



Brussels, 10.9.2021
COM(2021) 575 final

2018/0247 (COD)

**COMMUNICATION FROM THE COMMISSION
TO THE EUROPEAN PARLIAMENT**

pursuant to Article 294(6) of the Treaty on the Functioning of the European Union

concerning the

**position of the Council on the adoption of a Regulation of the European Parliament and
of the Council on the Instrument for Pre-accession Assistance (IPA III) for the period
2021-2027**

(Text with EEA relevance)

**COMMUNICATION FROM THE COMMISSION
TO THE EUROPEAN PARLIAMENT**

pursuant to Article 294(6) of the Treaty on the Functioning of the European Union

concerning the

**position of the Council on the adoption of a Regulation of the European Parliament and
of the Council on the Instrument for Pre-accession Assistance (IPA III) for the period
2021-2027**

(Text with EEA relevance)

1. BACKGROUND

Date of transmission of the proposal to the European Parliament and to the Council (document COM(2018) 465 final – 2018/0247 COD)	14 June 2018
Date of the opinion of the Committee of the Regions	6 December 2018
Date of the opinion of the European Economic and Social Committee	12 December 2018
Date of Committee of Permanent Representatives' agreement on a partial negotiating mandate	19 March 2019
Date of the position of the European Parliament (Report)	27 March 2019
Date of trilogue 1	12 December 2019
Date of trilogue 2	12 June 2020
Date of Committee of Permanent Representatives' agreement on a complemented partial negotiating mandate	28 October 2020
Date of trilogue 3	4 December 2020
Date of trilogue 4 (final)	2 June 2021
Date of political agreement in the Committee of Permanent Representatives	30 June 2021
Date when the AFET committee of the European Parliament voted to endorse the compromise agreement	1 July 2021
Date of adoption of the Council's first reading position	7 September 2021

2. OBJECTIVE OF THE COMMISSION'S PROPOSAL

The Instrument for Pre-accession Assistance (IPA III) is a key component of the Union's toolbox for cooperation with the Western Balkans and Turkey under the Multiannual Financial Framework (MFF) for 2021-2027.

The general objective of IPA III is to support the Republic of Albania, Bosnia and Herzegovina, Iceland, Kosovo*, Montenegro, the Republic of North Macedonia, the Republic of Serbia, the Republic of Turkey in adopting and implementing the political, institutional, legal, administrative, social and economic reforms required by those beneficiaries to comply with Union values and to progressively align to Union rules, standards, policies and practices ('acquis') with a view to future Union membership thereby contributing to their mutual stability, security, peace and prosperity.

IPA III shall have the following specific objectives:

- (a) to strengthen the rule of law, democracy, the respect of human rights and fundamental freedoms, including through promoting an independent judiciary, reinforced security and the fight against corruption and organised crime, compliance with international law, freedom of media and academic freedom and an enabling environment for civil society, to promote non-discrimination and tolerance; to ensure respect for the rights of persons belonging to minorities and the promotion of gender equality and to improve migration management including border management and tackling irregular migration, as well as addressing forced displacement;
- (b) to reinforce the effectiveness of public administration and to support transparency, structural reforms, and good governance at all levels, including in the areas of public procurement, and State aid;
- (c) to shape the rules, standards, policies and practices of the beneficiaries listed in Annex I in alignment with those of the Union and to reinforce regional cooperation, reconciliation and good neighbourly relations, as well as people-to-people contacts and strategic communication;
- (d) to strengthen economic and social development and cohesion, with particular attention to youth, including through quality education and employment policies, through supporting investment and private sector development with a focus on small and medium-sized enterprises (SMEs), as well as on agriculture and rural development;
- (e) to reinforce environmental protection, to increase resilience to climate change, to accelerate the shift towards a low-carbon economy, to develop the digital economy and society and to strengthen sustainable connectivity in all its dimensions;
- (f) to support territorial cohesion and cross-border cooperation across land and maritime borders, including transnational, and interregional cooperation.

The agreed overall financial envelope is EUR 14.162 billion (in current prices).

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

3. COMMENTS ON THE POSITION OF THE COUNCIL

The Council's position fully reflects the agreement reached in the trilogues. The most important changes it has introduced, compared to the Commission's proposal, include:

- *Concerning the budget:*
 - a modified budget for the instrument in line with the July 2020 European Council conclusions¹ and with a pro-rata adjustment for the amounts not explicitly disaggregated in the conclusions;
 - a reference to the contribution to the modified MFF overall spending target of 30% of the EU budget expenditures supporting climate objectives;
 - raising the spending target for climate action to 18% with the objective to increase this percentage to 20% by 2027;
 - adding a reference to the ambition to contribute to the MFF spending target for biodiversity objectives of 7.5% in 2024 and 10% in 2026 and 2027;
- *Concerning the governance elements of the Regulation:*
 - an additional delegated act in 2021 covering specific objectives and priority areas of thematic cooperation (on: Rule of law, fundamental rights and democracy; Good governance, acquis alignment, good neighbourly relations and strategic communication; and Territorial and cross border cooperation, Protecting and improving the quality of the environment, Strengthening access to and quality of education, training and lifelong learning at all levels and offering support to cultural and creative sectors and sport, Fostering quality employment and access to the labour market, Promoting social protection and inclusion and combating poverty).
 - replication in articles of the headlines of the thematic priorities for assistance (annexes II and III).
 - a statement from the Commission establishing a geopolitical dialogue with the European Parliament (full text in annex).
 - inclusion of European Parliament resolutions and Commission communications in the policy framework.
- *Modulation and suspension of assistance*
 - an additional recital and an additional provision on the possibility to modulate and/or suspend assistance in case of significant regression or persistent lack of progress by the IPA III beneficiaries in the respect for democracy, human rights and the rule of law. A statement from the Commission will specify that provisions in Article [7a, paragraph 5] respects the powers of the Commission in the implementation of Union programmes, and the Union budget in general, and is without prejudice to the powers entrusted to the Commission by the Treaties and the Financial Regulation to suspend Union assistance provided to third countries.

¹ [EUCO 10/20, CO EUR 8, CONCL 4](#)

- *Financial provisions of the instrument*
 - Adding few exceptions to the general cross-referencing to the NDICI provisions, which serve the purpose of ensuring common implementing rules for the majority of Heading VI programmes. Those exceptions intend to bring more visibility to certain modalities of cooperation such as indirect management with beneficiary countries (IMBC), budget support and visibility provisions.
- *EFSD+*
 - detailing further, in an article, the governance structures that will advise the Commission in the governance of the EFSD+ operations covering the Western Balkans. Recognising the legacy of the Western Balkans Investment Framework, Article 11 allows for non-EU bodies, which participate in the Joint Fund for the Western Balkans to be associated to the governance. A statement from the Commission will recall the advisory nature of the Western Balkans Investment Framework strategic board (full text in annex).
- *Names of beneficiaries*
 - It was agreed to use the constitutional names of the beneficiaries, except for Kosovo where the terminology of the EU-Kosovo Stabilisation and Association Agreement will be used.
- *Duration/Date of application*
 - Article 1 and Article 19 modified, establishing the Regulation for the period of the multiannual financial framework 2021-2027 in Article 1 ('subject matter'), with a retroactivity clause for application starting on 1 January 2021 without end date in Article 19 ('entry into force').
- *Migration*
 - Referring to migration within the objective of IPA III that relates to rule of law, democracy and fundamental rights. Agreement on the wording to use when referring to irregular migration ("tackle") and on inclusion of 'labour mobility' in a recital on economic and social development.
- *Visibility*
 - Reinforcing few additional aspects to reflect the different nature and scope of the IPA as well as some obligations for IPA III beneficiaries.
- *Objectives of the Regulation*
 - A re-organisation of the specific objectives, in particular to give more prominence the priorities of the Commission, namely the Green Deal, connectivity and digitalisation.
- *Programming principles*
 - Reinforcing the text in Article 7 on assistance to beneficiaries and programming approach based on a balance between performance assessment and fair-share principle.

The agreement preserves the aims of the Commission's original proposal, maintaining the level of ambition and allowing for sufficient flexibility in implementing the new rules. The Commission therefore supported the changes highlighted above.

4. CONCLUSION

The Commission supports the results of the inter-institutional negotiations and therefore accepts the position taken by the Council.

5. STATEMENTS FROM THE COMMISSION

The Commission has made three unilateral statements, which can be found in the appendix.

APPENDIX

Statements from the Commission

Statement by the European Commission on a geopolitical dialogue with the European Parliament on the the Instrument for Pre-Accession Assistance (IPA III)

The European Commission, mindful of the European Parliament's functions of political control laid down in Article 14 of the Treaty on the European Union, commits to conduct a high-level geopolitical dialogue between the two institutions on the implementation of Regulation (EU) No. 2021/XXX of the European Parliament and of the Council establishing the Instrument for Pre-accession Assistance (IPA III). This dialogue should allow exchanges with the European Parliament, whose positions on the implementation of the IPA III will be fully taken into consideration, in full respect of the Commission's ability to implement the instrument, in line with its institutional responsibilities.

The geopolitical dialogue will discuss general orientations on the implementation of the IPA III, including on programming before the adoption of the IPA III programming framework and programming documents, and concerning specific subjects such as the suspension of assistance to a beneficiary when it persistently fails to observe the principles of democracy, the rule of law, good governance, respect for human rights and fundamental freedoms.

The geopolitical dialogue will be structured as follows:

- i) A high-level dialogue between the Commissioner in charge of Neighbourhood and Enlargement, on behalf of the Commission, and the European Parliament.
- ii) A permanent dialogue at senior officials' level with AFET working groups to ensure an adequate preparation and follow-up to the high-level dialogue.

The high-level dialogue will take place at least twice a year. One of the meetings may coincide with the presentation by the Commission of the draft annual budget.

Statement by the European Commission on the modulation/suspension of assistance in Article 8 , paragraph 5 of Regulation No. 2021/XXX/ of the European Parliament and of the Council of XX/XX/2021 establishing the Instrument for Pre-Accession Assistance (IPA III)

The European Commission considers that the provision in Article 8(5) respects the powers of the Commission in the implementation of Union programmes, and the Union budget in general, as long as it is without prejudice to the powers entrusted to the Commission by the Treaties and the Financial Regulation to suspend Union assistance provided to third countries.

Statement of the European Commission on the advisory nature of strategic boards as in Article 12 of Regulation No. 2021/XXX/of the European Parliament and of the Council of XX/XX 2021 establishing the Instrument for Pre-Accession Assistance (IPA III)

The European Commission recalls that as laid down in Article 12 of the IPA III Regulation, the Western Balkans Investment Framework (WBIF) strategic board is *an advisory body* to the Commission. This is aligned with Article 33 of the NDICI –Global Europe Regulation (EU) 2021/947 of the European Parliament and of the Council of 9 June 2021, which refers to the WBIF and EFSD+ strategic boards. These strategic boards do not have decision-making powers in the context of the implementation of the EU budget. The Rules of Procedures for the WBIF strategic board will be established on this basis.