

**REGULATION (EU) No 231/2014 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**  
**of 11 March 2014**  
**establishing an Instrument for Pre-accession Assistance (IPA II)**

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 212(2) thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee <sup>(1)</sup>,

Having regard to the opinion of the Committee of the Regions <sup>(2)</sup>,

Acting in accordance with the ordinary legislative procedure <sup>(3)</sup>,

Whereas:

- (1) In its Communication of 29 June 2011 entitled 'A Budget for Europe 2020', the Commission set the framework for the Union's instruments for financing external action, including the Instrument for Pre-accession Assistance ('IPA II').
- (2) As Council Regulation (EC) No 1085/2006 <sup>(4)</sup> expired on 31 December 2013, and in order to make the external action of the Union more effective, a framework for planning and delivering external assistance should be maintained for the period from 2014 to 2020. The enlargement policy of the Union should continue to be supported by a specific instrument for financing external action. IPA II should therefore be established.
- (3) Article 49 of the Treaty on European Union (TEU) provides that any European State which endorses the values of respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights, including the rights of persons belonging to minorities, may apply to become a member of the Union. A European State which has applied to join the Union can become a member only when it has been confirmed that

it meets the membership criteria established at the Copenhagen European Council in June 1993 (the 'Copenhagen criteria') and provided that the accession does not overstretch the capacity of the Union to integrate the new member. Those criteria relate to the stability of institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities, the existence of a functioning market economy as well as the capacity to cope with competitive pressure and market forces within the Union, and the ability to assume not only the rights but also the obligations under the Treaties, including adherence to the aims of political, economic and monetary union.

- (4) The enlargement strategy based on consolidation, conditionality and communication, combined with the Union's capacity to integrate new members, continues to form the basis for a renewed consensus on enlargement. The accession process is based on objective criteria and on the application of the principle of equal treatment of all applicants, with each one being assessed on its own merits. Progression towards accession depends on each applicant's respect for the Union's values and its capacity to undertake the necessary reforms to align its political, institutional, legal, administrative and economic systems with the rules, standards, policies and practices in the Union.
- (5) The enlargement process reinforces peace, democracy and stability in Europe and allows the Union to be better positioned to address global challenges. The transformative power of the enlargement process generates far-reaching political and economic reform in the enlargement countries which also benefits the Union as a whole.
- (6) The European Council has granted the status of candidate country to Iceland, Montenegro, the former Yugoslav Republic of Macedonia, Turkey and Serbia. It has confirmed the European perspective of the Western Balkans. Without prejudice to positions on status or to any future decisions to be taken by the European Council or by the Council, those benefiting from such a European perspective which have not been granted candidate country status may be considered as potential candidates for the sole purpose of this Regulation. Financial assistance under this Regulation should be granted to all beneficiaries listed in Annex I.
- (7) Assistance under this Regulation should be provided in accordance with the enlargement policy framework defined by the European Council and the Council and taking due account of the Communication on the Enlargement Strategy and the Progress Reports comprised in

<sup>(1)</sup> OJ C 11, 15.1.2013, p. 77.

<sup>(2)</sup> OJ C 391, 18.12.2012, p. 110.

<sup>(3)</sup> Position of the European Parliament of 11 December 2013 (not yet published in the Official Journal) and decision of the Council of 11 March 2014.

<sup>(4)</sup> Council Regulation (EC) No 1085/2006 of 17 July 2006 establishing an Instrument for Pre-Accession Assistance (IPA) (OJ L 210, 31.7.2006, p. 82).

the annual enlargement package of the Commission, as well as of the relevant resolutions of the European Parliament. Assistance should also be provided in compliance with the agreements concluded by the Union with the beneficiaries listed in Annex I, and in accordance with the European and Accession Partnerships. Assistance should mainly focus on a selected number of policy areas that will help the beneficiaries listed in Annex I to strengthen democratic institutions and the rule of law, reform the judiciary and public administration, respect fundamental rights and promote gender equality, tolerance, social inclusion and non-discrimination. Assistance should continue to support their efforts to advance regional, macro-regional and cross-border cooperation as well as territorial development, including through implementation of Union macro-regional strategies. It should also enhance their economic and social development, underpinning a smart, sustainable and inclusive growth agenda with a particular focus on small and medium-sized enterprises, with a view to attainment of the targets of the Europe 2020 strategy for smart, sustainable and inclusive growth (the 'Europe 2020 Strategy') and progressive alignment with the Copenhagen criteria. The coherence between the financial assistance and the overall progress made in the implementation of the pre-accession strategy should be strengthened.

- (8) In order to take account of changes in the enlargement policy framework or of significant developments in the beneficiaries listed in Annex I, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission in respect of adapting and updating the thematic priorities for assistance listed in Annex II. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level. The Commission, when preparing and drawing up delegated acts, should ensure a simultaneous, timely and appropriate transmission of relevant documents to the European Parliament and to the Council.
- (9) Strengthening the rule of law, including the fight against corruption and organised crime, and good governance, including public administration reform, remain key challenges in most of the beneficiaries listed in Annex I and are essential in order for those beneficiaries to come closer to the Union and later to fully assume the obligations of Union membership. In view of the longer-term nature of the reforms pursued in those areas and the need to build up track records, financial assistance under this Regulation should address the requirements placed on the beneficiaries listed in Annex I as early as possible.
- (10) The beneficiaries listed in Annex I need to be better prepared to address global challenges, such as sustainable development and climate change, and align with the

Union's efforts to address those issues. Union assistance under this Regulation should also contribute to the attainment of the goal of raising the climate-related proportion of the Union budget to at least 20 %.

- (11) The Union should also provide support to the transition towards accession for the benefit of all the beneficiaries listed in Annex I, based on the experience of its Member States. This cooperation should focus in particular on the sharing of experience acquired by the Member States in the reform process.
- (12) The Commission and the Member States should ensure compliance, coherence, and complementarity of their assistance, in particular through regular consultations and frequent exchanges of information during the different phases of the assistance cycle. The necessary steps should also be taken to ensure better coordination and complementarity, including through regular consultations, with other donors. The role of civil society should be enhanced both in programmes implemented through government bodies and as a direct beneficiary of Union assistance.
- (13) The priorities for action towards meeting objectives in the relevant policy areas which will be supported under this Regulation should be defined in indicative strategy papers established by the Commission for the duration of the Union's multiannual financial framework for the period from 2014 to 2020 in partnership with the beneficiaries listed in Annex I, based on their specific needs and the enlargement agenda, in line with the general and specific objectives defined by this Regulation and taking relevant national strategies into due account. The strategy papers should also identify the policy areas to be supported through assistance and, without prejudice to the prerogatives of the European Parliament and of the Council, should lay down the indicative allocations of Union funds per policy area, broken down per year, including an estimate of climate-related expenditure. Sufficient flexibility should be built in to cater for emerging needs and to give incentives to improve performance. The strategy papers should ensure coherence and consistency with the efforts of the beneficiaries listed in Annex I, as reflected in their national budgets, and should take into account the support provided by other donors. In order to take into account internal and external developments, the strategy papers should be reviewed and revised as appropriate.
- (14) It is in the Union's interest to assist the beneficiaries listed in Annex I in their efforts to reform with a view to Union membership. Assistance should be managed with a strong focus on results and with incentives for those who demonstrate their commitment to reform through efficient implementation of pre-accession assistance and progress towards meeting the membership criteria.

- (15) Assistance should continue to make use of the structures and instruments that have proved their worth in the pre-accession process. The transition from direct management of pre-accession funds by the Commission to indirect management by the beneficiaries listed in Annex I should be progressive and in line with the respective capacities of those beneficiaries. In accordance with the principle of participatory democracy, parliamentary oversight in each beneficiary listed in Annex I of the assistance provided to that beneficiary should be encouraged by the Commission.
- (16) In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred on the Commission. Those powers relate to the strategy papers, programming documents and the specific rules establishing such uniform conditions and should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council <sup>(1)</sup>. Given the nature of those implementing acts, in particular their policy orientation nature or their financial implications, the examination procedure should in principle be used for their adoption, except in the case of measures of a small financial scale. When establishing the uniform conditions for implementing this Regulation, the lessons learnt from the management and implementation of past pre-accession assistance should be taken into account. Those uniform conditions should be amended if developments so require.
- (17) The committee established under this Regulation should be competent also for legal acts and commitments under Regulation (EC) No 1085/2006, as well as for the implementation of Article 3 of Council Regulation (EC) No 389/2006 <sup>(2)</sup>.
- (18) This Regulation lays down a financial envelope for its period of application which is to constitute the prime reference amount, within the meaning of point 17 of the Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation on budgetary matters and on sound financial management <sup>(3)</sup>, for the European Parliament and the Council during the annual budgetary procedure.
- (19) The Union should seek the most efficient use of available resources in order to optimise the impact of its external action. That should be achieved through coherence and complementarity between the Union's instruments for external action, as well as the creation of synergies between IPA II, other Union instruments for financing

external action and other policies of the Union. This should further entail mutual reinforcement of the programmes devised under the instruments for financing external action.

- (20) Common rules and procedures for the implementation of the Union's instruments for financing external action are laid down in Regulation (EU) No 236/2014 of the European Parliament and of the Council <sup>(4)</sup>.
- (21) Since the objective of this Regulation cannot be sufficiently achieved by the Member States but can rather be better achieved at Union level, the Union may adopt measures in accordance with the principle of subsidiarity as set out in Article 5 TEU. In accordance with the principle of proportionality as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve that objective.
- (22) It is appropriate to ensure a smooth transition without interruption between the Instrument for Pre-accession Assistance ('IPA') established under Regulation (EC) No 1085/2006, and IPA II and to align the period of application of this Regulation with that of Council Regulation (EU, Euratom) No 1311/2013 <sup>(5)</sup>. Therefore, this Regulation should apply from 1 January 2014 until 31 December 2020,

HAVE ADOPTED THIS REGULATION:

#### TITLE I

### GENERAL PROVISIONS

#### Article 1

#### General objective

The Instrument for Pre-accession Assistance for the period from 2014 to 2020 ('IPA II') shall support the beneficiaries listed in Annex I in adopting and implementing the political, institutional, legal, administrative, social and economic reforms required by those beneficiaries 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.

<sup>(1)</sup> Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers (OJ L 55, 28.2.2011, p. 13).

<sup>(2)</sup> Council Regulation (EC) No 389/2006 of 27 February 2006 establishing an instrument of financial support for encouraging the economic development of the Turkish Cypriot community and amending Regulation (EC) No 2667/2000 on the European Agency for Reconstruction (OJ L 65, 7.3.2006, p. 5).

<sup>(3)</sup> OJ C 373, 20.12.2013, p. 1.

<sup>(4)</sup> Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014 laying down common rules and procedures for the implementation of the Union's instruments for financing external action (see page 95 of this Official Journal).

<sup>(5)</sup> Council Regulation (EU, Euratom) No 1311/2013 of 2 December 2013 laying down the multiannual financial framework for the years 2014-2020 (OJ L 347, 20.12.2013, p. 884).

Through such support, IPA II shall contribute to stability, security and prosperity in the beneficiaries listed in Annex I.

## Article 2

### Specific objectives

1. Assistance under this Regulation shall pursue the achievement of the following specific objectives according to the needs of each of the beneficiaries listed in Annex I, as well as their individual enlargement agenda:

- (a) support for political reforms, inter alia through:
- (i) strengthening of democracy and its institutions, including an independent and efficient judiciary, and of the rule of law, including its implementation;
  - (ii) promotion and protection of human rights and fundamental freedoms, enhanced respect for the rights of persons belonging to minorities, including lesbian, gay, bisexual, transgender and intersex persons, promotion of gender equality, non-discrimination and tolerance, as well as freedom of the media and respect for cultural diversity;
  - (iii) regional cooperation and good neighbourly relations;
  - (iv) promotion of reconciliation, peace-building and confidence-building measures;
  - (v) the fight against corruption and organised crime;
  - (vi) strengthening of public administration and good governance at all levels;
  - (vii) capacity-building measures for improving law enforcement, border management and implementation of migration policy, including the management of migration flows;
  - (viii) development of civil society;
  - (ix) improvement of social dialogue and strengthening of the capacities of social partners;
- (b) support for economic, social and territorial development, with a view to smart, sustainable and inclusive growth, inter alia through:
- (i) the achievement of Union standards in the economy, including a functioning market economy, as well as fiscal and economic governance;
  - (ii) economic reforms necessary to cope with competitive pressure and market forces in the Union, while contributing to the achievement of social and environmental goals;

- (iii) fostering of employment and labour mobility, promotion of quality job creation and development of human capital;
  - (iv) promotion of social and economic inclusion, in particular of minorities and vulnerable groups, including persons with disabilities, refugees and displaced persons;
  - (v) fostering of an inclusive and integrated education system and preservation and restoration of cultural heritage;
  - (vi) development of physical capital, including improvement of infrastructure, and connections with Union and regional networks;
  - (vii) strengthening of research, technological development and innovation capacity;
- (c) strengthening of the ability of the beneficiaries listed in Annex I at all levels to fulfil the obligations stemming from Union membership by supporting progressive alignment with, and adoption, implementation and enforcement of, the Union *acquis*, including preparation for management of Union Structural Funds, the Cohesion Fund and the European Agricultural Fund for Rural Development;
- (d) strengthening regional integration and territorial cooperation involving the beneficiaries listed in Annex I, Member States and, where appropriate, third countries within the scope of Regulation (EU) No 232/2014 of the European Parliament and of the Council <sup>(1)</sup>.

2. Progress towards achievement of the specific objectives set out in paragraph 1 shall be monitored and assessed on the basis of pre-defined, clear, transparent and, where appropriate, country-specific and measurable indicators that cover inter alia:

- (a) progress in the areas of strengthening democracy, the rule of law and an independent and efficient justice system, respect for human rights, including the rights of persons belonging to minorities and vulnerable groups, fundamental freedoms, gender equality and women's rights, the fight against corruption and organised crime, reconciliation, good neighbourly relations and refugee return, and in particular, the establishment of track records in those areas;
- (b) progress in socio-economic and fiscal reforms, addressing structural and macro-economic imbalances; the soundness and effectiveness of social and economic development strategies; progress towards smart, sustainable and inclusive growth and the creation of an inclusive and integrated education, quality training and employment, including through public investment supported by IPA II; progress towards creating a favourable business environment;

<sup>(1)</sup> Regulation (EU) No 232/2014 of the European Parliament and of the Council of 11 March 2014 establishing a European Neighbourhood Instrument (see page 27 of this Official Journal).

- (c) progress in aligning the body of legislation with the Union *acquis*, including a track record of its implementation; progress in Union-related institutional reform, including transition to indirect management of the assistance provided under this Regulation;
- (d) progress in building up and strengthening good governance and the administrative, institutional and absorption capacities at all levels, including adequate human resources, needed to adopt and enforce the *acquis*-related legislation;
- (e) regional and territorial cooperation initiatives and the evolution of trade flows.

3. The indicators referred to in paragraph 2 shall be used in order to monitor, assess and review performance, as appropriate. The Commission's annual reports referred to in Article 4 shall be taken as a point of reference in the assessment of the results of IPA II assistance. The relevant performance indicators shall be defined and included in the strategy papers and programmes referred to in Articles 6 and 7 and shall be established in such a way as to enable progress to be assessed objectively over time and, where appropriate, across programmes.

#### Article 3

#### Policy areas

1. Assistance under this Regulation shall mainly address the following policy areas:
- (a) reforms in preparation for Union membership and related institution- and capacity-building;
  - (b) socio-economic and regional development;
  - (c) employment, social policies, education, promotion of gender equality, and human resources development;
  - (d) agriculture and rural development;
  - (e) regional and territorial cooperation.

2. Assistance under all policy areas referred to in paragraph 1 of this Article shall support the beneficiaries listed in Annex I in attaining the general and specific objectives set out in Articles 1 and 2, in particular through policy reforms, approximation of laws, capacity-building and investment.

Where appropriate, particular attention shall be paid to good governance, the rule of law and the fight against corruption and organised crime.

3. Assistance under the policy areas referred to in points (b) to (e) of paragraph 1 may include financing of the type of

actions provided for under Regulation (EU) No 1301/2013 of the European Parliament and of the Council <sup>(1)</sup>, Regulation (EU) No 1300/2013 of the European Parliament and of the Council <sup>(2)</sup>, Regulation (EU) No 1304/2013 of the European Parliament and of the Council <sup>(3)</sup>, Regulation (EU) No 1299/2013 of the European Parliament and of the Council <sup>(4)</sup> and Regulation (EU) No 1305/2013 of the European Parliament and of the Council <sup>(5)</sup>.

4. Assistance under the policy area referred to in point (e) of paragraph 1, may, in particular, finance multi-country or horizontal actions as well as cross-border, transnational and inter-regional cooperation actions.

#### Article 4

#### Framework for assistance

1. Assistance under this Regulation shall be provided in accordance with the enlargement policy framework defined by the European Council and the Council and shall take due account of the Communication on the Enlargement Strategy and the Progress Reports comprised in the annual enlargement package of the Commission, as well as of the relevant resolutions of the European Parliament. The Commission shall ensure coherence between the assistance and the enlargement policy framework.

2. Assistance shall be targeted and adjusted to the specific situation of the beneficiaries listed in Annex I, taking into account further efforts needed to meet the membership criteria as well as the capacities of those beneficiaries. Assistance shall be differentiated in scope and intensity according to needs, commitment to reforms and progress in implementing those reforms. It shall mainly be directed towards helping the beneficiaries listed in Annex I to design and implement sector reforms. Sector policies and strategies shall be comprehensive and shall contribute to the attainment of the specific objectives set out in Article 2(1).

<sup>(1)</sup> Regulation (EU) No 1301/2013 of the European Parliament and of the Council of 17 December 2013 on the European Regional Development Fund and on specific provisions concerning the Investment for growth and jobs goal and repealing Regulation (EC) No 1080/2006 (OJ L 347, 20.12.2013, p. 289).

<sup>(2)</sup> Regulation (EU) No 1300/2013 of the European Parliament and of the Council of 17 December 2013 on the Cohesion Fund and repealing Council Regulation (EC) No 1084/2006 (OJ L 347, 20.12.2013, p. 281).

<sup>(3)</sup> Regulation (EU) No 1304/2013 of the European Parliament and of the Council of 17 December 2013 on the European Social Fund and repealing Council Regulation (EC) No 1081/2006 (OJ L 347, 20.12.2013, p. 470).

<sup>(4)</sup> Regulation (EU) No 1299/2013 of the European Parliament and of the Council of 17 December 2013 on specific provisions for the support from the European Regional Development Fund to the European territorial cooperation goal (OJ L 347, 20.12.2013, p. 259).

<sup>(5)</sup> Regulation (EU) No 1305/2013 of the European Parliament and of the Council of 17 December 2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and repealing Council Regulation (EC) No 1698/2005 (OJ L 347, 20.12.2013, p. 487).

3. In accordance with the specific objectives set out in Article 2(1), the thematic priorities for providing assistance according to the needs and capacities of the beneficiaries listed in Annex I are set out in Annex II. Each of those thematic priorities may contribute to the attainment of more than one specific objective.

4. In accordance with the specific objective set out in point (d) of Article 2(1), assistance shall support cross-border cooperation, both between the beneficiaries listed in Annex I and between them and Member States or countries under the European Neighbourhood Instrument (the 'ENI') established by Regulation (EU) No 232/2014, with a view to promoting good neighbourly relations, fostering Union integration and promoting socio-economic development. The thematic priorities for assistance for territorial cooperation are set out in Annex III.

#### Article 5

### Compliance, coherence and complementarity

1. Financial assistance under this Regulation shall be consistent with Union policies. It shall comply with the agreements concluded by the Union with the beneficiaries listed in Annex I and shall respect commitments under multilateral agreements to which the Union is a party.

2. The Commission, in liaison with Member States, shall contribute to the implementation of Union commitments towards increased transparency and accountability in the delivery of assistance, including by publicly disclosing information on assistance volume and allocation, ensuring that data is internationally comparable and can be easily accessed, shared and published.

3. The Commission, the Member States and the European Investment Bank (EIB) shall cooperate in ensuring coherence and shall strive to avoid duplication between assistance provided under this Regulation and other assistance provided by the Union, the Member States and the EIB, including through regular and inclusive meetings aimed at coordinating the assistance.

4. The Commission, the Member States and the EIB shall ensure coordination of their respective assistance programmes to increase effectiveness and efficiency in the delivery of assistance and to prevent double funding, in line with the established principles for strengthening operational coordination in the field of external assistance, and for the harmonisation of policies and procedures, in particular the international principles on aid effectiveness. Coordination shall involve regular consultations and frequent exchanges of information during the different phases of the assistance cycle, in particular at field level, and shall constitute a key step in the programming processes of the Member States and the Union.

5. In order to increase effectiveness and efficiency in the delivery of assistance and to prevent double funding, the Commission, in liaison with the Member States, shall take the

necessary steps to ensure better coordination and complementarity with multilateral and regional organisations and entities, such as international financial institutions, United Nations agencies, funds and programmes, and non-Union donors.

6. When preparing, implementing and monitoring assistance under this Regulation, the Commission shall in principle act in partnership with the beneficiaries listed in Annex I. The partnership shall include, as appropriate, competent national and local authorities, as well as civil society organisations. Coordination among the relevant stakeholders shall be encouraged by the Commission.

The capacities of civil society organisations shall be strengthened, including, as appropriate, as direct beneficiaries of assistance.

#### TITLE II

### STRATEGIC PLANNING

#### Article 6

### Strategy papers

1. Assistance under this Regulation shall be provided on the basis of country or multi-country indicative strategy papers (the 'strategy papers'), established for the duration of the Union's multiannual financial framework for the period from 2014 to 2020, by the Commission in partnership with the beneficiaries listed in Annex I.

2. The strategy papers shall define the priorities for action towards meeting the objectives in the relevant policy areas referred to in Article 3, which shall be supported under this Regulation in line with the general and specific objectives referred to in Articles 1 and 2 respectively. The strategy papers shall be adopted in accordance with the framework for assistance set out in Article 4 and shall take relevant national strategies into due account.

3. The strategy papers shall include the indicative allocation of Union funds per policy area, as applicable, broken down per year, and shall allow for addressing emerging needs, without prejudice to the possibility of combining assistance in different policy areas. The strategy papers shall include the indicators for assessing progress with regard to attainment of the targets set therein.

4. The Commission shall make an annual assessment of the implementation of the strategy papers and their continued relevance in the light of the evolution of the policy framework referred to in Article 4. The Commission shall inform the committee referred to in Article 13(1) of the results of that assessment and may propose revisions of the strategy papers referred to in this Article and/or of the programmes and measures referred to in Article 7(1), as appropriate. Those strategy papers shall also be reviewed at mid-term and revised as appropriate.

5. The Commission shall adopt the strategy papers referred to in this Article and any revision thereof in accordance with the examination procedure referred to in Article 16(3) of Regulation (EU) No 236/2014.

### TITLE III

#### IMPLEMENTATION

##### *Article 7*

#### **Programming**

1. Union assistance under this Regulation shall be implemented directly, indirectly or in shared management through programmes and measures as referred to in Articles 2 and 3 of Regulation (EU) No 236/2014 and in accordance with specific rules establishing uniform conditions for implementing this Regulation, in particular as regards management structures and procedures, which the Commission shall adopt in accordance with Article 13 of this Regulation. Implementation shall, as a rule, take the form of annual or multiannual, country-specific or multi-country programmes, as well as cross-border cooperation programmes, established in accordance with the strategy papers referred to in Article 6 and drawn up by the respective beneficiaries listed in Annex I to this Regulation and/or the Commission, as appropriate.

2. Any programming or reviews of programmes taking place after the publication of the mid-term review report referred to in Article 17 of Regulation (EU) No 236/2014 (the 'mid-term review report') shall take into account the results, findings and conclusions of that report.

##### *Article 8*

#### **Framework and subsidiary agreements**

1. The Commission and the respective beneficiaries listed in Annex I shall conclude framework agreements on the implementation of assistance.

2. Subsidiary agreements concerning the implementation of assistance may be concluded between the Commission and the respective beneficiaries listed in Annex I or their implementing authorities, as required.

##### *Article 9*

#### **Cross-instrument provisions**

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(1) to countries, territories and regions which would not otherwise 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.

2. The European Regional Development Fund (ERDF) shall contribute to programmes or measures established under this Regulation for cross-border cooperation between the beneficiaries listed in Annex I and Member States. The amount of the contribution from the ERDF shall be determined pursuant to Article 4 of Regulation (EU) No 1299/2013. This Regulation shall apply to the use of that contribution.

3. Where appropriate, IPA II may contribute to transnational and interregional cooperation programmes or measures that are established and implemented under Regulation (EU) No 1299/2013 and in which the beneficiaries listed in Annex I to this Regulation participate.

4. Where appropriate, IPA II may contribute to cross-border cooperation programmes or measures that are established and implemented under Regulation (EU) No 232/2014 and in which the beneficiaries listed in Annex I to this Regulation participate.

5. Where appropriate, IPA II may contribute to programmes or measures which are introduced as part of a macro-regional strategy, and in which the beneficiaries listed in Annex I are involved.

### TITLE IV

#### FINAL PROVISIONS

##### *Article 10*

#### **Delegation of power**

The Commission shall be empowered to adopt delegated acts in accordance with Article 11 to amend Annex II to this Regulation. In particular, following the publication of the mid-term review report, and based upon the recommendations contained therein, the Commission shall adopt a delegated act amending Annex II to this Regulation by 31 March 2018.

##### *Article 11*

#### **Exercise of the delegation**

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

2. The power to adopt delegated acts as referred to in Article 10 shall be conferred on the Commission until 31 December 2020.

3. The delegation of power referred to in Article 10 may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation

of the power specified in that decision. It shall take effect 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.

4. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.

5. A delegated act adopted pursuant to Article 10 shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.

#### Article 12

##### Adoption of further implementing rules

In addition to the rules laid down in Regulation (EU) No 236/2014, specific rules establishing uniform conditions for implementing this Regulation shall be adopted in accordance with the examination procedure referred to in Article 16(3) of Regulation (EU) No 236/2014.

#### Article 13

##### Committee

1. An Instrument for Pre-accession Assistance committee (the 'IPA II Committee') shall be established and shall be composed of representatives of the Member States and chaired by a representative of the Commission. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.

2. The IPA II Committee shall assist the Commission with regard to all policy areas referred to in Article 3. The IPA II Committee shall be competent also for legal acts and commitments under Regulation (EC) No 1085/2006 and the implementation of Article 3 of Regulation (EC) No 389/2006.

#### Article 14

##### Performance reward

1. The strategy papers referred to in Article 6 shall provide for an appropriate amount of assistance to remain available to reward an individual beneficiary listed in Annex I for:

- (a) particular progress made towards meeting the membership criteria; and/or
- (b) efficient implementation of pre-accession assistance whereby particularly good results are achieved with respect to the specific targets set in the relevant strategy paper.

2. Where the progress made and/or the results achieved by a beneficiary listed in Annex I remain significantly below the agreed levels set out in the strategy papers, the Commission shall adjust the allocations proportionately, in accordance with the examination procedure referred to in Article 16(3) of Regulation (EU) No 236/2014.

3. An appropriate amount shall be set aside for the rewards referred to in paragraph 1 of this Article and shall be allocated on the basis of an assessment of performance and progress over a period of several years but not later than in 2017 and 2020 respectively. The performance indicators as referred to in Article 2(2), as specified in the strategy papers, shall be taken into account.

4. The indicative allocation of Union funds in the strategy papers referred to in Article 6 shall take into account the possibility of allocating the additional funds concerned on the basis of performance and/or progress.

#### Article 15

##### Financial envelope

1. The financial envelope for the implementation of this Regulation for the period from 2014 to 2020 shall be set at EUR 11 698 668 000 at current prices. Up to 4 % of the financial envelope shall be allocated to cross-border cooperation programmes between the beneficiaries listed in Annex I and the Member States, in line with their needs and priorities.

2. The annual appropriations shall be authorised by the European Parliament and by the Council within the limits of the multiannual financial framework for the period from 2014 to 2020.

3. In accordance with Article 18(4) of Regulation (EU) No 1288/2013 of the European Parliament and of the Council <sup>(1)</sup>, an indicative amount of EUR 1 680 000 000 from the different instruments for financing external action, namely the Development Cooperation Instrument established by Regulation (EU) No 233/2014 of the European Parliament and of the Council <sup>(2)</sup>, the ENI, the IPA II and the Partnership Instrument established by Regulation (EU) No 234/2014 of the European Parliament and of the Council <sup>(3)</sup>, shall be allocated to actions in respect of learning mobility to or from partner countries within the meaning of Regulation (EU) No 1288/2013 and to cooperation and policy dialogue with authorities, institutions and organisations from those countries. Regulation (EU) No 1288/2013 shall apply to the use of those funds.

<sup>(1)</sup> Regulation (EU) No 1288/2013 of the European Parliament and of the Council of 11 December 2013 establishing 'Erasmus+: the Union programme for education, training, youth and sport and repealing Decisions No 1719/2006/EC, 1720/2006/EC and 1298/2008/EC (OJL 347, 20.12.2013, p. 50).

<sup>(2)</sup> Regulation (EU) No 233/2014 of the European Parliament and of the Council of 11 March 2014 establishing a financing instrument for development cooperation for the period 2014-2020 (see page 44 of this Official Journal).

<sup>(3)</sup> Regulation (EU) No 234/2014 of the European Parliament and of the Council of 11 March 2014 establishing a Partnership Instrument for cooperation with third countries (see page 77 of this Official Journal).



The funding shall be made available through two multiannual allocations covering the first four years and the remaining three years respectively. The allocation of that funding shall be reflected in the programming provided for in this Regulation, in line with the identified needs and priorities of the countries concerned. The allocations may be revised in the event of major unforeseen circumstances or important political changes in line with the priorities of the Union's external action.

*Article 16*

**Entry into force**

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

It shall apply from 1 January 2014 until 31 December 2020.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Strasbourg, 11 March 2014.

*For the European Parliament*

*The President*

M. SCHULZ

*For the Council*

*The President*

D. KOURKOULAS

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## ANNEX I

- Albania
  - Bosnia and Herzegovina
  - Iceland
  - Kosovo (\*)
  - Montenegro
  - Serbia
  - Turkey
  - The former Yugoslav Republic of Macedonia
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(\*) This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

## ANNEX II

**Thematic priorities for assistance**

Assistance may, as appropriate, address the following thematic priorities:

- (a) Compliance with the principle of good public administration and economic governance. Interventions in this area shall aim at: strengthening public administration, including professionalisation and de-politicisation of the civil service, embedding meritocratic principles and ensuring adequate administrative procedures; enhancing the capacity to strengthen macroeconomic stability and supporting progress towards becoming both a functioning market economy and a more competitive economy; supporting participation in the multilateral fiscal surveillance mechanism of the Union and systematic cooperation with international financial institutions on fundamentals of economic policy, as well as strengthening public financial management.
- (b) Establishing and promoting from an early stage the proper functioning of the institutions necessary in order to secure the rule of law. Interventions in this area shall aim at: establishing independent, accountable and efficient judicial systems, including transparent and merit-based recruitment, evaluation and promotion systems and effective disciplinary procedures in cases of wrongdoing; ensuring the establishment of robust systems to protect the borders, manage migration flows and provide asylum to those in need; developing effective tools to prevent and fight organised crime and corruption; promoting and protecting human rights, rights of persons belonging to minorities — including Roma as well as lesbian, gay, bisexual, transgender and intersex persons — and fundamental freedoms, including freedom of the media.
- (c) Strengthening the capacities of civil society organisations and social partners' organisations, including professional associations, in beneficiaries listed in Annex I and encouraging networking at all levels among Union-based organisations and those of beneficiaries listed in Annex I, enabling them to engage in an effective dialogue with public and private actors.
- (d) Investment in education, skills and lifelong learning. Interventions in this area shall aim at: promoting equal access to quality early-childhood, primary and secondary education; reducing early school-leaving; adapting vocational education and training (VET) systems to labour market demands; improving the quality and relevance of higher education; enhancing access to lifelong learning and supporting investment in education and training infrastructure; particularly with a view to reducing territorial disparities and fostering non-segregated education.
- (e) Fostering employment and supporting labour mobility. Interventions in this area shall aim at: sustainable integration of young people not in employment, education or training (NEET) into the labour market, including through measures stimulating investment in quality job creation; supporting integration of the unemployed; and encouraging higher participation in the labour market of all under-represented groups. Other key areas of intervention shall be to support gender equality, the adaptation of workers and enterprises to change, the establishment of a sustainable social dialogue and the modernisation and strengthening of labour market institutions.
- (f) Promoting social inclusion and combating poverty. Interventions in this area shall aim at: integrating marginalised communities such as the Roma; combating discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation; and enhancing access to affordable, sustainable and high quality services, such as health care and social services of general interest, including through the modernisation of social protection systems.
- (g) Promoting sustainable transport and removing bottlenecks in key network infrastructures, in particular by investing in projects with high European added value. The identified investments should be prioritised according to their contribution to mobility, sustainability, reduced greenhouse gas emissions, relevance to connections with Member States, and coherence with the Single European Transport Area.
- (h) Improving the private-sector environment and competitiveness of enterprises, including smart specialisation, as key drivers of growth, job creation and cohesion. Priority shall be given to projects which improve the business environment.
- (i) Strengthening research, technological development and innovation, in particular through improving the research infrastructure, an enabling environment and promotion of networking and collaboration.
- (j) Contributing to the security and safety of food supply and the maintenance of diversified and viable farming systems in vibrant rural communities and the countryside.
- (k) Increasing the ability of the agri-food sector to cope with competitive pressure and market forces as well as to progressively align with the Union rules and standards, while pursuing economic, social and environmental goals in balanced territorial development of rural areas.

- (l) Protecting and improving the quality of the environment, contributing to the reduction of greenhouse gas emissions, increasing resilience to climate change and promoting climate action governance and information. IPA II funding shall promote policies to support the shift towards a resource-efficient, safe and sustainable low-carbon economy.
  - (m) Promoting reconciliation, peace-building and confidence-building measures.
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## ANNEX III

**Thematic priorities for assistance for territorial cooperation**

Assistance for cross-border cooperation may, as appropriate, address the following thematic priorities:

- (a) promoting employment, labour mobility and social and cultural inclusion across borders through, inter alia: integrating cross-border labour markets, including cross-border mobility; joint local employment initiatives; information and advisory services and joint training; gender equality; equal opportunities; integration of immigrants' communities and vulnerable groups; investment in public employment services; and supporting investment in public health and social services;
- (b) protecting the environment and promoting climate change adaptation and mitigation, risk prevention and management through, inter alia: joint actions for environmental protection; promoting sustainable use of natural resources, resource efficiency, renewable energy sources and the shift towards a safe and sustainable low-carbon economy; promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems and emergency preparedness;
- (c) promoting sustainable transport and improving public infrastructures by, inter alia, reducing isolation through improved access to transport, information and communication networks and services and investing in cross-border water, waste and energy systems and facilities;
- (d) encouraging tourism and cultural and natural heritage;
- (e) investing in youth, education and skills through, inter alia, developing and implementing joint education, vocational training, training schemes and infrastructure supporting joint youth activities;
- (f) promoting local and regional governance and enhancing the planning and administrative capacity of local and regional authorities;
- (g) enhancing competitiveness, the business environment and the development of small and medium-sized enterprises, trade and investment through, inter alia, promotion and support to entrepreneurship, in particular small and medium-sized enterprises, and development of local cross-border markets and internationalisation;
- (h) strengthening research, technological development, innovation and information and communication technologies through, inter alia, promoting the sharing of human resources and facilities for research and technology development.

IPA II funding may also finance, as appropriate, the participation of beneficiaries listed in Annex I in transnational and interregional cooperation programmes under the ERDF support to the European Territorial Cooperation goal and in cross-border cooperation programmes under the ENI. In those cases, the scope of the assistance shall be established in accordance with the regulatory framework of the relevant instrument (being either the ERDF or the ENI).

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**Declaration by the European Commission on the strategic dialogue with the European Parliament <sup>(1)</sup>**

On the basis of Article 14 TEU, the European Commission will conduct a strategic dialogue with the European Parliament prior to the programming of the Regulation (EU) No 231/2014 of the European Parliament and of the Council of 11 March 2014 establishing an Instrument for Pre-accession Assistance (IPA II) and after initial consultation of its relevant beneficiaries, where appropriate. The European Commission will present to the European Parliament the relevant available documents on programming with indicative allocations foreseen per country/region, and, within a country/region, priorities, possible results and indicative allocations foreseen per priority for geographic programmes, as well as the choice of assistance modalities (\*). The European Commission will present to the European Parliament the relevant available documents on programming with thematic priorities, possible results, choice of assistance modalities (\*), and financial allocations for such priorities foreseen in thematic programmes. The European Commission will take into account the position expressed by the European Parliament on the matter.

The European Commission will conduct a strategic dialogue with the European Parliament in preparing the mid-term review and before any substantial revision of the programming documents during the period of validity of this Regulation.

The European Commission, if invited by the European Parliament, will explain where the European Parliament's observations have been taken into consideration in the programming documents and any other follow-up given to the strategic dialogue.

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<sup>(1)</sup> The European Commission will be represented at the responsible Commissioner level

(\*) Where applicable.

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**Joint Declaration by the European Parliament, the Council of the European Union and the European Commission concerning the funding of horizontal programmes for minorities**

The European Parliament, the Council of the European Union and the European Commission agree that point (ii) of point (a) of Article 2(1) of Regulation (EU) No 231/2014 of the European Parliament and of the Council of 11 March 2014 establishing an Instrument for Pre-Accession Assistance (IPA II) is to be interpreted as allowing the funding of programmes aimed at enhancing respect for and protection of minorities in line with the Copenhagen criteria, as it was the case under Regulation (EC) No 1085/2006 of the Council of 17 July 2006 establishing an Instrument for Pre-Accession Assistance (IPA).

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**Declaration of the European Commission on the use of implementing acts for laying down provisions for the implementation of certain rules in Regulation No. 232/2014 of the European Parliament and of the Council of 11 March 2014 establishing a European Neighbourhood Instrument and in Regulation (EU) No 231/2014 of the European Parliament and of the Council of 11 March 2014 establishing an Instrument for Pre-Accession Assistance (IPA II)**

The European Commission considers that the rules for implementing cross-border cooperation programmes as set out in Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014 laying down common rules and procedures for the implementation of the Union's instruments for financing external action and other specific, more detailed implementing rules in Regulation (EU) No 232/2014 of the European Parliament and of the Council of 11 March 2014 establishing a European Neighbourhood Instrument and in Regulation (EU) No 231/2014 of the European Parliament and of the Council of 11 March 2014 establishing an Instrument for Pre-Accession Assistance (IPA II), aim at supplementing the basic act and should therefore be delegated acts to be adopted on the basis of Article 290 TFEU. The European Commission will not oppose the adoption of the text as agreed by the co-legislators. Nevertheless, the European Commission recalls that the question of delimitation between Articles 290 and 291 TFEU is currently under examination by the Court of Justice of the European Union in the 'biocides' case.

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**Statement by the European Parliament on the suspension of assistance granted under the financial instruments**

The European Parliament notes that Regulation (EU) No 233/2014 of the European Parliament and of the Council of 11 March 2014 establishing a financing instrument for development cooperation for the period 2014-2020, Regulation (EU) No 232/2014 of the European Parliament and of the Council of 11 March 2014 establishing a European Neighbourhood Instrument, Regulation (EU) No 234/2014 of the European Parliament and of the Council of 11 March 2014 establishing a Partnership Instrument for cooperation with third countries and Regulation (EU) No 231/2014 of the European Parliament and of the Council of 11 March 2014 establishing an Instrument for Pre-accession Assistance (IPA II) do not contain any explicit reference to the possibility of suspending assistance in cases where a beneficiary country fails to observe the basic principles enunciated in the respective instrument and notably the principles of democracy, rule of law and the respect for human rights.

The European Parliament considers that any suspension of assistance under these instruments would modify the overall financial scheme agreed under the ordinary legislative procedure. As a co-legislator and co-branch of the budgetary authority, the European Parliament is therefore entitled to fully exercise its prerogatives in that regard, if such a decision is to be taken.

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**Statement by the European Parliament on the Beneficiaries listed in Annex I of the Regulation (EU) No 231/2014 of the European Parliament and of the Council of 11 March 2014 establishing an Instrument for Pre-accession Assistance (IPA II)**

The European Parliament notes that the Regulation (EU) No 231/2014 of the European Parliament and of the Council of 11 March 2014 establishing an Instrument for Pre-accession Assistance (IPA II) uses the term 'the beneficiaries listed in Annex I' throughout the text. The European Parliament considers that this term applies to countries.

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