



**REGIONAL
CONFERENCE ON
THE INSTRUMENT
OF PRE-ACCESSION
ASSISTANCE IPA III**

2021-2027

23-24 November 2021, Tirana, Albania

MAIN TAKEAWAYS AND CONCLUSIONS

The Regional Conference on IPA III organised by ReSPA and GiZ in coordination with DG NEAR brought together representatives of the NIPAC Offices, CFCUs, and IPA Units of relevant Line Ministries, the European Commission and EU Delegations, as well as experts from the region and beyond.

The purpose of the Regional Conference was to share experiences and common challenges in responding to the requirements on the new EU Instrument for Pre-accession Assistance.

The Regional Conference will be followed up by four regional workshops, each of them dedicated to a specific Thematic Window of the IPA III programming framework, aiming to foster clarity and well-established processes in advance as a lesson learnt.

Session 1:

IPA III Legal framework, programming framework, thematic windows, novelties, challenges.

Ritva Heikkinen, Team Leader - MFF, programming and comitology team, European Commission (DG NEAR)

Key takeaways:

- ★ The IPA III Programming Framework is a **paradigm shift on how the EU provides pre-accession assistance**. There has been an evolution from IPA I (project approach) and IPA II (sector approach) to IPA III ('policy first' approach).
- ★ The paradigm shift requires to address national strategic planning/coordination structures. There is a need for **systematic coordination between the NIPACs and the central structures for strategic planning**.
- ★ The EU pre-accession assistance programmes need to **reflect the strategic priorities of the Union** and be **in line with the new enlargement strategy/ methodology**.
- ★ There is a focus on differentiation as IPA III beneficiaries respond from their specific situations and stage of the accession process to the same EU priorities.
- ★ **Assistance will be targeted and adjusted to the specific situation of the beneficiaries**, ensuring an appropriate level of support to all of them (principle of 'fair share'). **The fair share principle will also ensure that there is no disproportionate level of allocations between the IPA III beneficiaries**. It will be defined considering the bilateral and multi-

country envelopes, the different sectors and the annual programming year *vis-à-vis* the seven-year cycle. For instance, WBIF has a big share on the first year of programming to kick the process mostly for the green agenda, but it will need to be balanced in the future years.

- ★ **The performance-based and reform-oriented approach is embedded in the annual programming process**, which means that if candidate countries and potential candidates move on reform priorities agreed in the negotiations, they will also have access to increased funding investments. More relevant and mature proposals have the chance to be funded.
- ★ The **model of Financial Framework Partnership Agreement (FFPA) and the financing agreement needs to be finalised** by the end of this year and it will be consulted with the NIPACs in December 2021. Its adoption should take place in February 2022. Signature and ratification of the FFPA by the respective authorities in the IPA III beneficiaries will be a time-consuming exercise, and it might take from 6 to 12 months.
- ★ The deadlines provided for the accreditation package are very short. IPA III beneficiaries need support from the EC to set up those structures.

Session 2:

Model Financial Framework Partnership Agreement for IPA III – timeline and novelties, including multi-annual programming.

Svetlana Olenik, ReSPA external expert – on Model FFPA

Mauro Di Veroli, Head of Sector, IPA planning, reporting and coordination for Western Balkans, European Commission (DG NEAR) – on multi-annual programming

Key takeaways:

- ★ **The (IMBC) Operating Structures in place for IPA II will overlap with the structures to be established for IPA III.** Time is needed for new structures to become operational and for the transition from ex-ante to ex-post controls. In case the NIPAC Support Office should become a Managing Authority (as foreseen under the FFPA), new procedures would be needed for both the Managing Authority and its intermediate bodies.
- ★ **Responsibilities of an IPA Managing Authority, under IMBC should be made clear, the tasks of the NIPAC Office** for preparation of national legal acts and procedures for utilisation of the IPA III **need to be further defined and explained.**
- ★ Some of the IPA III beneficiaries are not able to predict the workload for indirect management. **The timeline provided to set up new structures is not realistic, and it needs to be adjusted. The EC stands ready to provide support in this regard.**
- ★ Beneficiary countries have difficulties to move ahead with implementation since the **FFPA is one year late and there is no legal basis in place yet.**

- ★ **IPA III beneficiaries having in place Operating Structures already, would like to build the IPA III management and control system on existing structures.**
- ★ The **role of the NIPAC needs to be further clarified**, especially in terms of the NIPAC's responsibility for strategic planning and coordination of programming, monitoring of implementation, evaluation and reporting of IPA III assistance.
- ★ **IPA III ensures continuity with the Sector Approach** (introduced under the previous instrument) to help the beneficiaries with the design and implementation of sector reforms and to increase coherence between national strategies, sector policies, resource allocation and spending practices. IPA III builds upon the previous achievements, thematic priorities are linked with the sector approach. The novelties of IPA III reinforce sector approach.
- ★ **Not all IPA III beneficiaries are familiar with the concept of multi-annual programming through Sector Operational Programmes.** For instance, Albania did not prepare Sector Operational Programmes for IPA funding under IPA I or IPA II.
- ★ Sector operational programmes need to start already in 2022 to be prepared and ready for implementation in 2024. IPA III beneficiaries find **difficulties in defining the number and scope of the Sectoral Operational Programmes.** There is an intention to reduce the sectors in line with the European policy priorities at a high level. The Commission is given broad orientations for sectoral operational programmes because countries are at different stages. **Their development requires further consultation with the European Commission (EC) due to the lack of clarity.** Sector operational programmes are not only about technical assistance, it could be also infrastructure or investment.
- ★ There are **concerns related to the establishment of management structures and the transition from IPA II to IPA III.** Operational programmes may be ready on time but there are no structures for that. NIPACs are coordinating bodies without capacity for contracting. There is a **need to engage NIPACs with CFCUs.**
- ★ The proposed changes in IPA III aim to simplify structures and procedures, ensuring a more coherent approach and alignment with IPA III and NDICI Regulations and as far as possible with the implementation of European Structural and Investment Funds (ESIF)

Session 3:

Presentation by the respective administrations on the process and methodology followed for drafting the Strategic Responses and Action Documents for 2021 and 2022, including the consultation process.

Representative of NIPAC Offices

Main takeaways:

- ★ In the **absence of the final IPA III legal/programming framework**, the **first 2021/2022**

programming exercise has been a very challenging process. The pandemic had also an impact on the 2021 programming.

- ★ All IPA III beneficiaries developed their own methodology for the preparation of the country strategic response 2021-2027 and a timeframe. However, the **lack of official guidance on the Strategic Response preparation led to countries to take different paths.** Below are some examples on the different approaches:
 - ✓ Albania took as a model the Sectoral Strategic Responses based on the old IPA II Country Strategy Papers.
 - ✓ In the case of BiH, the NIPAC had a very central role. In the absence of sector country-wide strategies especial consultation forums replaced the Sector Working Groups and NIPAC representatives replaced the sector lead institutions.
 - ✓ North Macedonia, Serbia and Montenegro set up WGs coordinated by line ministries. Sector Working Groups members included relevant representatives of public and private sector, agencies, NGOs and representatives of the NIPAC Office and implementing bodies according to the thematic priorities in each window. In the case of Montenegro, workshops for drafting the Strategic response (SR) were held with the participation of the General Secretariat.
- ★ **Despite of the pandemic situation, countries managed to conduct wide consultation processes:** sectoral workshops were organised by the NIPACs with the participation of civil servants from all line ministries, other central institutions and EU Delegations. The consultation process considered the national legislation and the involvement of the main central institutions, as well as EUDs.
- ★ The **difficulty to engage the civil society in the consultations** was experienced by all IPA III beneficiaries – reasons for it should be further analysed to identify best modalities and work in partnership with all stakeholders.

Session 4:

Challenges in programming 2023-2027: Prioritisation of actions, consultations processes for IPA Actions coordination among relevant stakeholders, monitoring of the implementation and reporting.

Representatives of NIPAC Offices

Inmaculada Perez Rocha, ReSPA External Expert

Main takeaways:

- ★ **Most of the challenges in the drafting process of IPA III 2021 and 2022 remain valid for the 2023 programming exercise:**

- ✓ Lack of National Sector/cross-cutting Strategies covering the period post-2020.
 - ✓ Difficulties in coordination by lead institutions, due to the large number of stakeholders involved and the fact that the implementing rules were not adopted.
 - ✓ Delays in the finalisation of the IPA III legal framework and particularly the absence of methodological guidance and the FFPA.
 - ✓ Lack of information on the selection criteria to be used during the relevance assessment process.
 - ✓ Difficulties in preparing the Action Fiches and ADs, since the template did not allow for a clear description of the envisaged activities.
- ★ The **access to funding under the various windows is based on relevance and maturity of proposed actions**. The selection of the proposed actions for IPA III financing occurs in two stages:
- ✓ Actions are selected in a first stage according to their policy relevance. Only those actions that will receive a green light at the stage of policy relevance will be further developed and transformed into fully-fledged programme/action proposals and then more accurately described in Programme/Action Documents for IPA III programming.
 - ✓ The second selection stage, based on technical maturity, will consider for adoption only those programmes/actions that are sufficiently mature and ready to be implemented. Those actions assessed as not mature enough but still relevant in terms of policy will be submitted for financing at a later stage, once they will be considered mature.
- ★ The IPA III beneficiary needs to provide an overview of the approach to prioritisation, articulation and sequencing of support across different windows. For instance, the beneficiary should explain if it plans to focus on certain specific windows in the first programming years and on other windows in a later stage. **Prioritisation, articulation and sequencing of actions across different windows remains a challenge.**
- ★ DG NEAR relevance assessment would firstly check whether the proposed Action is in line with the **relevant EU strategies (EU policy first)**, and it also links to **EU regional and macro-regional strategies**. The proposed Action needs also to be coherent with the national policies/strategies. Therefore, relevance is assessed against **various policy frameworks and too many strategic documents, which makes very difficult to provide a focused strategic response and a list of priorities.**
- ★ **The prioritisation of Actions** should be made by the Beneficiaries in the first place. However, having in mind the need of ensuring a balanced allocation of funds across IPA windows and years, the Commission needs to apply its own approach to prioritisation.
- ★ The prioritisation criteria, and the procedure/consultation mechanisms to enforce the prioritisation criteria, should be made explicit.

- ★ As part of the strategic response, IPA III beneficiaries shall describe the national framework for strategic planning, monitoring and reporting, including the systems for interinstitutional coordination and consultation with external stakeholders. Efforts to set-up these national frameworks are ongoing (as part of the Public Administration Reform process). **The NIPACs need guidance to ensure coordination with the national framework for strategic planning and coordination in line with the IPA III Strategic Response.**
- ★ There is **no clarity on how the European Commission, following a consultation with the relevant services, will make a first selection of actions based on policy relevance.**
- ★ The **strategic responses for 2021-2027 may be subject to updates on a yearly basis.** Guidance from the Commission is required on how to review the strategic Responses.
- ★ The Beneficiary countries considered that **the ‘reverted’ programming approach (first the development of Actions then drafting the Strategic Response) should be discontinued** in the following programming period (2023 onwards).
- ★ All Beneficiaries overprogrammed both IPA 2021 and IPA 2022.
- ★ IPA III beneficiaries will be closely consulted on actions programmed on a multi-country or regional level. This will ensure close articulation between the regional and bilateral assistance in the drafting of the strategic response and that the needed reforms needed the sustainability of infrastructure investments are carried out.

Session 5:

Challenges to accelerate implementation: timeline and best practice to get Actions to maturity.

Mauro Di Veroli, Head of Sector, IPA planning, reporting and coordination for Western Balkans, European Commission (DG NEAR)

Representatives of NIPAC Offices

Valeria Valeri, ReSPA External Expert

Main takeaways:

- ★ The IPA III programming process aims at ensuring an **on-going pipeline of mature actions that reflect priorities identified in the specific instruments of the enlargement process as well as in the national strategic documents and relevant action plans** and contributes to accelerating their implementation by reducing the time gap between their selection and effective contracting.
- ★ Only actions that are sufficiently technically mature will be considered ready for adoption. **An action will be considered as sufficiently technically mature, when most preparatory activities** (e.g. environmental impact assessment, social impact assessment, climate proofing, identification and approval of site location, cost-benefit analysis, drafting of tender

specifications / Terms of Reference etc.) **have been finalised**. Where applicable, **technical maturity will be assessed also in the broader sense of ensuring that the proposed action provides the appropriate mix of investments, reforms, including EU acquis alignment, and assistance to build-up administrative capacities, where needed**. Actions that are not mature enough but have policy relevance shall remain in the pipeline for adoption at a later stage (e.g. the following year).

- ★ **IPA III beneficiaries need more clarity on when preparations of the maturity documents should start and on which and how many maturity documents should be prepared.** It seems quite risky to start starting preparation of maturity documents when the Action is not yet approved by the European Commission.
- ★ Actions which combine in one the preparation of tender documents and the tenders themselves should be avoided as the risk of not respecting the contracting deadline is significant. **Technical assistance should be made available by the Commission to support 'maturisation' of technical documents (preparation of technical documents).**
- ★ There are **good practises that could be used and promoted by the Commission:** 'Annual' Training Plan (for example IPA 2021 Implementation Training) for all Beneficiary institutions and IPA Units of each Annual Programme, regardless of implementation methods.
- ★ **The EC is encouraged to develop a maturity matrix (check list) for maturity self-assessment.**
- ★ **The maturity assessment is done by the Commission at the time Action Documents are submitted.** The DG NEAR internal auditors recommended that the Financing Agreement for IPA 2022 be signed in June 2022 latest. **All maturity documents for IPA 2022 should be prepared by end 2022.**
- ★ **Early dialogue with EUD / EU Office on implementation modalities for each Action (project vs. budget support), methods of implementation, and procurement plan, is key to accelerate preparations.**

Follow up actions in relation to IPA III:

- ★ **Consultation between the EC and the NIPACs on the Financial Framework Partnership Agreement will take place in December 2021** prior to its adoption that it supposed to happen in February 2022. The comments provided by the NIPACs to the FFPA will be addressed prior to the consultation.
- ★ **The EC advice the countries to start their own internal procedures for adoption** (depending on the country, the process might take several months). The signature by the EC and IPA III beneficiaries is needed to start the assistance.
- ★ In order to facilitate the process, the **Commission is advised to have some political dialogue with the countries instead of just sending the agreements to the NIPACs.**
- ★ The EC needs to provide **more guidance for the preparation of the Action Fiches and Action Documents for 2023.**
- ★ More information is needed to **implement the policy first programming approach.** The process **of prioritisation of relevant actions establishing a hierarchy of main key strategic documents** is particularly challenging.
- ★ In the context of the Public Administration Reform process, the **systematic coordination of the NIPACs and the national structures for strategic planning and coordination needs to be ensured.** ReSPA could facilitate discussions with main stakeholders on that.
- ★ The **request for clarification made by North Macedonia will be passed on to the relevant Unit in DG NEAR.** North Macedonia asked for clarification on whether the operating structure for sectors transport and environment under IPA II can be used as transitional solution for performing the functions assigned to Managing Authority instead of NIPAC in case of Annual Action Documents for 2022 and for the multiannual in the future (see the full question in Annex I).
- ★ All **concerns related to the establishment of management structures and transition from IPA II to IPA III,** as well as the timeline to set the new structures should be further addressed. The Commission stands ready to provide support in the process.
- ★ DG NEAR has offered the possibility for IPA III stakeholders to **benefit from the capacity development service contract managed directly by Unit A4. This service contract can provide methodological support when designing the ADs.** Further information will be shared with participants in the future workshops to be organised by ReSPA and GIZ during January-March 2022.
- ★ **IPA beneficiaries/ NIPAC Offices are invited to submit all questions and comments on the templates of the ADs and AFs to the EC** by the end of December 2021.

- ★ **Further orientation by the EC is needed to develop sector operational programmes**, which should be in line with the European policy priorities at the high level. The readiness of the sectoral operational programmes goes hand-in-hand with setting up appropriate structures.
- ★ **Systematic coordination between the NIPACs and the national strategic and coordination structures** is required to identify relevant actions and prioritise the interventions. **ReSPA can provide support to facilitate exchange of information and coordination among relevant stakeholders.**
- ★ All IPA III beneficiaries acknowledge the importance of public consultation process for drafting, revision of strategic responses, preparing ADs, etc. There is a **need to clarify the participation of civil society in the sector WGs established.**
- ★ IPA III beneficiaries need **further guidance from the Commission on how to update/revise the Strategic Responses**, as well as how to link the thematic priorities with Sector approach.
- ★ **The EC is encouraged provide guidance and information on the criteria for relevance assessment and to develop a checklist for maturity self-assessment.**
- ★ **ReSPA and GIZ stand ready to facilitate regional workshops on specific Thematic Windows of the IPA III programming framework.** Moreover, they can organise other meetings to discuss specific priorities and challenges upon requests of the ReSPA members.

ANNEX I:

LIST OF QUESTIONS FOR THE EUROPEAN COMMISSION

1. On the 'fair share' of IPA III financial allocations and performance-based approach:

1) What is the exact meaning of IPA Regulation Article 8.5, namely, how the regression or lack of progress would be measured?

[Art. 8.5: "In the case of a significant regression or persistent lack of progress by a beneficiary listed in Annex I in the areas referred to in paragraph 4 of this Article as measured by the indicators referred to in Article 7(5), the scope and intensity of assistance shall be modulated accordingly, in accordance with paragraph 6, including by reducing the funds proportionally and redirecting them in ways that avoid compromising support for improving fundamental rights, democracy and the rule of law, including support to civil society and, where appropriate, cooperation with local authorities. Where progress has resumed, the assistance shall also be modulated accordingly in accordance with paragraph 6 to further support those efforts"].

2. On the relevance concept and assessment methodology:

2) Could the Commission clarify the difference between 'relevance' and 'coherence' (if any) in the context of the relevance assessment process conducted by the European Commission DG NEAR on Actions proposed for funding under IPA III?

3) Could the Commission clarify the criteria it would apply to prioritise relevant Actions proposed for funding under IPA III, having in mind the scarcity of funds vis-à-vis the overall amount of the pipeline of the proposed Actions?

3. On the institutional set-up for implementing sector operational programmes under indirect management by the beneficiaries with ex-post control by the Commission:

Multi-annual programming at country level represents an opportunity and a challenge for the four WB6 eligible for multi-annual actions under indirect management, as of Article 16 of the draft Financial Framework Partnership Agreement. In the first instance, the SOPs will be (at least indicatively) fiscally framed with a financial plan for five years (2023-2027), which should ensure predictable financial allocations and allow the institutions tasked with SOP implementation with informed resource planning and organisational development. Secondly, the Sector Monitoring Committees to be established for monitoring the SOPs will pilot the Monitoring Committees to be established under Cohesion Policy Programmes after accession.

Implementation through indirect management with ex-post control is also a novelty and an opportunity for the eligible WB6 to graduate as fully responsible Contracting Authorities and accelerate preparations for membership. However, the multi-annual programming opportunity brings several challenges for the WB6 authorities of the eligible WB6, such as:

The need to define the number and scope of the SOPs to be prepared, and the institutional set up for implementation of each of the SOPs.

The need to timely establish the management and control systems for implementation of the SOPs in indirect management by the Beneficiaries with ex-post control by the Commission.

The need to ensure an appropriate transition phase from the current management and control systems to new arrangements for implementing the SOPs.

The need to abandon the 'reverted programming logic' that was followed with IPA 2021 and IPA 2022 programming, when Actions were selected and prepared prior to the preparation of the Strategic Response.

4) Which is the deadline for the WB6 Beneficiaries to decide – jointly with the Commission - on the number and scope of the SOPs to be prepared?

5) If the decision on the number and scope of the SOPs will be made on a case-by-case basis (i.e., the number and scope of SOPs could differ across the Beneficiary countries), will the Commission establish the criteria for making such decision or these are the Beneficiary's responsibility?

6) Will the Commission provide information on the potential financial allocations to SOPs prior to the start of the programming process?

7) Should the decision on the institutional set up for each Programme be made together with the decision on the number and scope of the SOPs, or could the two decisions be made at different stages?

8) Can the Commission clarify the timeline for submission of the documents (Action Documents, Operation Identification Sheets, Major Project Applications, documents for the maturity assessment) related to the Actions proposed under the Sector Operational Programmes?

4. On the territorial development support in the context of sector operational programmes:

In the 2021-2027 financial cycle, four out of the six WB6 are encouraged to prepare multi-annual Sector Operational Programmes (SOPs) under IPA III Windows 3 and 4. These Programmes are meant to be precursors of the Cohesion Policy funds 2021-2027 Programmes that are implemented by the EU Member States. Under Cohesion Policy, the territorial development approach (Regulation (EU) 1060/2021 - Common Provisions Regulation – Chapter II on territorial development, articles 28 to 34) makes it possible to utilise integrated territorial development instruments through multi-sector programming.

Some of the WB6 beneficiaries are characterised by important regional disparities. These are for example particularly significant in Serbia, where two regions out of four are lagging behind: in 2019 the Belgrade and Vojvodina region accounting for 51% of the population, contributed to 70% of the total GDP of the country, while the other two regions - Šumadija and Western Serbia, and Southern and Eastern Serbia – accounting for 49% of the total population, contributed to the remaining 30% of Serbia's total GDP.

It should be clarified whether the European Commission will allow for regional approaches and the development of place-based intervention under the SOPs in the IPA Beneficiary countries.

9) Will the Sector Operational Programmes allow programming of place-based interventions under a multi-sectoral programming approach?

5. On demarcation between country multi-annual programming and multi-country programming under WBIF

During the programming process for IPA 2021 and 2022, some Actions were selected to receive an investment grant under a country annual programme (see for example the proposed EUR 30 million Action on Water in Albania under IPA 2022) which could have been eligible under the Western Balkans Investment Framework (WBIF). Hence, the need for a clarification by the Commission on the envisaged demarcation between Country programming and WBIF multi-country programming.

10) May the Commission clarify when investment grants are eligible under the WBIF and when these are eligible under the country programmes?

6. Specific question posed by North Macedonia regarding the IPA III FFPA (to be shared with the relevant Unit in DG NEAR)

Since the Managing Authority is an authority introduced in IPA III FFPA, we need clear confirmation whether current Operating Structure for sectors transport and environment under IPA II can be used as transitional solution for performing the functions assigned to Managing Authority instead of NI-

PAC in case of Annual Action Documents for 2022 and for the multiannual in the future.

At the moment the question derives taking into consideration the exception envisaged in article 10 (e) of the FFPA and moreover considering that in the draft AP 2022 are envisaged big infrastructural projects implemented under IMBC.

Moreover this is necessary having in mind that parallel implementation of both financial perspectives under different institutional setup may cause distortion and overlapping of tasks under IPA II and IPA III, which means if formally the status and tasks of existing authorities (since they have the needed capacity) is changed and transferred in accordance with IPA III FFPA requirements still in parallel the same authorities will continue with implementation of programmes under IPA II with different roles. This has significant effect taking into consideration that within national legislation (Governmental Decrees, Ministerial Organisational Acts etc.) which defines roles and responsibilities cannot be foreseen different roles and responsibilities for same structures at the same time.

Is there clear decision whether multiannual actions under indirect management can be implemented with ex-ante controls since the initial information is that the ex-ante control by EUD shall be applicable only for annual programmes? This is especially important for designing the system and procedures for implementation.

Whether external compliance assessment will be needed for structures already established under IPA II which might have slight difference in the functions under IPA III or the process of entrustment can rely on results of ex-ante assessment carried out regarding an accreditation decided under IPA II or previous Financing Agreement?