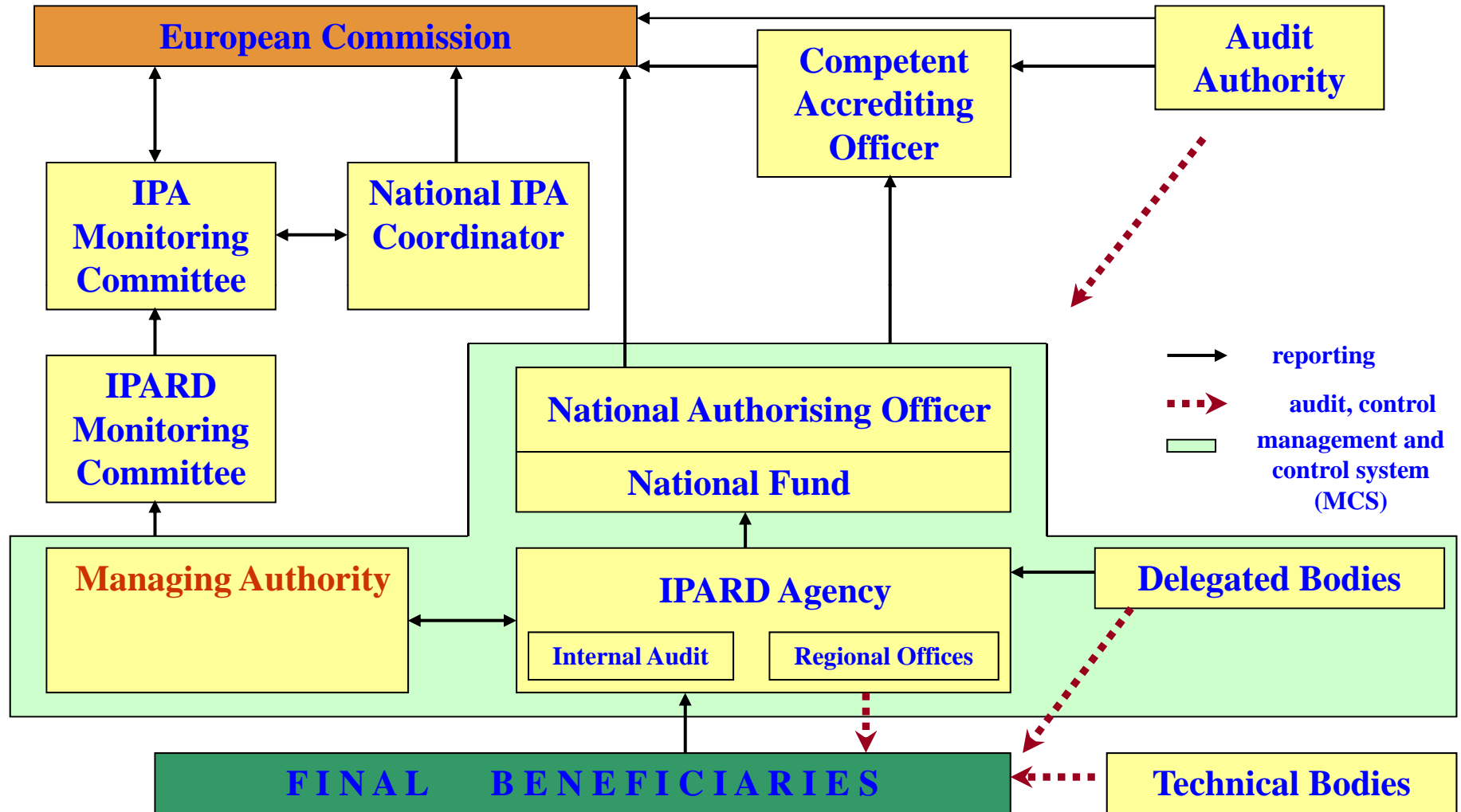


## IPA framework

### Structures and authorities to be in place:

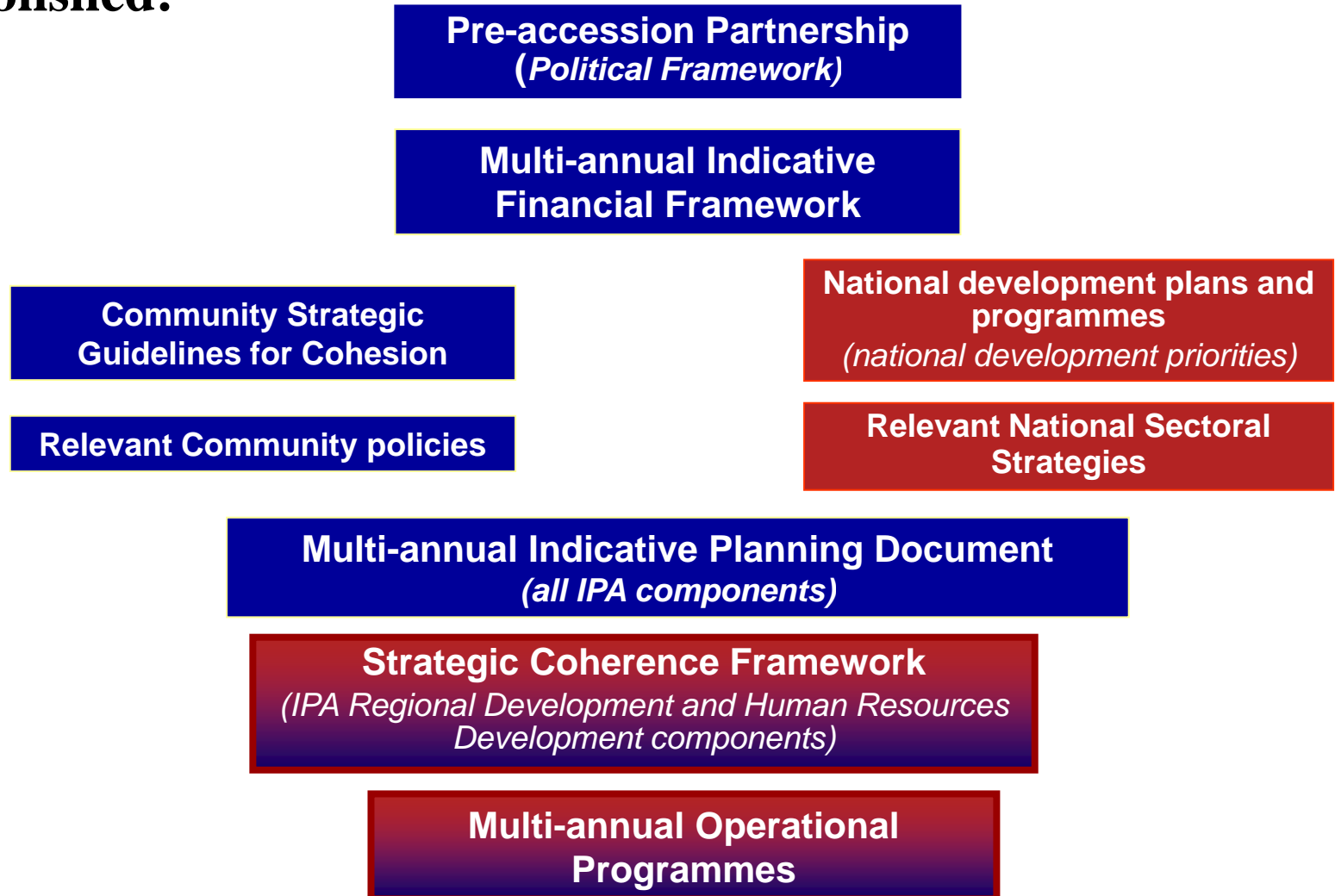
- National IPA Co-ordinator [**NIPAC**] (CI-V)
- Strategic co-ordinator (CIII-IV)
- Competent Accrediting Officer [**CAO**] (CI-V)
- National Authorising Officer [**NAO**] (CI-V)
- A National Fund [**NF**] (CI-V)
- An Operating Structure [**OS**] (for each Component/Programme)
- Audit Authority [**AA**] (CI-V)
- **End recipients** (CIII-V) – line ministry; water, rail or road company; regional waste operator; municipality; SME; farmer

## Example - IPARD structures



**Multi-annual programmes should be established:**

**Example** - Component III+IV  
Strategic Framework





## **Main steps to implementation of IPA CIII-V**

**Receiving of a "Candidate Country" status**



**Adoption of Multi-annual Programmes**



**Framework (and Sectoral) Agreements**



**National accreditation of operating structures**



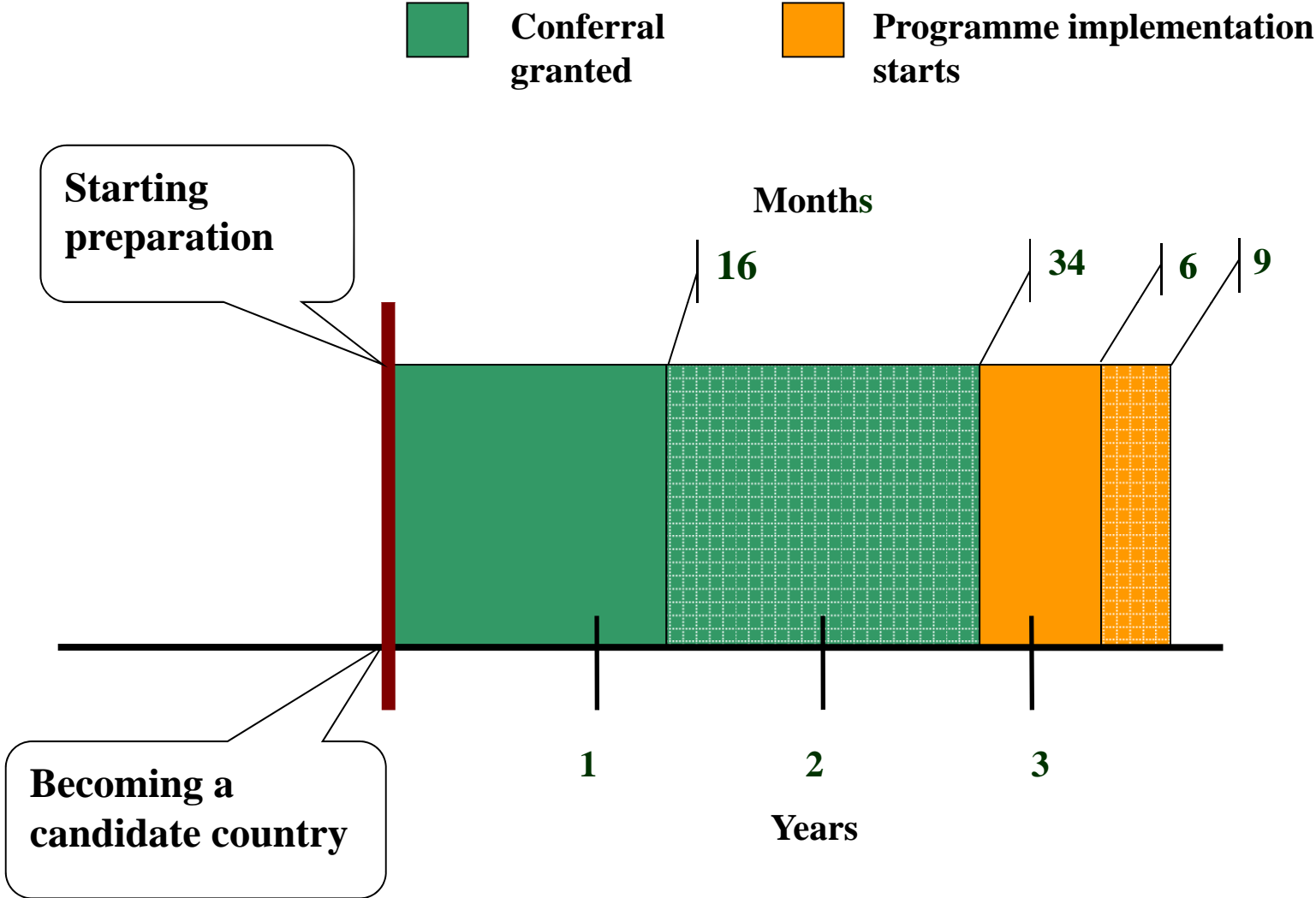
**Accreditation and conferral of management decision**



**Multi-annual Financing Agreement**



# Preparation takes from 2 to 3.5 years





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## Essentials for the progress

### Strategic aspects:

- **Clear and shared political vision** for the sectors concerned, reflecting consensus on where the country wants to be within a set time horizon
- Clear and approved **strategy for getting there** (environment; water sector; transport infrastructure; rural development)
- **Identification of investments needed** to implement the strategy
- Overall - **ownership of programming**, preparation and implementation by beneficiary country



## Essentials for the progress

### Institutional aspects:

- **Commitment by all** at all time during planning and implementation
- Central coordination and **leadership**
- **Institution building** at central level (staffing, relevant competencies, training, internal procedures) and ownership in core and line ministries
- **Partnership with relevant stakeholders**: administration bodies, regions, municipalities, economic and social partners, NGOs



## Essentials for the progress

### **In summary - ...to make a good progress:**

- National legal and institutional structures must be in place
- More importantly - political back-up and commitment
- Which leads to allocation of appropriate human and financial resources



## Essentials for the progress

### **With the political backing and commitment:**

- Strategic decisions on the programming would be taken more easily and effectively
- Sufficient resources would be allocated
- Countries would take less time to set-up the necessary legal and institutional framework for implementation of IPA CIII-V
- Hence, upon gaining a status of a Candidate Country would experience lesser delays in absorption of the funds



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## Absorption of funds

- Well defined programmes, well functioning structures, trained staff in place
- Early start of project preparation
- Strong awareness of stakeholders and beneficiaries
- Availability of co-financing



## Absorption of funds

### **Strong awareness of stakeholders and beneficiaries:**

- **Early involvement** of relevant stakeholders - raising their interest and keeping them informed from the very beginning
- **Strong project preparation** is essential - hands-on advice to the prospective beneficiaries from the early stages of preparation; on how to prepare projects; how to make projects which would be accepted!



## Absorption of funds




























### Availability of co-financing:

- Timely setting aside of financial resources in the budgets of public bodies
- Good credit system, loan accessibility. State guarantee fund?
- To involve the financial sector from early stages. Close interaction between the Government and a banking sector



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- **State of play in preparations for implementation**

## State of play 2009 - Candidate Countries

		Programmes	Conferral of Management	Financing Agreements	Absorption
<b>HR</b>	III				
	IV				
	V				
<b>MK</b>	III				
	IV				
	V				
<b>TR</b>	III				
	IV				
	V				



## State of play

### **Albania, Bosnia and Herzegovina, Montenegro, Serbia, and Kosovo** (under UN Security Council Resolution 1244)

- Applications for EU accession received from Albania and Montenegro. Serbia – expected shortly
- “IPA kick-off meetings” held in BiH, Montenegro and Serbia
- Strategies and timeframes for preparation
- Institutional and management capacity building to start implementation of IPARD – IPA Component I



## Closing remarks

Involvement of donors in successful preparation and absorption of assistance for IPA Components III, IV and V:

- Facilitate programming?
- Institutional building?
- Capacity building of stakeholders and prospective beneficiaries?
- Developing credit systems?