

Instrument for Pre-Accession Assistance (IPA)

The Instrument for Pre-accession Assistance (IPA) *is a new instrument for Pre-accession assistance for the period 2007 – 2013, which replaces the previously available programmes CARDS, PHARE, ISPA, and SAPARD.*

The IPA programme was established by the EU Council Regulation 1085/2006, and its financial value for the period of seven years amounts to EUR 11.468 billion.

The main objectives of the IPA programme include assistance to candidate countries and to potential candidate countries in their harmonisation and implementation of the *acquis communautaire* as well as in preparing for the use of the Structural Funds.

The Republic of Croatia has been the beneficiary of the IPA programme since 2007 and will be until the moment of its accession to the EU. The Central State Office for Development Strategy and Coordination of EU Funds (CODEF) is responsible for the overall coordination of the IPA programme in the Republic of Croatia, while the Ministry of Finance is responsible for the overall financial management.

This unique instrument for pre-accession assistance differentiates between two categories of countries:

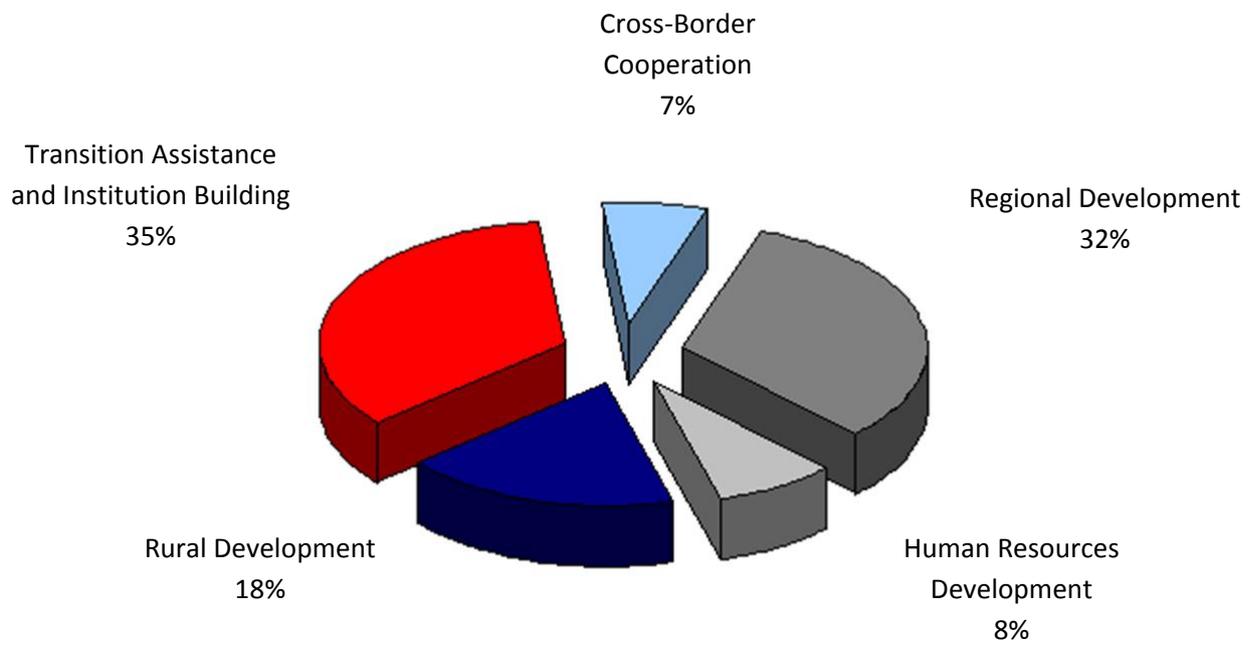
1. potential candidate countries (Albania, Bosnia and Herzegovina, Montenegro, Serbia)
2. EU candidate countries (Croatia, Macedonia, Turkey).

In the case of the EU candidate countries, in addition to the aforementioned forms of assistance, the European Union provides funds for financing projects for complete harmonisation of national legislation with the Union's *acquis communautaire*, full implementation of the harmonised legislation, as well as the preparation of the programme beneficiaries for the implementation of the Community's common agricultural and cohesion policies.

The IPA programme consists of the following five components:

1. Transition Assistance and Institution Building
2. Cross-Border Cooperation
3. Regional Development
4. Human Resources Development
5. Rural Development

The allocation of the IPA programme funds broken down by components is presented in percentage in the chart below:



(1) Transition Assistance and Institution Building

As a certain follow up of the PHARE programme, with the exception of the economic and social cohesion component; supports the activities focusing on the building and strengthening of the institutional framework related to the adoption and implementation of the Union's *acquis communautaire*.

Potential beneficiaries of this component include state administrative bodies, entities in public ownership, non-governmental organisations, the business community and other non-profit entities.

(2) Cross-Border Cooperation

It supports the activities related to the cross border cooperation with the Member States and the IPA programme beneficiary countries, based on the multi-annual cross-border cooperation programme. An example of such cooperation includes cross-border projects between Croatia and Slovenia, or Croatia and Italy.

Potential beneficiaries of this component include cross-border regions, i.e. counties along the continental and maritime border of the Republic of Croatia.

(3) Regional Development

It supports infrastructure projects in the area of environmental protection and transport as well as programmes for the promotion of competitiveness and regional development. This component represents a continuation of the ISPA programme and the economic and social cohesion component of the Phare programme. It represents the preparation for the use of the European Fund for Regional Development upon accession. The use of funds under the component III is based on multi-annual programme documents, the so-called Operational Programmes for transport, environment and regional competitiveness sectors. In line with the sectoral priorities within the framework of the Operational Programmes, priorities and specific measures as well as funds earmarked for their implementation need to be identified.

Potential beneficiaries include state administrative bodies, public and research institutions and the business community.

(4) Human Resources Development

It supports the measures focusing on incentives to employment, education and training as well as social inclusion, as a precursor to the European Social Fund (ESF) it finances projects in the field of social cohesion for the purpose of meeting the objectives of the European Employment Strategy.

The Operational Programme for Human Resource Development shall identify measures in accordance with the sectoral priorities.

Potential beneficiaries include state administrative bodies, public institutions, social partners and non-governmental organisations.

(5) Rural Development

As the continuation of the SAPARD Programme, it supports preparatory activities for the participation in the common agricultural policy and rural development. This component is a precursor of agricultural funds available upon accession.

Potential beneficiaries include units of local self-government, farms and other natural/legal persons, depending on priority measures.

In accordance with the principle of a differentiated approach to the potential candidate countries, and EU candidate countries, components I and II are open to all beneficiary countries, whereas Components III, IV and V are open to the Candidate Countries only. Starting from the assumption that candidate countries must prepare themselves as best as possible for an autonomous management of EU funds upon accession, thus demonstrating their own maturity as future Member States, the candidate countries are expected to manage

the IPA programme on a decentralised basis. Detailed requirements imposed for that purpose on the candidate countries shall be made public upon the adoption of the IPA Implementing Regulation by the Council of the European Union, as well as the adoption of the associated implementation regulations. Croatia shall use the experience gained in the process of accreditation and conferral of authority for financial management of the PHARE, ISPA, and SAPARD programmes.

The interventions to be financed under IPA shall be regulated by the Multi-annual programme document which will be developed by the European Commission in cooperation with the beneficiary country, as well as the Pre-accession partnership and the annual national programmes for the integration into the European Union.

The activities that promote uniform economic and social development, i.e. those financed within Components III and IV of the IPA programme, shall be defined by special strategic and operational documents, in accordance with the general guidelines of the Lisbon Strategy and the European Commission Strategic Guidelines for its implementation, and in accordance with priorities covered by the Strategic Development Framework for the period 2006-2013 and relevant national sectoral strategies.

The interventions in the field of rural development shall be regulated by a special Rural Development Programme which is being developed in Croatia in cooperation with the sectoral services of the European Commission.

In order to be allowed to use the funds under component III and IV of the IPA programme, the Republic of Croatia must prepare a document entitled the Strategic Coherence Framework, in cooperation with the bodies of the European Commission. This document defines the priorities towards which the funds within the two aforementioned IPA programme components shall be directed.

The use of funds under each component is based on multi-annual programme documents, the so-called Operational Programmes.

The Central State Office for Development Strategy and Coordination of EU Funds coordinates the drawing up of the Strategic Coherence Framework of Operational Programmes.