

Instrument for pre accession assistance "IPA" - Questions and Answers

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What is IPA?

IPA stands for the Instrument for Pre-accession Assistance. It is the new financial instrument for all pre-accession activities funded by the European Commission as of 1 January 2007.

What is the multi- annual indicative financial framework?

The multi-annual indicative financial framework (MIFF) for the Instrument of Pre-Accession Assistance (IPA) is designed to provide information on the Commission's intentions in terms of indicative financial allocations by IPA beneficiary and component. It takes the form of a financial table covering a 3 year period, which is elaborated on the basis of allocation criteria including the beneficiaries' needs, absorption capacity, management capacity and respect of the conditions, namely the Copenhagen criteria. The MIFF therefore acts as the link between the political framework within the enlargement package and the budgetary process.

What are the differences with the current pre-accession support system?

Current pre-accession support has been delivered through a number of different instruments, namely Phare, ISPA, SAPARD and the Turkey pre-accession instrument. EC funding for the Western Balkans has been delivered through the CARDS programme. IPA replaces all these instruments as it brings together for the first time, into a single framework, assistance to candidate countries and potential candidate countries with a clear pre-accession aim for both categories of beneficiary. IPA is designed with five components to provide for targeted and effective assistance for each country according to its needs and evolution. These five components are: transition assistance and institution building; cross-border cooperation; regional development; human resources development; and rural development.

Does the MIFF mean no future policy changes of the receiving countries involved are taken into account (i.e. no matter what they do, they get 'their' envelope)?

No, in fact the MIFF has been designed specifically to be fully flexible in this respect, whilst maintaining a degree of stability to allow for multi-annual programming. The figures provided in the MIFF remain indicative. The flexible system allows allocations to be made and, where appropriate, revised on an annual basis, taking into account needs assessments, absorption capacities, respect of conditions and capacity of management, but also in response to specific requirements that may occur in the period concerned, notably any changes regarding the status of the beneficiary countries (potential candidate, candidate, member state).

Can countries now compete for pre-accession funds? In that case, how do you ensure the countries with least administrative capacity also receive sufficient money?

There is no concept of "competing for funds" within the design of IPA. The envelope has been allocated to beneficiaries according to the needs of each country. The reinforcement of administrative capacity is in fact one of IPA's key objectives for all beneficiaries. Hence, countries which need development of administrative capacity will be able to receive support for this under the transition assistance and institution building component.

In particular, beneficiaries will be able to receive support to increase the administrative capacity and establish the correct management structures necessary to take responsibility of the management of assistance. For candidate countries, this will then allow measures relating to regional, human resources and regional development to be undertaken through the relevant components (which are designed to prepare for structural funds and hence require such management structures). For potential candidates, such

development will be essential preparation for candidate status.

In the meantime, until a beneficiary becomes a candidate country with the correct management structures in place, similar measures that are undertaken through the relevant components for candidate countries can be carried out through the transition assistance and institution building component. There is no strict correlation between the number of components available to a given beneficiary and the size of their financial allocation.