

ANNEX

Instrument for Pre-Accession Assistance (IPA)

**Multi-Annual Indicative Planning Document
(MIPD)**

2011-2013

Multi-Beneficiary

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Executive summary

The Instrument for Pre-Accession Assistance (IPA) has been created with the objective to continue to support the Beneficiaries (Albania, Bosnia and Herzegovina, Croatia, the former Yugoslav Republic of Macedonia, Montenegro, Serbia, as well as Kosovo*, Turkey and Iceland) in their efforts to strengthen democratic institutions, reform public administration, carry out economic reforms, develop their civil society and advance in regional cooperation and reconciliation, with the ultimate aim of acceding to the EU. IPA is therefore targeted at a wide range of institution-building measures¹.

The purpose of this Multi-Annual Indicative Planning Document (MIPD) is to set out the EU's priorities for Multi-Beneficiary assistance for the programming period 2011-2013. Multi-Beneficiary programme assistance will be provided through component I of IPA. Subject to annual reviews, the areas of intervention set out in this Multi-Beneficiary MIPD will serve as a basis for the annual programming of IPA Multi-Beneficiary allocations in 2011, 2012 and 2013.

The MIPD follows the Multi Annual Indicative Financial Framework (MIFF) which indicatively allocates funds per Beneficiary and per component. The IPA budget for the period 2011-2013 is EUR 5 756 293 000. The bulk of this IPA support to the Beneficiaries will be delivered through the National Programmes. However, around 9 % of available funds will be allocated through the Multi-Beneficiary programmes to complement National Programmes and strengthen multi-lateral relations in the Western Balkans and Turkey in areas identified as crucial for European integration and stability in the region.

Areas of intervention will only be addressed through Multi-Beneficiary assistance where there is a clear need for regional cooperation or horizontal action, for instance through tackling cross-border problems or in obtaining efficiencies through establishing harmonised approaches, leveraging established instruments or facilitating networks of experts. In the period 2011-2013, funds available for this will total around EUR 521 million for component I.

The MIPDs are based on the needs identified in the European/Accession Partnerships of the countries as well as in the in latest progress reports (adopted on 9 November 2010 as part of the Enlargement Package) and in the countries' own strategies. The Beneficiaries, local stakeholders such as the Regional Cooperation Council (RCC), EU Member States and other donors, International Financial Institutions (IFIs) and Civil Society Organisations have all been consulted in the design of this MIPD.

The Commission has taken a number of steps to enhance the strategic nature of this process over the last few years and to strengthen the link between the priorities established in the progress reports and the programming of assistance. To better illustrate this focus, and to strengthen ownership by the beneficiary countries, the Commission will increasingly use a more sector-based² logic in its planning of pre-accession assistance.

In order to increase the impact of IPA assistance and give greater focus to achievable results, the Commission has decided to concentrate its efforts on targeted sectors. A sector approach should facilitate cooperation among donors and beneficiaries, where possible under the lead

* Under UNSCR 1244/1999

¹ Council Regulation (EC) No 1085/2006 of 17 July 2006 establishing an Instrument for Pre-Accession Assistance (IPA), OJ L 210, 31.7.2006, amended by Regulation (EU) N° 540/2010 of the European Parliament and the Council of 16 June 2010.

² Or programme-based approach where the selected priorities span across sectors

of the national authorities, eliminating duplication of efforts and leading to greater efficiency and effectiveness. This, in turn, should allow all stakeholders to focus increasingly on the impact of our combined efforts.

Clear prospects of future EU membership remain the strongest driving force for reforms and the transformation of societies in the enlargement countries. At the same time, the enlargement process creates opportunities for the EU to engage in broader strategic actions, playing a key role in the Western Balkan region. To this end and with a view to ensure policy coherence, the enlargement policy should dovetail with the Europe 2020 strategy, thus generating benefits not only for the European Union, but also for the candidate countries and potential candidates.

But amid an uncertain global economic recovery, the EU's current enlargement process will, in the next couple of years, face multiple challenges. In the Western Balkans in particular, political instability, the lack of progress in the fight against organised crime and corruption as well as continuing investment shortfalls, mainly in transport and energy infrastructure, may mar the outlook for quick and sound economic recovery.

It is therefore of paramount interest to the EU to use the existing mechanisms and instruments, including IPA assistance, in the most efficient way, in order to speed up the reform process and help the region achieve political stability and economic prosperity. Regional cooperation in the Western Balkans constitutes a central element of the Stabilisation and Association Process and contributes to economic recovery.

The following priorities for IPA support over the period covered by this MIPD have been identified:

- Maintain the momentum of reform of the judiciary and public administration
- Enhance regional cooperation in the fight against organised crime and corruption
- Contribute to ensuring non-discrimination and respect for Human Rights as well as freedom of expression
- Help completing the process of reconciliation in the Western Balkans
- Contribute to building a vibrant civil society
- Help the Beneficiaries overcome the economic and financial crisis and prepare for sound recovery by jointly working on increasing competitiveness and investments in infrastructure
- Foster reforms and regional cooperation in education

To achieve the priorities selected for support in the programming period 2011-2013, the Commission will focus its assistance primarily on the following sectors:

- Justice and Home Affairs, including fundamental rights and vulnerable groups
- Public administration reform
- Support to Civil Society

- Private Sector Development
- Transport and energy infrastructure, including nuclear safety
- Environment and Climate Change
- Social Development.

1. IPA STRATEGIC OBJECTIVE

The overall objective of EU financial assistance to the IPA-Beneficiaries is to support their efforts for reform and towards compliance with EU law in order that they may become fully prepared to take on the obligations of membership to the European Union.

The Europe 2020 agenda offers the enlargement countries an important inspiration for reforms. IPA Beneficiaries are invited to consider the priorities of the strategy and adapt main challenges in the national and regional context. Enlargement policy also supports the Europe 2020 strategy by extending the internal market and enhancing cooperation in areas where cross border cooperation is key.

2. STRATEGIC PLANNING OF IPA ASSISTANCE

2.1. Challenges of the region and needs assessment

The EU enlargement process currently covers the countries of the Western Balkans, Turkey, and more recently Iceland.

Over the last five years, progress with reforms in the Western Balkans and Turkey has allowed them to move through successive stages in the accession process. However, for a number of them substantial work still lies ahead in meeting the established criteria and conditions. Further progress towards EU membership depends on the pace of their political and economic reform.

Major challenges facing the region in meeting the above mentioned overall strategic objective can be identified as follows:

- **Lack of political commitment to reform**

Strengthening the rule of law, the independence of the judiciary and the fight against organised crime and corruption, as well as public administration reform remain major challenges which the enlargement countries need to address rigorously from an early stage of the process. Among other things, a more efficient public administration, an independent judiciary and the rule of law are also crucial for contributing to a business environment more favourable to foreign and domestic investment.

In the latest Enlargement Strategy of November 2010³, the Commission has noted that moving forward in the EU accession process depends, among other things, on establishing a credible track record in the fight against organised crime and corruption and the reform of the judiciary. Beneficiaries need to attain tangible results that can bring sustained improvements to the rule of law. Achieving a stable legal framework and implementing it are key.

Recent positive developments on judicial cooperation in the Western Balkans include bilateral agreements on police cooperation, mutual legal assistance and mutual enforcement of sentences in penal matters between Serbia and Albania and mutual extradition agreements between Croatia and Serbia as well as Croatia and Montenegro for crimes of corruption, organised crime and money laundering for the purpose of prosecution as well as for the purpose of serving prison sentences. Other countries in the region should follow these examples. All should foresee the possibility to extradite nationals in all cases of serious crimes, including war crime cases.

Public administration reform is a priority in enlargement countries, most of which are in various stages of state-building. Improving governance and the rule of law require a professional and non-politicized civil service.

Finally, all countries need to focus on good governance, including respect of Human Rights, non-discrimination and protection of minorities. The economic crisis has had a negative impact on social welfare in the enlargement countries, affecting particularly, vulnerable groups including minorities (Roma among them), disadvantaged communities and people with disabilities. In light of this, the latest Enlargement Strategy of November 2010 identifies social inclusion as one of the main challenges ahead and encouraged enlargement countries to work to reduce poverty and social exclusion, in line with the priorities of the Europe 2020 strategy.

Upholding freedom of expression and media freedom is a concern in most enlargement countries. Issues affecting those countries to varying degrees range from legal frameworks that do not sufficiently guarantee freedom of expression to threats and physical attacks against journalists. In some countries, defamation remains a criminal offence or is subject to disproportionately high fines while political interference with the independence of media, including public service broadcasters, is a problem.

- **Economic reforms need speeding up to overcome the economic crisis**

Due to the global financial and economic crisis, economic activity in the enlargement region contracted sharply in the second half of 2008 and throughout 2009, as a result of reduced foreign direct investment, less cross-border lending, lower demand for exports and a decline in consumption as well as remittances. Industrial production saw the largest decline among economic sectors, showing a drop of 21%. In the Western Balkans, Croatia and Serbia were heavily affected due to their higher degree of integration in the global market. Montenegro was also severely hit due to its dependence on external financing and a relatively narrow base of the economy, while pro-cyclical fiscal policies exacerbated the impact of the crisis in Bosnia and Herzegovina. Growth in Turkey fell from 4.7% in 2007 to 0.9% in 2008, while that of Iceland fell from 5.6% to 1.3%.

³ Communication from the Commission to the European Parliament and the Council - Enlargement Strategy and Main Challenges 2010-2011, COM(2010) 660, 9.11.2010

Annual average inflation reached 7.6% in the Western Balkans in 2008, compared to 3.3% in the previous year. Price increases for oil and food and the decline in exports resulted in a further deepening of the current account deficit in national economies.

The economic downturn has severely affected labour markets, and a continuous increase in the unemployment rate over the last quarter of 2009 and the first quarter of 2010 has been a common feature across the Western Balkans, even though real levels of unemployment are lower, since a significant number of people who are registered as unemployed are working in the grey economy. The absolute poverty level is also constantly decreasing throughout the region. Progress on the Millennium Development Goals is broadly on track. Key poverty gaps affect mainly women, the elderly and certain minorities such as the Roma.

Overall, signs of recovery from the global economic and financial crisis are still scarce in the Western Balkans economies. The mid-term macroeconomic outlook remains favorable, but is dependent on the maintenance of internal and regional stability, the continuation of structural reforms, market liberalisation, investments in human capital development as well as the improvement of infrastructure and privatisation.

Also, given the relatively limited scope for a strong domestic macroeconomic policy response to the crisis, recovery will take time. Emphasis is put for the time being on short- to medium-term measures in order to mitigate the social impact of the crisis for the most vulnerable parts of the society and develop a sound fiscal policy, including efficient and effective public spending and incentives for investment. Furthermore, the response to the crisis should take into account the need for sustainable development and adaptation to climate change.

Turkey is a clear outlier. While the economy had contracted by 4.7% in 2009, real GDP growth accelerated to 11.8% in the first quarter of 2010. At the other end of the spectrum, the Icelandic economy continued to contract by 6.9% in the first quarter of 2010, compared to the first quarter of 2009.

- **Regional cooperation and trade are held up by open bilateral issues**

Regional cooperation remains essential to European integration. In the latest Enlargement Strategy of November 2010 the European Commission reiterated its support for regional cooperation activities in the Western Balkans, noting their contribution to economic development, reconciliation, good neighbourly relations and the solution of open bilateral issues, to address joint problems such as organised crime, border management, climate change or environmental pollution and to make progress on the EU integration agenda in areas such as security of citizens, energy or transport.

Regional cooperation in South East Europe has made important progress in recent years, in particular in the areas of trade, energy and transport and cooperation in public administration reform. However, more efforts are needed to improve the efficiency of regional structures and initiatives and to overcome bilateral disputes and disagreements which hinder the effective functioning of regional organisations.

In particular, the Regional Cooperation Council (RCC) needs further strengthening to build up its strategic role in guiding and monitoring regional cooperation and the Commission encouraged the organization to focus on the implementation of its results-oriented strategy (cf.2.2 below).

Full implementation of the CEFTA agreement and effectively establishing a common trade and investment area in the Western Balkans is a key initiative for economic development and

recovery from the economic crisis. The re-establishment and strengthening of economic links is also a means for reconciliation in the Western Balkans. Full functioning of the CEFTA is hindered by bilateral disputes which prevent free movement of goods. Moreover, not all the Parties are committed to ensure an effective decision making process. It is in the common interest that pragmatic and workable solutions be found.

2.2. Regional strategies

The RCC is a regionally-owned cooperation structure co-financed by the countries of the region, the European Commission and other interested donors. It took over from the Stability Pact in 2008 and is, after three years in existence, a well established and functioning organisation, ensuring continued cooperation between members of the South Eastern Europe Cooperation Process (SEECF) and the international donor community engaged in the region. The RCC Secretariat is based in Sarajevo with a Liaison Office in Brussels.

In June 2010, the RCC Board adopted the Strategy and Work Plan for 2011 – 2013, which identifies the following **priorities for regional cooperation**, grouped into six areas:

1. **Economic and social development:** transferring the South East Europe Investment Committee (SEEIC) from the OECD to regional ownership and developing its activity; exploring and developing ways to improve access to finance for private sector; ensuring that economic reforms and social agenda go hand-in-hand; pursuing the establishment of the Information Society.
2. **Energy and infrastructure:** supporting the Energy Community Treaty (ECT) towards gradual development of a regional electricity and gas market, with focus on facilitating investment in the region, energy efficiency and socio-economic impacts of energy sector reforms in South East Europe; supporting the signature and entry into force of the Treaty establishing the Transport Community, as well as entry into force and implementation of the European Common Aviation Area Agreement (ECAA); setting up the Regional Environmental Network for Accession (RENA); improving coordination of donor assistance for the development of regional infrastructure through the newly established Western Balkan Investment Framework (WBIF); elaborating the Danube Region Strategy with participation of relevant stakeholders.
3. **Justice and home affairs:** fighting organised crime, focusing particularly on economic and financial crime, smuggling of drugs and trafficking in human beings; fighting corruption through improved sharing of good practices within the scope of the existing initiatives, operating regionally as well as nationally and through better targeting of activities in Regional Anti-Corruption Initiatives (RAI); fighting terrorism and its sources of financing; managing legal and illegal migration by strengthening the capacity and effectiveness of the Migration, Asylum, Refugees Regional Initiative (MARRI); promoting the proper application of readmission agreements (within the region as well as with third countries and the EU); protecting fundamental rights and cooperating in private and civil law matters, taking into account the growing freedom of movement of people, goods and services in South East Europe.
4. **Security cooperation:** enhancing regional dialogue and cooperation mechanisms on security and defence issues, including development of common strategies, planning

and coordination processes; developing a regional approach to disaster risk reduction.

5. **Building human capital:** completing ratification of the international agreement on which ReSPA is based; promoting education and higher education reform through support to the Education Reform Initiative of South Eastern Europe (ERI SEE) and integration with the European Higher Education Areas, establishing a common qualification evaluation framework and upgrading management capacities; developing and implementing a Regional Strategy for Research and Development for Innovation for the Western Balkans, aiming at interconnecting national research and innovation systems, thus promoting competitiveness of the region; transferring coordination of the Ljubljana Process to the region.
6. **Parliamentary cooperation:** strengthening the parliamentary dimension of the work of SEECP through supporting the SEECP CiO (Chairmanship in Office), national parliaments and enhanced cooperation with the existing regional mechanisms; developing the Cetinje Parliamentary Forum into a hub for enhanced coordination of parliamentary activities related to the EU *acquis* in Western Balkans, through its institutionalisation and establishment of a sustainable Secretariat.

The priorities for regional cooperation identified in the RCC Strategy and Work Plan for 2011-2013 set the scene for its political work in the region. With the view of **implementing its strategy, but also increasing its efficiency**, the RCC should limit its scope to a number of targeted key activities while putting more emphasis on its role in guiding and monitoring the overall regional cooperation while coordinating with other key stakeholders and the donor community. A less cumbersome decision-making process could further enhance its efficiency.

2.3. Relations with the EU

The EU's enlargement policy allows for a carefully managed process where candidates and potential candidates approach the EU in line with the pace of their political and economic reforms as well as their capacity to assume the obligations of membership in accordance with the Copenhagen criteria.

The Stabilization and Association Process (SAP) is the EU policy framework for the Western Balkans. It aims at stabilization, political and economic reform and the promotion of regional cooperation with the ultimate goal of EU accession. It is based on a progressive partnership in which the EU offers trade concessions, economic and financial assistance and contractual relationships through Stabilization and Association Agreements (SAAs). The SAAs with the Western Balkans are at different stages of the implementation and ratification process.

A thorough assessment of each beneficiary's progress in implementing the obligations under the Stabilization and Association Agreements, including trade-related provisions, remains part and parcel of the careful steering process of candidates and potential candidates towards the EU. Croatia, Iceland, the former Yugoslav Republic of Macedonia and Turkey have achieved the status of candidate country. Montenegro was granted candidate country status in December 2010. Accession negotiations with Croatia started in October 2005 and are at an advanced stage. Accession negotiations with the former Yugoslav Republic of Macedonia may start at any time soon. Accession negotiations with Turkey began in October 2005 and so far negotiations have been opened on 13 chapters, one of which has been provisionally closed. In July 2010, the EU has opened accession negotiations with Iceland. Negotiations with Montenegro should be opened once the country has achieved the necessary degree of

compliance with the membership criteria and in particular the Copenhagen political criteria requiring the stability of institutions guaranteeing notably the rule of law.

Substantial progress was made towards visa liberalisation, resulting in the lifting of visa obligations for the former Yugoslav Republic of Macedonia, Montenegro and Serbia as of 19 December 2009. As of 15 December 2010, the visa free regime has been extended to the citizens of Albania and Bosnia and Herzegovina.

At the EU-Western Balkans ministerial meeting in Sarajevo, on 2 June 2010, the EU reaffirmed the need for fair and rigorous conditionality in the framework of the SAP and in accordance with the renewed consensus on enlargement approved by the European Council in December 2006. The progress of each country towards EU membership will depend on its own merits.

Regional cooperation and good neighbourly relations remain essential to European integration (see section 2.1). By supporting regional cooperation, IPA multi-beneficiary assistance can therefore contribute to each country's progress on the path towards EU membership.

2.4. Lessons learned

Building upon the experience from previous and existing EU financial assistance as well as the recommendations from the 2008 evaluation of the CARDS Regional Programme, a number of conclusions have been drawn. Regarding the *programming process* IPA Beneficiaries have emphasised the importance of **regular and timely communication** to facilitate their involvement and improve ownership of the IPA Multi-Beneficiary programmes. Consequently, detailed programme plans, including timelines and draft documents for comment, have been distributed to IPA Beneficiaries. Multi-Beneficiary coordination meetings take place regularly throughout the year either in Brussels or in the beneficiary region and allow for discussion on the status of current and future programming as well as project implementation.

Close cooperation is sought with the Regional Cooperation Council, also with a view to enhance ownership of the programmes. To this end, the EU will provide short-term technical assistance and expertise to build the capacity of the RCC.

A key challenge for the Beneficiaries in relation to the *implementation of assistance* provided under IPA is their **capacity to absorb funds**. This is dependent on national capacities to set up the necessary structures, prepare the necessary project documentation and, in the case of national programmes, to provide co-financing.

Both the European Commission services and stakeholders have emphasised the need to **concentrate human and budgetary resources on a limited number of key priority sectors**. Accordingly, the selection of strategic sectors outlined in this MIPD has been made on the basis of EU strategic documents, the lessons learned from the programming and implementation of previous EU assistance and findings from internal and external consultations. In order to use resources more effectively and efficiently, it is intended to address a selected number of activities on an annual or multi-annual basis through the regional and horizontal Multi-Beneficiary programmes.

Furthermore, in the course of 2010, a number of evaluations of IPA programmes and planning documents were conducted whose results also feed into the new generation of MIPDs at the national as well as Multi-Beneficiary level. The main conclusions of the ongoing

strategic/interim evaluation of regional cooperation in the Western Balkans and Turkey are the following:

- Multi-Beneficiary IPA assistance remains a relevant and important tool to foster regional cooperation and tackle common problems in the region.
- Local ownership of the Multi-Beneficiary programmes has improved through measures that involve regional and local stakeholders from an early stage of the programming process.
- While the strategic objectives of the MIPDs are adequate, the lack of SMART result indicators in previous MIPDs makes it difficult to measure the effectiveness and impacts of interventions.

As a result, in addition to continuing with early consultations of national and regional stakeholders, during the preparation of this MIPD efforts were made to identify indicators of achievements that will help measuring the effectiveness and impact of IPA Multi-Beneficiary assistance in the future (see section 3 below).

2.5. Consultations with stakeholders and donors

The main assistance to IPA Beneficiaries is given through the National Programmes with the Multi-Beneficiary Programmes complementing these. Areas of intervention will only be addressed through the Multi-Beneficiary programmes where there is a clear need for regional cooperation or horizontal action, for instance through tackling cross-border problems or in obtaining efficiencies through establishing harmonised approaches, leveraging established instruments or facilitating networks of experts.

In order to define the strategy in the 2011-2013 Multi-Beneficiary MIPD, a thorough planning and participatory consultation process with all stakeholders started already at the Multi-Beneficiary coordination meeting in Zagreb in June 2009. For a number of priority sectors for regional cooperation, Working Groups were set up to provide a framework for discussions with Beneficiaries, Donors, civil society and other stakeholders.

Working Group meetings were held in the course of the autumn 2009 and feedback provided with draft sector plans at the Multi-Beneficiary coordination meeting in Skopje in November 2009.

Discussions in these Working Groups continued until early 2010 to develop specific sector plans that in turn fed into the draft MIPD for 2011-2013. This process allowed better tailoring of the new Multi-Beneficiary strategy according to the needs of the Beneficiaries in the region as the Beneficiaries themselves identified the needs and priorities were consequently screened by the Working Group according to a commonly agreed grid for the added value and effectiveness of regional cooperation in each specific priority. At the same time, this approach enhanced the ownership of the programme as the Working Groups were embracing specialists from various sectors of the Beneficiaries that otherwise do not often have the opportunity to meet and discuss issues pertaining to regional cooperation. The sector plans were further discussed at a special donor coordination meeting in Brussels in February 2010.

The first draft MIPD, including the proposed priority areas for IPA Multi-Beneficiary assistance during 2011-2013, resulting from the sector plans, was furthermore discussed at the Multi-Beneficiary coordination meeting in Tirana in June 2010. The NIPAC-offices were subsequently invited to submit comments on the draft MIPD.

The specific sector plans will be updated continuously in the on-going discussions of the sector Working Groups to embrace new developments and challenges in the various fields and to serve as a valid basis for the annual programming of IPA assistance to the region.

Coordination meetings between the European Commission, EU Member States, non-EU donors and the International Financial Institutions (IFIs) take place regularly. They focus primarily on the strategic direction and the regional dimension of IPA planning and programming. Civil Society Organisations have also been invited to Coordination meetings and for comments on strategic documents such as the sector plans, the MIPD and annual Multi-Beneficiary programmes.

2.6. Selected priorities for EU assistance

Taking into consideration the strategic role of the RCC in developing regional cooperation in the Western Balkans and in identifying and addressing needs in regional activities and structures, programming of future EU assistance to the region will pay due attention to aligning strategic priorities with those identified by the RCC in the areas of economic and social development, infrastructure and energy, justice and home affairs, building human capital and cross-cutting issues. To this end, the RCC will continue to be associated with the process of coordination with Beneficiaries and donors.

Particular attention has been paid to ensure that the priorities and areas identified in the latest enlargement strategy that will be addressed by the EU financial assistance do match the regional priorities of the RCC Strategy and Work Programme for 2011 – 2013.

In addition, IPA assistance to candidate countries and potential candidates will strive to support these Beneficiaries to join the common European effort in the Europe 2020 priority areas⁴, while at the same time supporting them in their progressive alignment with the standards and policies of the European Union, including where appropriate the *acquis*, with a view to membership. At the Sarajevo EU-Western Balkans ministerial meeting on 2 June 2010, it was proposed that a regional recovery and development strategy be defined and actively pursued. The Western Balkans 2020 strategy follows the main parameters of the Europe 2020 strategy, based on knowledge and innovation.

In view of the above and in light of the challenges persisting along the region's path towards EU integration (cf. section 2.1), the following priorities for IPA support over the period covered by this MIPD have been identified:

- Maintain the momentum of reform of the judiciary and public administration;
- Enhance regional cooperation in the fight against organised crime and corruption
- Contribute to ensuring non-discrimination and respect for Human Rights as well as freedom of expression and help completing the process of reconciliation in the Western Balkans
- Contribute to building a vibrant civil society

⁴ The Europe 2020 Strategy of the European Commission (COM(2010)2020 of 3 March 2010) has proposed five measurable EU headline targets for 2020 backed by seven flagship initiatives. These targets focus on employment, innovation, climate and energy management, education and poverty reduction.

- Help Beneficiaries overcome the economic and financial crisis and prepare for sound recovery by jointly working on increasing competitiveness and investments in infrastructure
- Foster reforms and regional cooperation in education

3. MAIN SECTORS FOR EU SUPPORT FOR 2011 – 2013

To achieve the priorities selected for support in the programming period 2011-2013, the Commission will focus its assistance primarily on the following sectors:

- (1) Justice and Home Affairs, including fundamental rights and vulnerable groups;
- (2) Public administration reform;
- (3) Support to Civil Society
- (4) Private Sector Development;
- (5) Transport and energy infrastructure, including nuclear safety;
- (6) Environment and Climate Change
- (7) Social Development.

The specific areas of intervention identified for Multi-Beneficiary assistance will build on the progress made to date, particularly with regard to fulfilling the Copenhagen criteria and alignment with the EU *acquis*.

In line with the recommendations of the 2010 Enlargement strategy, fighting corruption is a crucial challenge for most of the countries in the enlargement process. Tangible results and credible track-record in the fight against corruption are important elements for moving forward in the stages of the EU accession process. Financial assistance will pay particular attention to this aspect, as corruption remains prevalent in many areas and needs to be tackled.

Equal opportunities and non-discrimination will be respected as regarding gender at the programming and implementation stage, particularly in relation to socio-economic support programmes. Minority and vulnerable groups' concerns will be reflected in all activities programmed under IPA, in particular when it concerns public services, legislative matters and socio-economic development.

In line with the Europe 2020 Strategy, all Beneficiaries also need to ensure that the challenges linked to climate change are addressed, in particular by reducing the emission intensity of their economic development. The aim to reduce greenhouse gas emissions shall be taken into account in all relevant sectors of the MIPD, in particular in the sectors of Transport and Energy infrastructure as well as Environment and Climate Change. Furthermore, all financial assistance must comply with the principle of sustainable development and meet the requirements of the relevant EU environment *acquis*, in particular the EIA as well the Birds and Habitats directives.

The IPA budget for the period 2011-2013 amounts to EUR 5 756 293 000. The bulk of this IPA support to the Beneficiaries will be delivered through the National Programmes. However, around 9 % of available funds will be allocated through the Multi-Beneficiary programmes to support Beneficiaries in their efforts towards EU accession.

According to the Multi-annual Indicative Financial Framework for IPA for the years 2011-2013⁵ Multi-Beneficiary programmes will receive an indicative allocation of around EUR 521 million of pre-accession funds under component I.

The financial assistance will be implemented through the relevant IPA components as follows:

In million EUR

IPA Component	2011	2012	2013
(I) Transition Assistance and Institution Building	186.27	156.86	177.84
(II) Cross-border Cooperation*	5.29	5.67	6.06
TOTAL	191.56	162.53	183.90

* IPA Component II, Cross-border cooperation, is dealt with in a separate MIPD

The planned allocation per sector and per year is presented below:

⁵ IPA Revised Multi-Annual Indicative Financial Framework for 2011-2013, COM(2010)640, 10.11.2010.

Indicative Financial Allocation per Sector (in million EUR)			
	<i>Period 2007 - 2010</i>	<i>Period 2011 - 2013</i>	
Justice and Home Affairs, incl. fundamental rights and vulnerable groups	28.50	24.00	4.61 %
Public Administration	60.92	38.50	7.39 %
Civil Society	40.50	30.00	5.76 %
Private Sector Development	123.90	70.00	13.44 %
Transport and Energy Infrastructure, incl. nuclear safety	124.45	108.00	20.73 %
Environment and Climate Change	16.30	17.00	3.26 %
Social Development	71.98	96.50	18.52 %
Other Interventions	173.86	96.00	18.43 %
Reserve	-	40.97	7.86 %
TOTAL	640.41	520.97	100%

Financial allocations are indicative and may vary according to actual financial needs identified at time of programming.

In addition, IPA Multi-Beneficiary assistance may finance other interventions that fall outside the scope of these sectors such as, but not limited to: i) project/sector programme identification and preparation; ii) *acquis* related actions that need to be adopted/implemented according to an established timetable (e.g. negotiating framework or NPAA), through the TAIEX instrument; iii) preparatory measures in view of participation in EU Programmes and Agencies to which the Beneficiaries become eligible unless they are included in one of the sectors chosen above; iv) support measures for the implementation, monitoring, audit and evaluation of IPA programmes, as well as for information and communication activities; v) support to the operational budget of the RCC and other technical assistance and capacity building support to its strategic coordination role (cf. 2.2 above) as well as vi) support by way of technical assistance to strengthen capacity for programming and implementing cross border cooperation at intra Western Balkan borders.

The following chapters give an overview of the objectives and results to be achieved in each of the sectors that will receive Multi-beneficiary IPA assistance during 2011 – 2013.

3.1. Justice and Home Affairs, including fundamental rights and vulnerable groups

3.1.1. Description of sector

Regional cooperation in the area of *Justice, Freedom and Security* is instrumental to address the security challenges in the Western Balkans. Greater efficiency is needed in the fight against organised crime, corruption, illicit trafficking, smuggling, terrorism and money laundering, in particular considering their trans-national nature.

The Western Balkan countries need to **enhance their judicial cooperation** to ensure an efficient functioning of their justice systems. In this regard, addressing the problem of impunity for war crimes and other serious crimes is of particular importance. To this end, the countries should review the existing restrictions in their legal frameworks for extraditions of own nationals and transfer of proceedings.

The Stockholm Programme 'An open and secure Europe serving and protecting the citizen', adopted by the EU Council in December 2009, defines the framework for EU police and customs cooperation, rescue services, criminal and civil law cooperation, asylum, migration and visa policy for the period 2010–2014. This programme should represent the reference framework also for judicial cooperation in the Western Balkans.

Respecting human rights, including the rights of persons belonging to minorities are core European values enshrined in the Lisbon Treaty, further detailed in the respective provisions of its legally binding Charter of Fundamental Rights. In the enlargement perspective, protecting minorities and vulnerable groups effectively means complying with the Copenhagen political criteria that feature prominently in strategic EU documents, such as the Accession and European Partnerships or the annual Progress Reports. In addition, IPA Beneficiaries are required to comply with the EU legislative *acquis* in the field of anti-discrimination and equal opportunities. Furthermore, the EU has identified policy areas and priorities relevant to the field of social inclusion in its enlargement strategy. Protecting minorities is of particular importance due to the demographic complexity of the region and its recent turbulent history of ethnic relations.

As a number of issues in this area are cross-border by nature, they require regional cooperation and **coordination of national approaches**. The candidate countries and potential candidates have all signed up to most relevant international treaties and frameworks. However, the **respect for and protection of minorities** vary across the region. Moreover, the implementation of relevant legislation remains a challenge as well as insufficient public understanding and inadequate policy commitments.

At the regional level, comparability would serve as a catalyst for enhanced performance in implementing the necessary reforms. Additional strategic and systematic approaches may emerge based on the analysis of results attained under similar circumstances. Regional cooperation will thus add value in cross-fertilizing existing initiatives with the ultimate aim of **sharing best practice** among Beneficiaries.

3.1.2. Past and ongoing assistance (EU and other donors)

EU-Assistance to regional *judicial, police and prosecutor cooperation* in the fight against organised crime and corruption is provided through CARDS and IPA.

A project on Integrated Border Management is supported under IPA 2007. Arrangements are in place between Frontex and several Beneficiaries in the Western Balkans in order to intensify practical cooperation in border management including with third country partners. Frontex has also become involved in the regional project with International Law Enforcement Coordination Units (ILECUs) for enhancement of cross-border support in the fight against crime.

Under CARDS 2005 and CARDS 2006, support is provided to establish international law enforcement coordination units and promote the network of prosecutors in the Western Balkans. Cooperation with Europol and Eurojust is progressing. In addition, the work done by the Southeast European Cooperative Initiative (SECI) Centre, which delivers support for information sharing, joint planning and common action in the field of trans-border crime, must be noted. In November 2008, a draft roadmap for the development of relations between Europol and the SECI Centre was agreed. The SELEC Convention was approved by the SECI Joint Cooperation Committee (JCC) on 10 September 2009 and was signed in Bucharest on 9 December 2009. As a result, Europol can start providing analytical support to the Centre and establishing a liaison office in the Centre. Regional cooperation has been encouraged through the Common Threat Assessment on Organised Crime for the South East European region (OCTA-SEE) which is prepared by the SECI Centre.

In the fight against organised crime, substantial, albeit uneven, progress has been made among the Beneficiaries in the Western Balkans. Trafficking in human beings and trafficking in weapons remain high on the agenda. In the fight against corruption, political commitment needs to be backed up by consistent implementation of anti-corruption legislation and tangible results. A lot also remains to be done regarding, for example, the independence and accountability of judiciaries and law enforcement bodies and the reinforcement of the rule of law. The IPA 2008 DET ILECU II project aims at improving the capacities of national and international law enforcement and judicial agencies to prevent and combat organised crime, in particular illicit drug trafficking and financial crime, as well as to prevent terrorism. A CARDS 2006 project is carrying out an assessment of corruption and crime in the Western Balkans.

The ongoing Multi-Beneficiary project IPA 2009 "Cooperation in Criminal Justice: Witness Protection in the Fight against Serious Crime and Terrorism (WINPRO)" promotes a coordinated and harmonised use of witness protection measures, both procedural and non procedural, at regional and European level in the IPA Beneficiaries. It facilitates operational cross-border, regional and international cooperation and coordination on relocation of witnesses and change of identity among relevant law enforcement agencies and judicial authorities.

With regard to promoting *human rights and protecting minorities*, the international community has in the past provided substantial resources to assist the reconstruction of the region, and contribute to its ethnic reconciliation. The Stability Pact, the European Community (mainly through CARDS and PHARE Programmes) and bilateral aid programmes of EU Member States, various United Nations agencies (UNHCR, UNDP, IOM, the World Bank) and European organisations (Council of Europe, OSCE), US and other governments have provided substantial financial and technical assistance to the region that has improved the situation of the minority communities. Donor coordination remains a significant challenge at the regional level in order to avoid overlapping of areas of intervention and duplication of financial support.

Continuing from support under CARDS, currently two programmes are funded under IPA Multi-Beneficiary assistance to facilitate refugee return and respectively, to enhance the social inclusion of marginalised communities, including implementation of national Roma strategies. IPA also supports a regional programme for social security coordination and social security reforms in Southeast Europe.

At the national level numerous projects are currently under implementation to promote the respect for human rights, and the protection of minorities and vulnerable groups, including Roma. However, more efforts are needed to establish a coherent regional framework for effective enforcement of relevant national legislation and to promote and empower such regional networks.

3.1.3. Sector Objectives for EU support over next three years

The rule of law and the fight against organised crime and corruption are among the highest priorities in the EU Strategy paper for all countries. In the regional context, the objectives are to **strengthen regional and international cross-border cooperation mechanisms between law enforcement agencies and judicial authorities** in the combat of the various forms of organised crime and corruption, through networking, mutual legal assistance, transfer of proceedings, requests for extradition, joint investigation teams and witness protection programmes. In fact, the protection of witnesses is widely acknowledged as a necessary tool in helping to penetrate and dismantle criminal organisations, as the closed nature of criminal and terrorist groups makes it very difficult to use traditional investigative methods successfully. The actions would therefore encompass both a thematic approach and a capacity building component.

In addition, all Beneficiaries should, in the next three years, **develop and ensure implementation of legislation on anti-discrimination and protection of minorities**, measurable, for example, in a decrease of complaints against cases of discrimination and violation of the relevant legislative provisions. **Reducing ethnic and social distance** in these societies is another important objective for all Beneficiaries. The ultimate goal of support in the area of human rights, minorities and vulnerable groups is to contribute to ensuring compliance with the Copenhagen political criteria, specifically to guarantee respect for human rights and protection of minorities in all candidate countries and potential candidates.

Indicators

The achievement of these objectives would be reflected in the relevant statistics of police and law enforcement agencies and ultimately result in less cross-border criminal activities as well as improved indices of corruption perception.

A reduction of ethnic and social distance can be attested by an increased participation of minority communities and vulnerable groups in the democratic and socio-economic development, measured by relevant indicators such as voter turnout, employment or education enrolment rates. Special attention should be devoted to improve the situation of Roma, as highlighted as one of the priorities in the latest Enlargement Strategy.

In order to achieve the sector objectives outlined above, actions foreseen under this sector will aim at achieving the following:

- Setting up of witness protection programmes, in close cooperation with Europol and a consortium of EU Member States yet to be identified. IPA Multi-Beneficiary assistance would contribute to enhance operational cross-border cooperation and coordination among

specialised law enforcement agencies on relocation of witnesses and change of identity, as well as covering the costs of setting up and operating the witness protection programmes.

- Framework for mutual legal assistance, direct contact and exchange of information between judicial and law enforcement authorities set up and operational. Target Beneficiaries would be the offices of the Public/State Prosecutors in the IPA Beneficiaries, and the relevant institutions, ministries or agencies involved in the International Law Enforcement Cooperation Units.
- Effective implementation of relevant international police and judicial conventions as well as bilateral agreements to facilitate international cooperation.
- Setting up of Joint Investigation Teams.
- Legislation ensuring anti-discrimination and protection of minorities adopted and enforced.
- Regional cooperation networks set up promoting sharing of best practices, exchange of data and development of common tools and innovative approaches.
- Design and implementation of policies and relevant programmes for inclusive education and training and activities promoting tolerance, reconciliation and interethnic dialogue.
- Running of awareness campaigns to combat stereotypes and prejudices that hamper intercultural dialogue.

3.2. Public Administration Reform

3.2.1. Description of sector

Efficient and effective public administration is crucial to fulfill the Copenhagen membership criteria and has a key role to play in improving governance through more stable institutions and the implementation of an anti-corruption agenda.

Overall, public administration reform is far-ranging in terms of objectives and aspects to be dealt with. It is a multi-faceted, multi-disciplinary process, which is interrelated with many other sectors of the enlargement agenda.

Support to public administration and governance will therefore continue to be a priority as far as the IPA Instrument is concerned. Although mainly a prerogative of IPA national programmes, issues related to public administration reform and good governance will also be addressed under the Multi-Beneficiary strand of IPA.

Multi-Beneficiary programming in the context of public administration reform refers mainly to soft support, i.e. activities which range from **sharing information and cross-fertilisation of good practices** to **co-ordination of approaches** in order to solve similar or transnational problems. A Multi-Beneficiary intervention can also act as unique dialogue tool to promote progress required by the EU *acquis* and also serve as a mechanism for regional cooperation, thus helping towards reconstructing networks. Indeed, in the perspective of EU accession, Beneficiaries are bound to reinforce regional ties and demonstrate a commitment to regional co-operation.

Statistics has been identified as an important aspect of public administration reform/governance which should benefit from IPA Multi-Beneficiary assistance. Official statistics is a tool for

national and international policy makers, businesses and the society at large when making decisions and measuring their effects. Consequently it is an essential basis for the development of democratic and market-oriented societies. In the enlargement context, statistics plays a dual role in the Stabilisation and Association Process (SAP) and in the EU membership negotiations.

First, statistics is one chapter of the *acquis* and has to be implemented in the pre-accession period. Second, statistics provides the data needed for other chapters and policy areas. This dual role is in particular evident in the areas of economy, finance, agriculture and regional policy, where reliable and comparable statistics is a precondition for successful negotiations.

The '*Strategy for statistical cooperation with candidate and potential candidate countries 2010-2013 - a multi-annual framework for aligning candidate and potential candidate countries with the EU acquis in statistics*' was approved by the Policy Group for Statistical Cooperation for candidate countries and potential candidates (PGSC) at its meeting in Budva (Montenegro) on 8-9 October 2009. The heads of the statistical offices of the IPA Beneficiaries are members of the PGSC.

The Western Balkans and Turkey are at very different levels of development of their national statistical systems. In the *candidate countries* the framework for producing statistics is in place in many areas. Efforts should therefore focus on **enhancing the quality and comparability of statistics**, especially in areas indispensable for accession negotiations. In Iceland, as a long-time member of the European Economic Area and of the ESS, parts of the *acquis* in statistics apply already whereas other parts need to be developed urgently. Many *potential candidates* still need to **complete the development of the statistical infrastructure** including statistical registers, methodologies and classifications according to international and EU requirements.

All Beneficiaries have centralised statistical systems with a major part of official statistics being produced by the National Statistical Institutes (NSIs). There are other important providers of official statistics such as central banks, customs offices, ministries and other public bodies. A basic legal framework is in place in most countries. The framework gives the NSIs and other authorised producers of statistics a legal basis for their activities.

The aim of Multi-Beneficiary technical assistance in the field of statistics is to **develop the statistical capacities of the Beneficiaries and harmonise their statistical methods and standards with European Union norms**, in order to provide impartial, reliable and comparable statistical data for the EU and national decision makers, other stakeholders and international organisations and to monitor the economic and social transition process.

A Multi-Beneficiary approach allows addressing common goals and features in an efficient way, with economies of scale and flexibility in the application of instruments. A stable level of support is essential to ensure capacity building in a sustainable way. This approach helps Beneficiaries build networks, share experiences and learn from each other. Regional programmes ensure that issues relevant for all or most NSIs receive adequate attention within a network of interested experts that can share forces and experience, thereby finding solutions and identifying best practices at lower costs.

3.2.2. Past and ongoing assistance (EU and other donors)

SIGMA - Support for Improvement of Governance and Management

The SIGMA instrument provides support to IPA Beneficiaries to establish strong public administrations with emphasis on the development of public administration capacities (horizontal management systems and public administration reform) in view of eventual EU membership.

The mandated work areas of SIGMA are categorised according to three "Building Blocks":

- (1) Public Administration Reform, including Public administration reform strategy; Public Service (including human resources management in PA); Administrative legal framework and administrative justice; Public Integrity System; Policy Making and Co-ordination;
- (2) Management of Funds including Public Expenditure Management (PEMS); Public Internal Financial Control (PIFC); External Audit; Anti-Fraud (OLAF); Public Procurement, Concessions and Public Private Partnerships;
- (3) Administrative Environment and Market Economy: Better Regulation; Responsive public service delivery; Managing property rights.

ReSPA – Regional School of Public Administration

The notion of a regional institution where civil servants from the seven different administrative systems of the Western Balkans could be trained was originally proposed at the EU's 2003 Summit in Thessaloniki. With EU assistance, the Regional School of Public Administration was created in May 2006 and has been working since then as a virtual school. Thanks to the continued assistance to ReSPA, a physical regional professional school was inaugurated in November 2010 to the benefit of civil servants in the Western Balkans.

The principal aim of ReSPA is to help improve regional cooperation in the field of public administration, to strengthen administrative capacities as required by the European integration process and to develop human resources in line with the principles of the European Administrative Space.

Alongside the core training and other capacity-building activities of ReSPA, activities of good practice exchange are also organised - Communities of Practice – which aim at fostering knowledge transfer and cross-fertilisation of concepts and initiatives between stakeholders in the Western Balkans and beyond.

With regard to *statistics*, the Multi-Beneficiary approach was already successfully used when developing the statistical systems of the new Member States that joined in 2004 and 2007. Also the current IPA Beneficiaries already have very good experience with this approach under CARDS and IPA.

The IPA Beneficiaries from the Western Balkans participated in the CARDS 2001 and CARDS 2003 regional programmes. Croatia and Turkey participated in the Phare 2005 and 2006 Multi-Beneficiary programmes. Multi-Beneficiary programmes have been funded under IPA 2007, IPA 2008 and IPA 2009.

3.2.3. Sector Objectives for EU support over next three years

In the latest Enlargement Strategy, the Commission gives continued priority to public administration reform. The overall objective in this area is to **contribute towards upgrading the operational capacities and professionalism of public administrations at central, regional and down to local level**, in the Western Balkans and Turkey, as well as to **promote regional cooperation** through knowledge transfer, networking and exchange of experience, by using existing instruments, in particular SIGMA and ReSPA.

With regard to statistics, overall objective of the Multi-Beneficiary support in statistics is to **continue upgrading and strengthening the statistical systems of the Beneficiaries** and thereby improve the availability, quality, comparability and timeliness of statistical data and to become fully compliant with the *acquis*.

Indicators

Attainment of the objectives in the area of public administration and governance will be measured by relevant statistics on the professional skills of civil servants in the public service at central, regional and local level or an increase of training days delivered by ReSPA to civil servants from the administrations in the Western Balkans.

In the field of statistics, achievement of the objectives will be reflected in an increased number of quality statistics and an improved capacity of the statistical services.

The following results are expected:

- Studies, assessments, strategy plans, facilitation of networks, technical assistance (TAIEX) delivered by TAIEX or SIGMA to promote good governance and effective public administration.
- ReSPA delivering professional training and other activities related to the strengthening of the capacity of public servants, and promoting knowledge transfer, networking and regional fora in two specific areas: a) strategic planning and budgeting, b) quality development / democratisation of the civil service.
- Local Administration Facility set up to increase the capacity of regional and local authorities to prepare for accession.
- Concept of Spatial Data Infrastructure promoted and implemented in the Western Balkans with a view to helping Beneficiaries meet the EU requirements in this field (Inspire Directive).
- Technical assistance to statistics services delivered, consisting of participation in Eurostat meetings, training, study visits, consultancies and traineeships, the main purpose of which is the transfer of know-how.
- Common data collection projects carried out. Being an important element of implementing new and existing *acquis*, these projects will provide assessments and advice from external experts and thus transfer of know-how, but will also provide financial contributions to the NSIs in order for them to carry out statistical surveys and collect data in those areas where this is required by the *acquis*.

3.3. Civil Society

3.3.1. Description of sector

Although IPA Beneficiaries are gradually adopting legislation and strategies more favourable to civil society development, engagement of governments with civil society remains generally weak. Local NGOs require training to adapt to present conditions, **strengthen their capacities and to participate in the European integration process**. It is also necessary to encourage the freedom of association, to put in place regulatory frameworks and public incentives for the development of civil society organisations and to **guarantee a supportive legal environment for civil society activities**.

3.3.2. Past and ongoing assistance (EU and other donors)

The European Commission Communication on the Enlargement Strategy and Main Challenges 2007-2008 underlined the importance of civil society being able to play its role in a participatory democracy. The "Civil Society Facility" (CSF) was set up as the tool to financially support the development of civil society.

The CSF focuses on three types of activities:

- (4) Support to local civic initiatives and capacity-building, increasing the abilities and visibility of civil society organisations at a national level
- (5) "People 2 People" (P2P) programmes support visits to EU institutions and bodies to exchange experiences, know-how and good practices between IPA Beneficiaries and EU civil society organisations
- (6) Partnership actions implemented by IPA Beneficiary and EU civil society organisations to encourage the transfer of knowledge, establish networks and implement innovative trans-national projects. The CSF is financed under both the IPA Multi-Beneficiary and the IPA national programmes.

A network of technical assistance desks (TACSO) has been established in the Western Balkans. This network became operational in autumn 2009 and is financed under the IPA 2008 and 2009 CSF Multi-Beneficiary programmes. Also, Local Advisory Groups have been established consisting of representatives from the EU delegations, governments, civil society and other donors.

Using the established TAIEX mechanism, the P2P programme organised 10 events in 2008 and 19 events in 2009. Finally, under the partnership strand, 15 contracts for a total amount of EUR 3.7 million have been signed in 2009 under the theme 'environment, energy efficiency and health and safety at work', as well as 9 contracts of a total value of EUR 1.6 million for 'fight against corruption, organised crime and trafficking'. A new call for proposals for cultural organisations, socio-economic partners and protection of minorities has been launched in 2010 for a total value of EUR 10 million altogether.

3.3.3. Sector Objectives for EU support over next three years

In the latest Enlargement Strategy the Commission emphasises that it will continue to support civil society organisations and make full use of its Civil Society Facility. Media freedom and freedom of expression are also mentioned in this context. The overall objective in this area is to **strengthen civil society organisations and their role in the political as well as**

European integration process ongoing in the Beneficiaries. This should result in an improved dialogue on legislation and policies between governments and civil society as well as the strengthening of social partnerships that will underpin reforms. Support in this area will ultimately also result in a more civil society friendly environment, consolidation of democratic processes and good governance.

Indicators

Regional cooperation will result in an increased capacity of CSOs to develop cross-border projects and networks as well as exchange best practices and standards. Training and assistance will help to familiarise civil society representatives and opinion leaders with EU affairs, including relevant policies and procedures, financial instruments and available EU programs, to introduce existing EU CSOs networks, lobbying and advocating mechanisms, thereby establishing sustainable relations between CSOs in the IPA Beneficiaries and the EU.

The following activities will contribute to attain the above mentioned objectives:

- The Civil Society Facility will encompass all national programmes as well as the Multi-Beneficiary assistance.
- Provision of longer-term seed-funding to NGOs, to help civil society finance its own activities and thereby play its role in the society.
- Establishment of a new mechanism to better identify the needs in each country through cooperation of TACSO with the local advisory groups and to accordingly tailor the support on a recurrent and longer-term basis.
- Provision of small, operational grants to CSOs, to better reach out to community-based organisations, smaller organizations and grass-root initiatives, allowing re-granting.
- Establishment of twinning-kind arrangements and partnerships between stronger, already established organisations to become mentors and facilitators for smaller organisations.

3.4. Private Sector Development

3.4.1. Description of sector

The economic and financial crisis hit the economies of the Western Balkans strongly. In order to support sound recovery and generate future growth for the region the main challenges besides **access to financing**, are to develop efficient mechanisms to **raise competitiveness**, including competence of human capital, improving the business environment to attract FDI and trade facilitation, including better marketing and access to markets. Moreover, private sector needs to increase efforts to strengthen research and innovation capacity.

In order to increase competitiveness, businesses need to move further up the value chain and offer specialised, high quality and high value-add services and products. The development of a regional investment strategy could provide investors with the opportunity to gain economies of scale by working in a region where one trade and investment area exists and where business support services are promoted.

A major development towards the liberalisation of trade flows took place through the signature and ratification of the Central European Free Trade Agreement (CEFTA) 2006. Efforts must now focus on the full implementation of the agreement by all signatory parties.

The major issues on the agenda of CEFTA include the further reduction of non-tariff barriers to trade, improvement of trade logistics, harmonisation of norms and standards, as well as the protection of intellectual property rights and patents.

The private sector and small and medium-size enterprises (SMEs) are the backbone of the economy. A number of financing facilities are in place, but awareness is limited and SMEs need both, capital and appropriately trained human resources to expand their full potential for socio-economic development.

3.4.2. Past and ongoing assistance (EU and other donors)

Support to improve the competitiveness of enterprises and the business environment in the Western Balkans has been provided under CARDS programmes. A SME Finance Facility (SMEFF) is being supported under the PHARE programme to strengthen the capacity of financial intermediaries to expand and maintain their financing operations with SMEs.

In 2005 a regional multi-donor initiative was launched – the European Fund for Southeast Europe (EFSE), supported under CARDS and later under IPA. It led to the consolidation of the numerous micro-credit agreements throughout the region into one single instrument, it has provided sustainability to previous funding and it has led to management efficiency gains. The most striking feature of EFSE is the fact that the risk cover of the EU and Member State contribution is set to attract private capital to invest in micro-lending. EFSE has so far been rolled out successfully. By December 2009, the European Commission subscription was EUR 96.4 million and the total value of the portfolio was increased to EUR 579 million. The outstanding sub-loan portfolio amounted to EUR 450 million spread across 115,600 sub-borrowers. Total disbursements since EFSE's inception reached 216,000 loans amounting to EUR 1.1 billion.

IPA assistance has contributed to the implementation of the Small Business Act for Europe by supporting the Regional Entrepreneurial Learning Centre. With regard to trade and investment, IPA support is being provided for the implementation of CEFTA and activities of the OECD South East Europe Investment Compact. In addition, in the framework of the Regional Competitiveness Initiative (RCI), under implementation until late 2012, the OECD will identify skill needs and technology absorption capacity in sectors key to the economies of the Western Balkans. In the later phase (2013) additional activities are envisaged in the field of business development and export promotion.

As part of the crisis response package under IPA 2009, a Private Sector Support Facility for the Western Balkans as well as Turkey is providing loans, supported by grants, to the region for industrial investments in SMEs to raise their competitiveness and energy efficiency investments in the private sector. This facility also includes the provision of technical assistance to SMEs as part of the EBRD 'Turn Around Management' (TAM) or 'Business Advisory Services' (BAS) programmes. Access to finance for SMEs is also foreseen under the Western Balkans Investment Framework (WBIF).

Under IPA 2008 and 2009, EU support is being provided to improve the capacity of quality infrastructure bodies (metrology, standardisation, accreditation etc.), thus ensuring compliance with EU standards and the *acquis*.

The Open Regional Fund Foreign Trade, which is financed by Germany, supports regional project measures in South East Europe to promote trade and competitiveness of small and medium sized enterprises. Among others CEFTA signatory parties are being supported in improving their information and knowledge management.

3.4.3. Sector Objectives for EU support over next three years

Support in the area of private sector development and investment aims to raise regional competitiveness, increase competence of human capital, attract investments, facilitate trade and establish a business climate conducive to the development of SMEs.

As emphasised in the latest Enlargement Strategy, all enlargement countries are expected to pursue EU-related reforms, and to improve the business environment, thereby helping to overcome the economic crisis, create employment and generate conditions for sustainable growth, and low carbon development, therefore also supporting the targets of the Europe 2020 strategy.

Indicators

Attainment of these objectives will be measurable in relevant statistics of macro-economic development, increased trade and investment flows, labour market statistics, etc.

Expected results include:

- Increased access to finance for SMEs through continued cooperation with the IFIs, coordinated through the WBIF, together with technical assistance to support SMEs in their business planning.
- Closer coordination with other regional initiatives and other donors in support of new financing mechanisms and programmes in the area of research and innovation.
- Capacity building provided to quality infrastructure institutions and market surveillance.
- Contribution to the full functioning and implementation of the CEFTA agreement.
- Promotion of policies to enforce protection of Intellectual and Industrial Property Rights.

3.5. Transport and Energy Infrastructure, including nuclear safety

3.5.1. Description of sector

Investments in transport, energy, including energy efficiency, water and waste management as well as social infrastructure hold the key to sustainable socio-economic development. Such investments will help the enlargement countries to comply with the EU standards, in particular environmental and climate standards and improve the service quality. Following the global economic crisis, the recovery of the region can be sustained if **more investments are mobilized for new infrastructure**, as well as for **maintenance and upgrading of existing infrastructure**.

A number of regional initiatives have emerged in the area of infrastructure in the recent past. Most of the IPA Beneficiaries are party to the Energy Community Treaty. In addition, all the IPA Beneficiaries are included in the Memorandum on the establishment of the Core Regional Transport Network. Particular attention has been given to the development of the 10th Pan-European corridor. They are part of the negotiations of the Transport Community Treaty as well as the European Common Aviation Area Agreement (ECAA). They are also included in the Regional Environmental Network for Accession (RENA).

Inventories of priority projects in the energy and transport sector are created, developed and updated on a regular basis under the framework of the Energy Community and the South East Europe Transport Observatory (SEETO).

In the area of **nuclear safety and radiation protection**, full transposition of the EU *acquis* remains an objective for most of the IPA Beneficiaries. This transposition would require the full operation of the national regulatory bodies which, for some of them, has not yet been accomplished.

In addition, there are a number of issues that need to be addressed in all Beneficiaries such as the establishment of an appropriate regulatory framework, the reduction of medical or occupational exposure and the radioactive contamination of the environment (including by depleted uranium).

Much remains to be done also for emergency preparedness and early warning systems, training of personnel confronted with ionising radiation and public information. The prevention of illicit trafficking of nuclear materials and radiation sources as well as the management of radioactive waste (including radioactive lightning rods) and the storage in licensed facilities remains a major concern.

All these issues may require funding for supplying equipment, providing technical assistance and possibly carrying out works.

It should be pointed out that for Serbia and possibly Turkey, both of which have operated nuclear research reactors in the past, specific actions must be undertaken in order to decommission these reactors according to best EU practices. In this regard, security of radioactive sources and fissile materials should be treated as an issue of highest importance.

A number of Beneficiaries (Turkey and Albania) have declared their intention to eventually construct nuclear power plants. In those cases, particular attention should be paid to ensure that all provisions, especially those regarding safety and security, comply with international conventions, notably within the IAEA regulations, including its bilateral agreements, other bilateral agreements and the EU *acquis*.

3.5.2. Past and ongoing assistance (EU and other donors)

Cooperation with the IFIs is a key pillar of EU assistance to the IPA Beneficiaries for *infrastructure development*.

The Western Balkans Investment Framework was set up in December 2009 in order to pool grants, loans and expertise together to prepare financing of priority projects and at the same time strengthen coherence and synergies in donors' support. The WBIF comprises two instruments: a Joint Lending Facility (JLF) and a Joint Grant Facility (JGF).

The JGF pools grant funds from the EU (IPA budget), the participating partner IFIs (CEB, EIB, EBRD), and the European Western Balkan Joint Fund to which contributions from Member States and potential other donors may be made.

Significant efforts were also made during 2009 to continue the implementation of the three strands of cooperation with IFIs: private sector development and micro-, small and medium-sized enterprises (SMEs), energy efficiency and infrastructure (Infrastructure Project Facility).

With regard to *nuclear safety*, a number of assessment studies on the regulatory infrastructure, the management of sealed radioactive sources, and radio-nuclides in medical establishments, the prevention of illicit trafficking of nuclear materials and radiation sources were being conducted in 2010. The repatriation of the Serbian spent nuclear fuel to the Russian Federation has also been supported with IPA funding in 2010. The provision of equipment to the treatment and conditioning facility for radioactive waste at Vinca near Belgrade is in progress. A Project Management Unit for the monitoring of all IPA-funded projects at Vinca is in place.

3.5.3. Sector Objectives for EU support over next three years

The enlargement process helps the EU to better achieve its policy objectives, i.e. Europe 2020, in a number of areas, which are key to economic recovery and sustainable growth. As emphasised in the latest Strategy Paper these areas include regulatory convergence, the internal market, energy, transport, the protection of the environment and efforts to mitigate and adapt to climate change.

With the ultimate goal to support the modernisation of the economies of the Beneficiaries, support in this area will **increase the access to finance for investments in priority infrastructure projects in the region**, reflected in the development and implementation of relevant investment strategies. The promoting of investments in energy efficiency and renewable energy sources has emerged as a potential key driver of recovery from the economic crisis and sustained economic growth. Priority will be given to **support and coordinate with regional initiatives** such as the Transport Community Treaty, the ECAA, the Energy Community Treaty, the RENA strategy or the Danube Strategy.

As for nuclear safety and radiation protection, IPA Multi-beneficiary assistance will aim at **strengthening the capacities of national regulatory authorities dealing with nuclear safety and radiation protection**, thus decreasing the radiological risks for the public associated with radioactive materials and waste as well as the use of devices generating ionising radiation.

Indicators

Attainment of the objectives with regard to transport and energy infrastructure will be measured in relevant statistics, such as an increased flow of investments and improved macro-economic indicators. The Western Balkans Investment Framework (WBIF) will operate as the main mechanism to consolidate financial instruments and resources available for the benefit of the Western Balkans.

As for nuclear safety, support in this area will result in the full transposition of the relevant EU *acquis* into the national legislations of all Beneficiaries. In addition, conditions will be in place allowing for the appropriate handling and storage of radioactive material and waste.

In order to meet the sector objectives outlined above, actions foreseen under this sector will aim at achieving the following:

- Operational support and Technical assistance provided to regional initiatives in transport and energy or environment.
- Technical assistance and capacity building provided for project preparation and implementation, feasibility studies, EIA studies delivered.

- Increased number of grants blended with loans of IFIs for priority investments in transport and energy, including energy efficiency, water and waste management as well as social infrastructure.
- Development of a territorial master plan and updating of relevant infrastructure related data.
- Technical capacity of the national regulatory agencies enhanced to comply with EU *acquis* and regulations on nuclear safety and radiation protection.
- Progress in decommissioning activities of the RA research reactor at Vinca near Belgrade.
- Works carried out and equipment delivered, staff trained to secure the proper management and storage of radioactive material, radiation sources and radioactive waste in all Beneficiaries.
- Development of emergency plans and strengthening of capacity for emergency preparedness and response in all Beneficiaries.
- Implementation of monitoring programmes for measuring the occurrence of radioactivity in the environment and establishing of methodologies for public dose assessment.
- Actions to decrease occupational and patients' exposure in the medical and industrial sectors.
- Public awareness campaigns run and early warning systems established.

3.6. Environment and Climate Change

3.6.1. Description of sector

The Western Balkans and Turkey face a number of environmental problems, mainly in the area of water and air pollution, soil erosion, waste management, facilities and infrastructure that require urgent attention. In order to improve environmental conditions at local as well as regional level, important investments in the environmental infrastructure are necessary and should be accompanied by institutional reforms. Although there is progress with the implementation of the environmental *acquis*, full **compliance** is yet **to be achieved by rigorous enforcement, monitoring and investment**.

Strategies for sustainable development also have to pay particular attention to issues like **disaster risk management** and **mitigation of and adaptation to climate change** and the necessary related intervention measures, notably in the field of civil protection. South-East Europe is prone to natural disasters, such as earthquakes, floods and forest fires, which transcend borders and thereby overwhelm the ability of a single country to cope. At present regional cooperation does not exist to the extent necessary to prepare for and to address effectively such disasters. Having a pragmatic preparedness and response framework is imperative to ensuring standardisation in language, equipment, warning systems and border-crossing protocols.

Capacity building in environmental institutions, legislation and approximation to European standards, technical assistance, prioritisation of environmental infrastructure investments, to name but a few, should be accompanied by "soft" measures such as awareness-raising,

monitoring and information exchange as well as early warning systems to address in particular the disaster risk area.

Many, if not all, of these challenges need to be tackled at the national as well as regional level by means of **enhanced regional cooperation or horizontal actions and networking**.

3.6.2. Past and ongoing assistance (EU and other donors)

A new regional cooperation mechanism, the **Regional Environmental Network for Accession (RENA)** has been developed as a sequel to the Regional Environmental Reconstruction Programme. Supported under IPA 2009, RENA will facilitate the transfer and exchange of experience on environmental matters and climate change in the pre-accession context in areas such as strategic planning and investment, climate change, cross-border cooperation and multilateral environmental agreements and will include the Environmental Compliance and Enforcement Network for Accession (ECENA).

Two major regional initiatives are worth mentioning, the DABLAS (Danube and Black Sea) Task Force, which was set up with the aim to provide a platform for co-operation for the protection of the water and water-related ecosystems in the Danube and the Black Sea; and the SAVA River Basin Management Plan. The purpose of the latter is to improve integrated water management of the Sava river basin following the approach of the EU Water Framework Directive and Floods Directive and thereby improve water quality and reduce pollution while establishing cooperation mechanisms between the countries of the Sava basin in the areas of water protection, flood risk management and sustainable navigation.

A Regional Programme on Disaster Risk Reduction in South-East Europe (IPA 2008 project) is currently under implementation. It consists of 2 Activities, implemented by UNDP and the World Meteorological Organisation (WMO). Under Activity 1, UNDP provides technical assistance for eventual mainstreaming of disaster risk reduction (DRR) concepts into the National Development Plans, as well as for strengthening of the National Platforms, development of human resources in the disaster management authorities and cross-border cooperation and coordination on DRR issues.

Under Activity 2, WMO provides assistance for integrating the National Meteorological and Hydrological Services (NMHS) into Disaster Risk Management Planning, as well as for developing the human, technical and institutional capacity needed to support networking and sharing of data on weather and climate. The project also envisages integration of the SEE NMHS into the European Meteorological Networks.

Under IPA MB 2009, support is provided in the area of Civil Protection Cooperation. The activities are geared towards increasing the capability to work with the Community Civil Protection Mechanism and developing their civil protection capacities through specific training, workshops, exchange of experts and exercises.

The South Eastern Europe Disaster Risk Mitigation and Adaptation Programme (SEEDRMAP), developed by the WB and UN/ISDR, represents a key initiative in the area of disaster risk management. Any new initiative should take into account the results of past and on-going activities and build on existing structures and networks.

3.6.3. Sector Objectives for EU support over next three years

IPA Multi-Beneficiary assistance will support Beneficiaries to align with the environmental and climate change *aquis*, strengthen regional cooperation (through RENA) in strategic

planning for environmental policy and investments and develop the capacities and mechanisms in the area of disaster risk management and mitigation of and adaptation to climate change.

Indicators

Achievement of these objectives will be measured by an improved capacity of national administrations to transpose and enforce the environmental and climate *acquis*, increased investments flows to priority environmental infrastructure projects, and increased cross-border cooperation.

The following results are expected:

- Enhanced regional cooperation and capacity in environmental protection, climate change and disaster risk management, with focus on regional networking and coordination, strengthening cross-border cooperation and exchange of information and relevant data.
- RENA functional as an effective mechanism for coordination and implementation of environmental protection strategies, a regional forum for cooperation and convergence on climate change, investments and enforcement of EU regulations, regional and cross-border cooperation.
- Capacity building delivered and regional cooperation mechanisms established for disaster risk reduction and disaster response, inter alia, early warning systems, emergency call systems 112, according to relevant EU policies and mechanisms, notably the Civil Protection Cooperation framework.

3.7. Social Development

3.7.1. Description of sector

In the latest strategic documents the European Commission has committed itself to further **support education** and higher education in particular by increasing the number of scholarships available to students from the Western Balkans. IPA Multi-beneficiary assistance will therefore continue to support the **Erasmus Mundus** as well as the **Tempus** programmes, the two main programmes of assistance for education.

Furthermore, the European/Accession Partnerships from the region consider efforts to improve the education system and to ensure the implementation of the Bologna criteria in higher education as a priority.

Supporting the development of the youth sector and offering non-formal learning and exchange opportunities for young people is also an important way to enhance people's educational opportunities, skills as well as to strengthen social and civil society development. The **Youth in Action** Programme offers such opportunities to young people and youth organisations from the Western Balkans. IPA Multi-Beneficiary assistance will therefore continue to support a Western Balkan Window under the Youth in Action Programme.

Culture and history, including the reconstruction of **cultural heritage**, play a very important role in the reconciliation and confidence building process in the Western Balkans and as such were part of the cooperation strategy in the Stabilisation and Association process between the Western Balkans and the European Union. Education in general and **history teaching** in

particular are key in developing a stable, peaceful and democratic society by moulding the young generation to become inclusive, respectful and tolerant citizens.

Multi-Beneficiary assistance in the area of cultural heritage and history teaching can **promote regional cooperation** by providing a platform for dialogue, information sharing, thus fostering reconciliation and mutual understanding.

Formally all Beneficiaries in the Western Balkans and Turkey strive to protect their national cultural heritage. However, there is a need for developing more advanced legislation and administrative capacities. The current crisis has not helped in providing much needed resources both in restoration and in training regarding site management.

At the highest political⁶ level in the region, there is a clear commitment towards preserving cultural heritage perceived as a way to build bridges among peoples, fostering reconciliation, cultural diversity and intra-cultural dialogue. Such values have been behind the establishment of the Ljubljana Process by the European Commission, the Council of Europe and the Western Balkan administrations.

3.7.2. Past and ongoing assistance (EU and other donors)

The Tempus programme started in the Western Balkans in the 1990s, whereas Erasmus Mundus and Youth in Action opened specific windows for the Western Balkans respectively in 2007 and 2008.

Tempus is continuing until 2013 with its three components – joint projects between higher education institutions in the EU and the Beneficiaries; structural projects for development and reform of education institutions and systems in Beneficiaries; and accompanying measures.

For 2010, a total amount of EUR 13.8 million has been allocated to Tempus, coming from the national envelopes.

The **Erasmus Mundus Western Balkan Window (part of Action 1)** allows students from the Western Balkans and Turkey to undertake postgraduate studies in EU high profile master courses. IPA assistance in 2010 amounted to EUR 8 million, which allows financing up to 200 scholarships.

The **Erasmus Mundus Action 2** encourages partnerships and promotes institutional cooperation and mobility for undergraduate students, master, doctoral and post-doctoral fellowships between the EU Member States and the Western Balkans universities. In the academic year 2008/2009, around 400 students and academic staff from the Western Balkans have been offered a scholarship by the selected Consortia "Basileus". IPA 2008 enabled 650 students to benefit from the Programme following the increase of the budget (EUR 8.5 million). The IPA Multi-beneficiary 2010 contribution totalled EUR 12 million.

The **Youth in Action** supports projects leading to improved intercultural dialogue and tolerance among young people, non-formal learning, social inclusion of disadvantaged youngsters, as well as the strengthening of youth NGOs and the development of civil society.

⁶ Western Balkan Ministers of culture adopted on Nov 7th 2009 at the 'Ljubljana Conference – Rehabilitating our common heritage', the common 'Ljubljana Declaration: From Reconciliation towards Sustainable Socio-Economic Development' confirming their individual and joint responsibility for preserving and promoting the common European cultural heritage.

As of 2008, additional projects were funded for the Western Balkans through the establishment of a Western Balkans Window funded by IPA.

Over the period 2007-2009, 337 projects were funded (214 projects by the Youth in Action Programme and an additional 123 projects⁷ by the complementary funds provided by IPA). For 2010, the IPA Multi-beneficiary programme contributed EUR 1.5 million..

The Tempus and Erasmus Mundus Programmes and the Youth in Action Window are managed by the European Commission's Executive Agency for Education, Audiovisual and Culture.

The **cultural sector** has received support under various instruments such as CARDS, PHARE and, as of 2007, IPA as well as through the Pilot Scheme for preserving and restoring cultural heritage in conflict areas⁸.

Starting with the Integrated Rehabilitation Project Plan/Survey of the Architectural and Archaeological Heritage (IRPP/SAAH), a joint programme of the Council of Europe and the European Commission was launched to finance rehabilitation projects and train experts in management of monuments. The programme helped to identify 25 priority projects out of 86 monuments and sites in need of urgent restoration. Altogether 135 projects have benefited from public and private international and national investments, including IPA national funds and the assistance under the Pilot Scheme.

A new phase of the Ljubljana Process is about to be launched in 2011 by the Regional Cooperation Council in cooperation with the European Commission and the Council of Europe.

3.7.3. Sector Objectives for EU support over next three years

Support the development of the higher education systems in the Beneficiaries through **cooperation between local higher education institutions** and those of the EU Member States and enable highly qualified graduates from the Western Balkans to engage in postgraduate study at European universities.

Promote youth exchanges, voluntary service and other activities in the field of non-formal education for young people as well as build long-lasting and solid partnerships between organisations established in the EU Member States and in the Western Balkans and contribute to strengthening democracy and civil society.

IPA Multi-Beneficiary assistance also aims to foster **common approaches and regional cooperation in cultural heritage and reappraisal of history** as a means of **dialogue, reconciliation and developing good neighbourly relations** in the Western Balkans.

Indicators

Attainment of these objectives will be reflected in respective statistics on mobility of graduates, scholarships and participation in exchange projects. Projects in the education sector should result in further alignment of higher education institutions with EU standards; improved university administration; greater regional cooperation between universities;

⁷ Respectively 51 projects in 2008 and 72 projects in 2009.

⁸ Pilot Scheme introduced by the European Parliament in the years 2008, 2009 and 2010 for a total amount of EUR 8 250.000

increased mobility of students and academic staff and enhanced intercultural understanding, increased quality in education system.

It is expected that the number of intercultural exchanges, cooperation and solidarity activities among youth of the Western Balkans region will increase through Youth project that will also establish partnerships and contacts between youth NGOs in the Western Balkans and in the EU.

A growing number of restored monuments and sites will reflect attainment of the objectives in the area of cultural heritage. Increased regional cooperation in the area of cultural heritage protection, cross border initiatives and dialogue of cultures could make further progress.

In order to achieve the sector objectives outlined above, actions foreseen under this sector will aim at achieving the following:

- Implementation of joint projects based on multilateral partnerships between higher education institutions in the EU and the partner countries, including mobility activities for students, academic staff and university administrators; support to networks, capacity building and exchange of know how of higher education institutions and Ministries of Education
- Scholarships attributed to students from the beneficiary countries to participate in master courses jointly organised by EU higher education institutions.
- Youth exchange and voluntary service projects implemented, networks established, promoting respect for diversity and human right;
- Training and capacity building provided to youth organisations.
- Establishment of the Task Force for culture and society, continuation of the Ljubljana process, under the umbrella of the RCC.
- Development of a common approach in the preservation and management of cultural heritage sites, exchange of best practices, and training.
- Capacity building delivered to administrations.
- Facilitated access to finance for restoration and renovation.
- Implementation of the Joint History Project through the dissemination of History reference material and teachers' training.
- Training activities provided, conferences, seminars, studies, exchange programmes, production and dissemination of reference history teaching material, mobility and exchange of professionals and technical assistance.

List of abbreviations

BAS	Business Advisory Services
CARDS	Community assistance for reconstruction, development and stabilization
CEB	Council of Europe Bank
CEFTA	Central European Free Trade Agreement
CSF	Civil Society Facility
CSOs	Civil Society Organisations
DABLAS	Danube and Black Sea
DRR	Disaster risk reduction
EBRD	European Bank for Reconstruction and Development
ECAA	European Common Aviation Area Agreement
ECENA	Environmental Compliance and Enforcement Network for Accession
EIB	European Investment Bank
ECT	Energy Community Treaty
EFSE	European Fund for Southeast Europe
EU	European Union
Eurojust	European Union's Judicial Cooperation Unit
ESS	European Statistical System
FDI	Foreign Direct Investment
Frontex	European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union
GDP	Gross Domestic Product
IAEA	International Atomic Energy Agency
IFI	International Financial Institutions
ILECU	International Law Enforcement Coordination Units
IOM	International Organisation for Migration

IPA	Instrument for Pre-Accession Assistance
IRPP/SAAH	Integrated Rehabilitation Project Plan/Survey of the Architectural and Archaeological Heritage
JCCSECI	Joint Cooperation Committee
JGF	Joint Grant Facility
JLF	Joint Lending Facility
MARRI	Migration, Asylum, Refugees Regional Initiative
MIFF	Annual Indicative Financial Framework
MIPD	Multi-Annual Indicative Planning Document
NIPAC	National IPA Coordinator
NMHS	National Meteorological and Hydrological Services
NSIs	National Statistical Institutes
OCTA-SEE	Common Threat Assessment on Organised Crime for the South East European region
OECD	Organisation for Economic Cooperation and Development
OLAF	European Anti-Fraud Office
OSCE	Organisation for Security and Co-operation in Europe
PEMS	Public Expenditure Management
PGSC	Policy Group for Statistical Cooperation
PHARE	Poland and Hungary: Aid for Restructuring of the Economies
PIFC	Public Internal Financial Control
RAI	Regional Anti-Corruption Initiative
RCC	Regional Cooperation Council
RCI	Regional Competitiveness Initiative
R&D	Research and Development
RENA	Regional Environmental Network for Accession
ReSPA	Regional School of Public Administration
SAAs	Stabilisation and Association Agreements

SAP	Stabilisation and Association Process
SECI	Southeast European Cooperative Initiative
SEEIC	South East European Investment Committee
SEECF	South Eastern Europe Cooperation Process
SEECF CiO	SEECF Chairmanship-in-Office
SEEDRMAP	South Eastern Europe Disaster Risk Mitigation and Adaptation Programme
SEETO	South East Europe Transport Observatory
SELEC	Southeast European Law Enforcement Centre
SIGMA	Support for Improvement in Governance and Management (OECD programme)
SMART	Specific, Measurable, Available, Relevant, Time-bound
SMEs	Small and medium-size enterprises
SMEFF	SME Finance Facility
TAIEX	Technical assistance and Information Exchange
TACSO	Technical Assistance to CSO
TAM	Turn Around Management
UNDP	United Nations (UN) Development Programme
UNHCR	United Nations High Commissioner for Refugees
WBIF	Western Balkans Investment Framework
WINPRO	Witness Protection Programme
WMO	World Meteorological Organisation