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**REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE
COUNCIL AND THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE**

**2012 Annual Report on Financial Assistance for Enlargement
(IPA, PHARE, CARDS, Turkey Pre-Accession Instrument, Transition Facility)**

{SWD(2013) 326 final}

Introduction

This Report covers the most significant developments regarding the implementation of pre-accession assistance in 2012¹, including considerations on future perspectives.

Details on specific activities undertaken during the reporting period can be found in the technical Staff Working Document complementing this report², covering in one single document both IPA³ and preceding instruments for pre-accession and for the Western Balkans (i.e. PHARE, CARDS⁴, Turkey Pre-accession Instrument and the Transition Facility).

The 2012 Annual Report is an occasion to look at the present successes and lessons learnt at a moment in which the institutional setting of the new IPA instrument covering the next Multiannual Financial Framework is in the process of being finalised. The Report briefly sets out the political and economic context in which EU-funded activities took place. It highlights the progress made to improve strategic planning and programming documents, providing summary reports on project implementation, their results and the on-going enhancement of donor coordination. Analysis of past experience, provided also by evaluations and conclusions

¹More specific management-reporting aspects concerning these programmes and expenditure - such as governance & accountability, risks & controls, legality & regularity, error rates & potential consequences on reasonable assurance - can be found in the 2012 Annual Activity Report (AAR) of DG Enlargement. In line with the Commission's obligation to provide detailed information to the Council and the European Parliament, it publishes annually a report on pre-accession assistance. The previous report was published in 2012 for the budget year 2011 and is publicly available under the following link: http://ec.europa.eu/enlargement/instruments/how-does-it-work/index_en.htm.

²Commission Staff Working Document – Accompanying the document 'Report from the Commission to the European Parliament, the Council and the European Economic and Social Committee - 2012 Annual Report on financial assistance for enlargement (IPA, PHARE, CARDS, Turkey Pre-accession Instrument and the Transition Facility).

³The Instrument for Pre-Accession Assistance (IPA) has an overall budget of EUR 11.5 billion for the period 2007-2013. Beneficiaries of IPA are Albania, Bosnia and Herzegovina, Croatia, the former Yugoslav Republic of Macedonia, Montenegro, Serbia, Turkey, Iceland (as of 2011) as well as Kosovo*. IPA supports reforms in the beneficiary countries and their progressive alignment with the standards and policies of the European Union and the *acquis*, with a view to preparing them for future EU membership.

⁴Originally created in 1989 as the Poland and Hungary: Assistance for Restructuring their Economies (PHARE) programme, PHARE expanded from Poland and Hungary to cover ten countries. It has assisted eight of the ten 2004 accession Member States: the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia, and Slovenia, as well as those countries that acceded in 2007 (Bulgaria and Romania), in a period of massive economic restructuring and political change. Until 2000 the countries of the Western Balkans (Albania, former Yugoslav Republic of Macedonia, and Bosnia and Herzegovina) were also beneficiaries of Phare. However, as of 2001 the CARDS programme (Community Assistance for Reconstruction, Development and Stability in the Balkans) has provided financial assistance to these countries. This Regulation repeals the OBNOVA Regulation and amends the Phare Regulation, and establishes a single framework for assistance to the countries of South-Eastern Europe: the CARDS programme (Community assistance for reconstruction, development and stabilization). The instrument for pre-accession assistance (IPA) replaces it starting in 2007.

* *This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.*

from the IPA 2012 Conference, is used to draw recommendations for further improving the impact of IPA funds up to and beyond 2013.

1. THE YEAR IN REVIEW: THE POLITICAL AND ECONOMIC CONTEXT

In 2012, the enlargement countries further advanced on their path towards the European Union. There were a number of positive developments in the candidate countries⁵ and potential candidates⁶, including progress made on EU-related reforms.

The ratification process of the Accession Treaty with Croatia continued, paving the way for Croatia's accession on 1 July 2013. Accession negotiations with Montenegro were opened in June and negotiations with Iceland continued to advance. New impetus was injected into relations with Turkey through a positive agenda launched by the Commission in May 2012. The European Council granted Serbia the status of candidate country in March of the same year. The Commission confirmed that a Stabilisation and Association Agreement can be concluded between the EU and Kosovo. Progress was achieved within the framework of the Belgrade-Pristina Dialogue. A High Level Accession Dialogue with the former Yugoslav Republic of Macedonia led to a sharper focus on reforms by the authorities. Dialogue between government and opposition in Albania allowed the political stalemate to be largely overcome. A High Level Dialogue on the Accession Process was launched with Bosnia and Herzegovina to assist the country in fulfilling the requirements for the EU accession resulting in a Road Map on EU integration.

In most countries, human rights, good governance, the rule of law, including the fight against corruption and organised crime, and administrative capacity remain major challenges. There was often a need to take more responsibility for reforms and to muster the necessary political will to move forward. Strengthening freedom of expression and independence of the media is also a major challenge. The accession process was at times negatively affected by bilateral issues.

There was a mixed picture as regards socio-economic developments in the enlargement countries. In 2012, Turkey and Iceland continued on a path of recovery. After a period of slight recovery, the majority of the economies of the Western Balkan countries contracted again due to negative economic developments in the EU. Social conditions worsened considerably. Unemployment and poverty rates continued rising, while fiscal consolidation and the reform of labour markets remained the most urgent economic priorities. Enforcement of good governance, the rule of law and administrative capacity continued to represent major political challenges, with negative effects on the business environment.

2. TOWARDS A MORE EFFICIENT AND EFFECTIVE DELIVERY OF ASSISTANCE

Towards a new Instrument for Pre-accession for 2014-2020

⁵ Croatia, Iceland, the former Yugoslav Republic of Macedonia, Montenegro, Serbia, Turkey.

⁶ Albania, Bosnia and Herzegovina, Kosovo

After an extensive stakeholder consultation and *an* ex-ante evaluation on the future pre-accession assistance instrument which contributed significantly to shape the future instrument, the Commission adopted a proposal for the IPA II Regulation on 7 December 2011, as part of a package of external action instruments. The Commission proposal aims at linking the pre-accession assistance more closely to the enlargement policy priorities and to move towards a sector approach.

In the course of 2012, the proposal for the IPA II Regulation was subject to discussion and negotiation in Parliament and Council, and the negotiations were still ongoing as this report was written.

In parallel, the Commission started to prepare the draft IPA-specific Rules of Application and the strategic planning documents, in view of completing the framework for programming and delivering IPA II assistance. It launched a study on the implementation of the sector approach and initiated duly dedicated working groups addressing different dimensions of the implementation modalities of the new instrument.

The Sector approach

Throughout 2012 the Commission continued the gradual implementation of the sector approach in the programming of the next financial instrument for pre-accession assistance (IPA II) for the period 2014-2020.

The gradual move towards a sector approach was decided as a follow-up of the IPA Conference of October 2009, with the purpose to better achieve results, impact and added value through the assistance. These principles have become key for all new external action instruments for the period 2014-2020.

The shift towards a sector approach is particularly relevant at a time when budget constraints faced by Member States and International Financial Institutions call for an even more efficient and sustainable pre-accession assistance: a strategy-based approach to programming built upon the countries' needs and strengths will contribute to a more effective and results oriented pre-accession process. Moreover, while ensuring greater ownership of national authorities over the programmes, since the sector approach is based on national strategies, such an approach maximises the potential for complementarity. It increases the leverage between different modes of support and helps to rationalise the support through an appropriate division of labour. The relevance of this new approach was confirmed in the IPA stakeholder conference in Zagreb in April 2011 and the conclusions of the evaluation on the current IPA implementation.

The IPA Multi-annual Indicative Planning Documents (MIPDs) covering the years 2011-2013 were drafted to reflect this approach, resulting in more focused documents and aiming at achieving an enhanced prioritization and more targeted assistance. A new programming method including new programming templates and guidance, was already introduced at the end of 2011 for the programming of the budget years 2012 and 2013. In the course of 2012, all national authorities made a sustained effort to analyse the readiness of the sectors

identified in their respective MIPD to move towards a sector approach. As such, 2012 saw the first genuine attempt to implement a sector approach in enlargement countries and served as a pilot test for the more substantial changes that will take place under IPA II.

Meanwhile, draft guidelines on the application of a sector approach to pre-accession assistance were produced by the Commission in the course of 2012, to be finalised in 2013, to serve the programming of IPA II. In 2013, the Commission has also held workshops on the sector approach in all IPA beneficiary countries to allow for a thorough understanding of the application of the sector approach for the programming of IPA II funds.

Cooperation with the donor community on aid effectiveness

In 2012, the Commission continued to pursue the donor coordination agenda including efforts to maximise aid effectiveness and transparency in line with the commitments made at the 4th High Level Forum on Aid Effectiveness in Busan in November 2011, where the Commission agreed on the importance of shared principles such as ownership of priorities, importance of results, transparency and accountability. In addition, the donor community, including the Commission, committed to improving the quality and effectiveness of development co-operation also through the transparency of its aid.

In the course of 2012, the Commission took further steps to ensure alignment of funding under the Instrument for Pre-accession (IPA) with the international standards on aid transparency. In accordance with the commitments made during the 2012 Busan Conference on Partnership for Effective Development Co-operation, relevant information on Official Development Assistance (ODA) will be made available to the public in standard format at the latest by the end of 2015. Through the publication of datasets with information at the organisation and activity levels as well as on current and future expenditure, the Commission will provide Member State authorities, their citizens and third countries with timely, comprehensive and forward-looking information on resources provided through development cooperation.

In line with the recommendations of the Organization for Economic Co-operation and Development (OECD) in the framework of its *DAC⁷ Peer Review of the EU 2012*, the Commission has reviewed its programme design approach. The implementation of the sector approach envisaged under IPA II is aiming at managing external aid in a more effective way and making pre-accession assistance more effective, efficient and results-oriented.

Further developments in line with a more results-oriented approach are expected from IPA in the future. In this respect, a working group was established in 2012 with the purpose of developing a framework for indicators to be used at the level of the country strategies for monitoring, evaluation and review of progress and performance.

The Commission is coordinating these processes to make sure that pre-accession assistance is in line with the various initiatives within the Commission, as well as by EU Member States,

⁷ Development Assistance Committee, Development Co-operation Directorate (DCD-DAC), OECD

International Financial Institutions and the wider donor community, to improve donor coordination and aid effectiveness and to ensure achieving expected results.

3. HIGHLIGHTS FROM PROGRAMME IMPLEMENTATION 2012

Following the signature of the Accession Treaty on 9 December 2011, **Croatia** continued throughout 2012 the implementation of measures to further strengthen its capacity to meet the obligations of membership to the EU. Since 1 July 2013, Croatia is an EU Member State.

The National Programme⁸ for component I adopted in 2012 covers two budgetary years, namely the IPA 2012 Transition Assistance and Institution Building allocation, as well as the 6-month allocation for 2013 (in accordance with the envisaged EU accession of Croatia on 1 July 2013). The total amount of the 2012 and 2013 National Programmes was EUR 46.80 million. The implementation of EU financial assistance in 2012 accompanied these developments by providing further support for completing reforms and building up capacity in the key areas necessary for assuming the obligations of membership, namely in the areas of judiciary and fundamental rights and justice, freedom and security, as well as continuing the efforts of preparing Croatia for the management and implementation of post-accession funds.

Furthermore, during 2012 Croatia completed its preparations for the waiver of the *ex-ante* controls on procurement in order to achieve full decentralisation of the management and implementation of EU financial assistance prior to accession.

In 2012, the Positive Agenda for EU - **Turkey** relations brought fresh dynamism putting in several areas the accession process back on track after a period of stagnation. This agenda focused on efforts related to common interests, including:

- the alignment with the *acquis*;
- enhancing the energy cooperation;
- visas, mobility and migration;
- trade agreements as well as the Customs Union, on which a specific study to assess its overall impact was launched with the World Bank;
- foreign policy, including political reforms and counter terrorism actions;
- substantial increase in the participation in Union programmes.

The IPA financial assistance in 2012 continued to support the political priorities of the accession process with a focus on the rule of law and tackling key reforms linked to the judiciary and fundamental rights, under Component I, for a total value of EUR 225.74 million in 2012.

Positive developments were also observed in the management of the financial assistance by the Turkish national authorities under decentralised management mode. The accreditation process in view of transferring tendering, contracting and financial management functions from the Central Finance and Contracts Unit (CFCU) to the line ministries has been successfully finalised for all Operating Structures under IPA Components III and IV. The

⁸ For the purpose of this Report, figures quoted under National Programmes refer to Components I

conferral of management for the IPA Component V has also been granted for almost twenty provinces.

Throughout 2012, the dialogue with the Turkish institutions was enhanced on migration and asylum as well as on integrated border management. Further opportunities were explored, to support institutional reform with EU financial assistance. A pipeline of project proposals was developed and reviewed by all the relevant programming stakeholders for financing under IPA, including specialised UN agencies. Efforts to improve the management and control system by the Turkish authorities, responsible for the implementation of IPA programmes continued, although further improvements are still required in the area of IPA programming and monitoring.

The ratification of the IPA Framework Agreement with **Iceland** was finalised in 2012, following the parliamentary resolution mandating the government of Iceland to approve the Framework Agreement. The parliamentary resolution was adopted on 18 June 2012, paving the way for the implementation of projects planned under the IPA National Programmes for Iceland.

Following the entry into force of the IPA Framework Agreement, the implementation of projects under the IPA National Programme 2011 started in the second half of 2012. The 2011 Programme supports seven projects. The budget is EUR 12 million and a balance between the two priority axes set in the MIPD was ensured:

- to further enhance Iceland's ability to assume the obligations of membership by supporting institutional capacity building for *acquis* transposition and implementation, as well as,
- to reinforce Iceland's institutional capacity in its preparations for participation in and implementation of Structural Funds and other EU funds.

The 2012 National Programme was adopted on 16 July 2012 aiming to support three projects with a budget of EUR 12 million. The project implementation has partially started. The National Programme 2013 was adopted on 2 December 2012, for a total value of EUR 10.8 million.

Further to the parliamentary elections of 27 April 2013, the newly formed government has put the accession negotiations on hold until Parliament assesses the state of the negotiations and the developments in the EU. The consequences for IPA are being examined. The Commission does not envisage proceeding with any further projects under IPA until such time as the Icelandic government has decided whether or not to continue the accession process.

The former Yugoslav Republic of Macedonia continued accession-related reforms with the support of IPA but faced serious challenges during 2012 as regards programming and implementation of EU assistance. In general, the capacities of the national institutions managing IPA remained uneven, contributing to recurrent delays in procurement and low contracting and disbursement rates.

The IPA 2012-2013 National Programme represents a total EU contribution to Component I of approximately EUR 28 million per year. It was prepared and adopted by the Commission in November 2012 and consists of five sector fiches and seven linked project fiches

supporting the sectors of public administration, justice, home affairs and fundamental rights, private sector development, agriculture, and environment and climate change. The new allocations for the Operational Programmes under Components III, IV and V were also adopted on the same occasion.

Absorption of available funds from all IPA components was an issue to which the Commission paid attention, supporting the authorities' efforts. Temporary interruption of payments took place in March and again at the end of 2012 by the Commission (Regional Policy DG, Employment, Social Affairs and Inclusion DG and Agriculture and Rural Development DG), due to understaffing and insufficient managerial capacities in key institutions, especially in those exercising control functions, such as the Audit Authority and the National Authorising Officer's (NAO) office. Thanks to resolute action taken by the government, the capacities of all these institutions almost reached their full staff targets foreseen in their respective Workload Assessments (WLA) for 2012.

Capacity building needs and the accumulated backlog continue to pose serious problems and constant efforts and commitment should be secured at the highest possible political level to accelerate implementation.

In the course of 2012, **Montenegro** successfully finalised the programming of the remaining pre-accession assistance allocated under the last two years of the current Financial Framework. The 2012-2013 National Programmes under Component I – Transition Assistance and Institution Building – continued to remain an important part of the IPA funding (EUR 21.28 million) and continued to support key reform areas in line with previous programmes. The opening of the accession negotiations, decided by the European Council in June 2012, reflected and confirmed the relevance and efficiency of the implementation of the IPA projects by the EU Delegation in Montenegro under Component I.

In comparison with funds under IPA Components I and II, most of the IPA funds in 2012 and 2013 were earmarked for the preparations of the implementation of EU cohesion and agricultural policies in the sectors of environment, transport, social development and agriculture and rural development, i.e. under Components III, IV and V. Indeed, with the granting of the candidate country status since 2010, key investments have been programmed through the adoption of the respective Operational Programmes for 2012-2013 under Component III (EUR 22.24 million) and Component IV (EUR 5.58 million), with the exception of Component V for which the adoption of the Instrument for Pre-Accession in Rural Development (IPARD) programme has been postponed to 2013 .

Finally, the Montenegrin authorities have shown good progress all over the year in preparing for conferral of management, especially with the submission of the application package for Components I and II in July 2012.

During 2012, EU financial assistance played a strategic role in **Albania**, deploying approximately EUR 95 million on Components I and II, with a view to enhancing administrative capacities of a number of institutions and fostering social, environmental and economic development.

On-going projects in the areas of justice, public administration reform and fight against corruption were further advanced. Law-enforcement agencies acquired increased capacities, as a result of EU strategic support, and are showing concrete results in the fight against organized crime. Technical assistance projects continued supporting different line ministries and state institutions with the effect that many relevant pieces of legislation for the *acquis* alignment have been adopted.

Infrastructure projects, however, encounter implementation problems, mainly due to a lack of coordination among line-ministries and between national and local institutions, with implications for the projects' long-term sustainability. This situation has led the Commission to request an IPA interinstitutional coordination mechanism in order to ensure project sustainability.

Albania has accomplished substantial efforts in relation to the preparation for the decentralised management of IPA funds. Further focused actions are still required to ensure that the decentralised management system in place reflects all the requirements set out in the IPA regulatory framework. However, if conditions are met, conferral of management can be achieved soon. In view of this accreditation, the Albanian authorities are supposed to take all necessary measures to ensure stability as regards the positions of civil servants trained for the management of IPA funds.

Serbia received the status of a candidate country in 2012 and continued its intense preparations for the introduction of a decentralised implementation system (DIS) for the management of IPA funds. The EU contribution regarding IPA Component I, allocated in 2012, was EUR 170.60 million.

After a positive compliance assessment done by an independent auditor, the national accreditation was completed and the accreditation packages for all four IPA Components (I, II, III and IV) were sent to the European Commission in 2012.

In the meantime, it was decided not to proceed with opening of components III and IV under the current financial perspective 2007-2013. A first audit mission for Components I and II was conducted by the auditors of the Directorate General for Enlargement in November 2012. The conferral of management for these Components is expected to be granted to Serbia in the course of 2013.

In 2012, the Commission programmed for **Bosnia and Herzegovina** the IPA 2012 and IPA 2013 allocations under Component I together in a single exercise allocating EUR 84.77 million within the National Programme of 2012. This was different than in previous years when the Commission programmed one programme per year. The advantage of the new approach was that the planned interventions followed a longer-term plan, thus ensuring continuity and economies of scale.

Despite the thorough preparation of the programming process, which started with meetings at the political level, the programming, as in previous years, witnessed significant delays due to Bosnia and Herzegovina's internal difficulties to reach agreement on the identification and formulation of projects. The Commission has urged the authorities to adopt an efficient

coordination mechanism between the state and the two entities to overcome these persistent difficulties.

Notwithstanding the problems in the programming and implementation of IPA assistance, a number of projects delivered good results and a perceptible impact, in particular in the home affairs sector and in the support for the economic development. The Integrated Border Management System improved considerably, and the support for the development of the tourism sector and the support for small and medium sized enterprises created and secured employment.

The implementation of EU assistance to **Kosovo** exceeded its financial targets, both in terms of contracts and payments. The preparation of the IPA 2012 Annual Programme for Kosovo has been completed, allocating EUR 63.2 million. The 2013 Annual Programme was prepared and approved by the IPA Committee in November 2012, aiming for adoption in early 2013.

Kosovo's participation in the IPA Cross-Border Cooperation (CBC) programme proceeded well in 2012 and the Financing Agreements for 2011 were signed for all three CBC programmes (with Albania, the former Yugoslav Republic of Macedonia, and Montenegro respectively). The first call for proposals in the CBC Kosovo-Albania was launched in June 2012.

In March 2012, a consultation meeting was organised with civil society during which the government presented the proposed projects to civil society organizations and allowed for a discussion. It was the first time in Kosovo that such a consultation took place in an early stage of the IPA programming process.

Regional Cooperation and programmes

Regional cooperation in South East Europe has made important progress in recent years, in particular in the areas of trade, statistics, energy and transport, cooperation in public administration reform and civil protection. The bulk of IPA support to the beneficiaries is delivered through the national programmes. However, around 9% of available funds are allocated through the Multi-Beneficiary programmes (MB). They 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 are only addressed through MB assistance where there is a clear need for regional cooperation or horizontal action, for instance through tackling cross-border problems or in increasing efficiency through establishing harmonised approaches, leveraging existing instruments or facilitating networks of experts. In the period 2012, the indicative allocation available for this totalled around EUR 222.06 million for Component I.

A regional project promoting inclusive education has been selected as one of the priorities in the sector Justice and Home Affairs, including fundamental rights and vulnerable groups while a regional project to strengthen witness protection enhances the fight against organised crime and corruption. Refugee return and provision of durable housing solutions is addressed

through the Regional Housing Programme under the umbrella of the Sarajevo Process, for which the EU is the biggest donor.

Particular attention has been given to projects that help the Beneficiaries to overcome the economic and financial crisis and to sustain the emerging economic recovery by continuing financial support for priority investments in infrastructure, in close coordination with International Financial Institutions (IFIs). Investments in energy efficiency are geared towards achieving sustainable economic growth and embracing the Europe 2020 strategy.

In the sector of Environment and Climate Change, a regional project has been selected to enhance civil protection cooperation in the Western Balkans and Turkey. With a view to foster reforms and regional cooperation in education, the IPA 2012 Multi Beneficiary programme will continue previous practice and support the Erasmus Mundus Action 1 and 2 as well as the Youth in Action programme in the sector Social Development. Regarding the support to civil society, 18 framework partnership agreements were signed in 2012 with more than 170 organisations from the region and Europe in various priority sectors like anti-corruption, energy, human rights and security, environment and natural resources.

4. FOCUS ON SUSTAINABLE PUBLIC ADMINISTRATION REFORMS, STRENGTHENING RULE OF LAW AND DEMOCRATIC GOVERNANCE

All countries in the Western Balkans face significant economic and financial challenges. The need to ensure integrated, smart, sustainable and inclusive growth - supported by good governance for growth - was recognized by the Ministers of the South-East European Cooperation Process (SEEC) when they adopted the South East Europe (SEE) 2020 Vision in November 2012 in Tirana. This is a constructive approach by the countries in the region to face the current challenges under a regional perspective.

Good public governance is part of the political accession criteria and includes dimensions that go beyond Public Administration Reform (PAR), such as political stability and respect of democratic principles, government effectiveness, sound public financial management and respect of the rule of law. This is the reason why the Commission expects all countries in the Western Balkans to set up meaningful and comprehensive national strategies which will become priority areas for financial support under the next Instrument for Pre-accession Assistance (IPA II).

The regional OECD/SIGMA (Support for Improvement in Governance and Management) programme is providing an essential assistance in this regard. It was further strengthened through the recently approved assignment to develop new Country Assessments and to provide Country Action Plans to analyse whether and how the national reforms are effectively implemented. The aim goes beyond the monitoring of the legal framework and is to develop an integrated approach to PAR that should allow the Commission to use the available resources in a more coherent, efficient and sustainable manner and provide more coherence in the policy dialogue.

To ensure an efficient performance measurement in line with the IPA II Regulation, SIGMA will also define Public Administration standards which would be used as a reference point for measuring progress and better instruct the high-level policy dialogue on PAR with the countries.

SIGMA's work is closely linked to and complemented by the Regional School of Public Administration (ReSPA). Ideally, this could result in developing a common approach to PAR in the region that would help coordinating efforts and activities not only at national level, but also at donors' level. However, ReSPA needs to establish its regional legitimacy as PAR platform for high level political dialogue and to consolidate the recognition of quality in its role as training provider for senior managers.

For this very reason, additional efforts are invested in ReSPA to consolidate its role in the following areas:

- i) raising awareness for Public Administration Reform in each of the partner countries by providing a network for peer discussions and peer reviews;
- ii) facilitating the sharing of national strategies and related experience in terms of improving public administration at all levels;
- iii) providing training to strengthen the capacity of public servants of the Western Balkan countries with a focus on training of trainers and senior officials that would assure maximum impact.

However, it is the responsibility of the participating countries to guarantee the impact of ReSPA's work by ensuring an appropriate follow-up of the lessons learned, including the experience gained in preparing Croatia's accession to the EU.

5. TECHNICAL ASSISTANCE AND INFORMATION EXCHANGE (TAIEX)

In 2012, the TAIEX instrument's flexibility was demonstrated by a broad set of activities. Increasing use is being made of medium-term technical assistance and a sequence of agreed short-term interventions. This approach was used mostly in the agriculture and food safety sectors as well as in assistance to Iceland, Kosovo and the Turkish Cypriot community. TAIEX also supported the assessment of Montenegro's compliance with the EU *acquis*, the so-called screening, a key part of the EU accession process.

In line with the trend registered since 2005, TAIEX reached around 30,000 public officials from beneficiary countries in 2012. Turkey, the former Yugoslav Republic of Macedonia, Croatia and Bosnia and Herzegovina benefited the most from TAIEX assistance with almost five thousand Turkish participants (4,767) and more than three thousand from each of the three Western Balkan countries (3,431, 3,232 and 3,223 respectively).

The Local Administration Facility (LAF) aimed to increase awareness among Western Balkan local and regional authorities. 14 LAF events were organised, to the benefit of almost 400 representatives from local and regional administrations.

TAIEX's driving force relies on the expertise provided by public administration officials from EU Member States. The knowledge and competence of almost 5,000 experts was mobilised throughout 2012, in general excellently rated by the beneficiaries. In 2012, this objective was met for the large majority of events; 99% of participants who provided feedback reported that the attended TAIEX event had enabled them to improve their knowledge.

With the aim of measuring both the effectiveness and the final impact of TAIEX assistance, a new evaluation system has been put in place. Six months after the implementation of an event, applicants are asked to provide a synthetic, online feedback on the specific assistance delivered.

6. CONCLUSION

2012 witnessed a significant step on the path towards making assistance to the Enlargement countries more strategic and accession-driven as an integral part of the Enlargement strategy. The legal and strategic planning framework that the Commission has proposed for delivering pre-accession assistance from 2014 onwards will reinforce its link with the political monitoring and reporting by putting in place a framework aiming for tangible results, achieving the desired impact and rewarding performance. This will contribute to increasing even further the added value of EU funds allocated to the Enlargement countries by creating stronger incentives for the transformation of their societies, legal systems and economies, for the mutual benefit of the European Union and of IPA beneficiary countries and their citizens.

Status of Implementation of IPA financial assistance per country at 31 December 2012 of total committed funds (2007 – 2012):

The following tables provide the amount of all IPA allocations between 2007 and 2012 in EUR million by beneficiary and by component for Candidate Countries and Potential Candidates. The figures take into account transfers made between components I and II in the course of 2012.

At 31 December 2012 IPA Component I managed by Enlargement DG⁹:

EUR Million	Committed	Contracted	Percentage	Paid	Percentage
<i>Croatia</i>	242.08	205.93	85.07%	137.85	56.94%
<i>the former Yugoslav Republic of Macedonia</i>	202.18	131.25	64.92%	78.69	38.92%
<i>Iceland</i>	24.00	10.04	41.83%	3.41	14.19%
<i>Montenegro</i>	152.04	106.14	69.81%	90.43	59.48%
<i>Turkey</i>	1,390.41	1,376.61	99.01%	772.50	55.56%
<i>Albania</i>	430.01	299.24	69.59%	169.72	39.47%
<i>Bosnia and Herzegovina</i>	474.60	248.99	52.46%	159.35	33.58%
<i>Kosovo</i>	538.30	429.91	79.87%	285.09	52.96%
<i>Serbia</i>	1028.99	760.06	73.86%	541.33	52.61%
Total	4,482.61	3,568.17	79.60%	2,238.37	49.93%

⁹ Croatia, the former Yugoslav Republic of Macedonia and Turkey benefit from Decentralised Management, which consists in entrusting the implementation of the allocated EU-funds to the Ministry of Finance of the beneficiary country which becomes responsible for managing the effective contracts and payments.

At 31 December 2012 IPA Component II managed by Enlargement DG:

EUR Million	Committed	Contracted	Percentage	Paid	Percentage
<i>Croatia</i>	15.02	10.32	68.71%	6.75	44.94%
<i>the former Yugoslav Republic of Macedonia</i>	16.22	4.13	25.46%	3.10	19.11%
<i>Montenegro</i>	18.10	9.83	54.31%	7.11	39.28%
<i>Turkey</i>	6.93	6.93	100%	1.69	24.39%
<i>Albania</i>	21.77	8.16	37.48%	5.76	26.46%
<i>Bosnia and Herzegovina</i>	15.12	7.50	49.60%	5.88	38.87%
<i>Kosovo</i>	4.80	0.17	3.47%	0.09	1.96%
<i>Serbia</i>	18.97	12.11	63.85%	9.00	47.44%
Total	116.93	59.15	50.59%	39.38	33.68%

At 31 December 2012 IPA Component II, implemented by Regional Policy DG:

EUR Million	Committed	Paid	Percentage
<i>Adriatic</i>	205.66	59.45	28.9%
<i>Slovenia-Croatia</i>	35.75	16.24	45.4%
<i>Hungary-Croatia</i>	43.90	19.85	45.2%
<i>Hungary-Serbia</i>	41.96	22.96	54.7%
<i>Romania-Serbia</i>	44.47	18.43	41.4%
<i>Bulgaria-Serbia</i>	26.26	9.15	34.8%
<i>Bulgaria-the former Yugoslav Republic of Macedonia</i>	14.99	5.64	37.6%
Bulgaria-Turkey	22.83	7.85	34.4%
<i>Greece-the former Yugoslav Republic of Macedonia</i>	12.60	6.08	48.3%
<i>Greece-Albania</i>	9.47	4.62	48.8%
Total	457.89	170.27	37.19%

At 31 December 2012, IPA Component III, implemented by Regional Policy DG:

EUR Million	Committed	Paid	Percentage
<i>Croatia</i>	329.68	88.64	26.9%
<i>the former Yugoslav Republic of Macedonia</i>	199.93	48,15	24.1%
<i>Turkey</i>	1,747.58	519.29	29.7%
<i>Montenegro</i>	22.24	0	0%
Total	2,299.43	656.08	28.5%

At 31 December 2012 IPA Component IV, implemented by Employment, Social Affairs and Inclusion DG:

EUR Million	Committed	Paid	Percentage
<i>Croatia</i>	85.88	35.02	41%
<i>the former Yugoslav Republic of Macedonia</i>	33.50	10.33	31%
<i>Turkey</i>	382,9	109.48	28.6%
<i>Montenegro</i>	2.77	0	0%
Total	403.18	96.32	23.9%

At 31 December 2012 IPA Component V, implemented by Agriculture and Rural Development DG:

EUR Million	Committed	Paid	Percentage
<i>Croatia</i>	129.90	30.08	23.16%
<i>the former Yugoslav Republic of Macedonia</i>	63.49	11.33	17.8%
<i>Turkey</i>	650.38	81.25	12.5%
Total	843.77	122.66	14.5%