

HEADING 4: Global Europe

Instrument for Pre-accession Assistance (IPA II)

Lead DG: NEAR

Associated DGs: EAC, AGRI, EMPL, REGIO

I. Overview

What the programme is about?

The Instrument for Pre-accession Assistance ('IPA II') shall support candidate countries and potential candidates in adopting and implementing the political, institutional, legal, administrative, social and economic reforms required by the beneficiaries to comply with Union values and to progressively align to Union rules, standards, policies and practices with a view to Union membership. Through such support, IPA II shall contribute to stability, security and prosperity in the beneficiaries, providing their citizens with better opportunities and allow for development of standards equal to the ones we enjoy as citizens of the EU. IPA funds are a sound investment not only into the future of the enlargement countries: they serve also the Union's very own political, security and economic interests. It is a strategic investment in a stable, more secure, strong Europe based on common values. The IPA II Regulation⁽¹⁾ states that financial assistance shall mainly address five policy areas: a) reforms in preparation for EU membership and related institution and capacity-building, b) socioeconomic and regional development, c) employment, social policies, education, promotion of gender equality, and human resources development, d) agriculture and rural development, and e) regional and territorial cooperation.

IPA II should help beneficiaries in achieving their respective targets related to the 1993 Copenhagen criteria as well as the conditionality of the Stabilisation and Associations process. The success of pre-accession assistance is therefore to be measured against the criterion how effective the assistance was to enhance the capability of the beneficiaries to come closer to the accession benchmarks.

Current beneficiaries, listed in Annex I of the IPA II Regulation, are: Albania, Bosnia and Herzegovina, the Republic of North Macedonia, Kosovo*, Montenegro, Serbia, and Turkey.

** Throughout the whole document, 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.*

EU added value of the programme

The IPA complements the Enlargement policy of the Union by supporting political and economic reforms in beneficiary countries and contributes to meeting the broader European objectives of ensuring stability, security and prosperity in the immediate neighbourhood of the Union.

The EU's political influence and leverage allows engaging national authorities with greater authority and legal certainty than individual EU Member States. Furthermore, granting pre-accession assistance under one single instrument on the basis of a single set of criteria is more efficient than granting assistance from multiple sources (including the national budgets of the Member States) following different procedures and priorities. The funds also help the EU reach its own objectives regarding a sustainable economic recovery, security of energy supply, improved transport connections, enhanced environmental standards, more effective action to combat climate change, etc.

Implementation mode

IPA II funded activities are implemented and managed in various ways. Under **direct management**, the implementation of the budget is carried out directly by the Commission either at headquarters or in the EU delegations. Under **indirect management**, the Commission entrusts budget implementation tasks to the IPA II beneficiaries or entities designated by them; a development agency of an EU Member State or, exceptionally, of a third donor country; an international organisation or an EU specialised agency and public law bodies, including Member state organisations. In other words, the Commission entrusts the management of certain actions to external entities, while still retaining overall final responsibility for the general budget execution. Under **shared management**, implementation tasks are delegated to EU Member States (only for cross-border cooperation programmes with EU countries).

In the context of direct management, sector budget support is yet another tool for delivering pre-accession assistance and achieving sustainable results under IPA II. It consists of financial transfers to the national treasury account of an IPA II beneficiary once certain conditions have been fulfilled and requires performance assessment and capacity development, based on partnership and mutual accountability.

⁽¹⁾ REGULATION (EU) No 231/2014 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 11 March 2014 establishing an Instrument for Pre-accession Assistance (IPA II) https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/pdf/financial_assistance/ipa/2014/231-2014_ipa-2-reg.pdf

Financial assistance needs to be tailored to the specific situation of the individual beneficiaries. It is planned and programmed on the basis of indicative strategy papers setting out the priorities and objectives for each beneficiary and the multi-beneficiary programmes for the entire period up to 2020, and a breakdown of indicative financial allocations. The strategy papers define the results to be achieved by 2020 and the actions necessary to reach them, as well as indicators for monitoring progress and measuring performance.

Implementation of IPA II is based on a sector approach: reforms are promoted within the framework of pre-defined sectors closely linked to the enlargement strategy, such as democracy and governance, rule of law or growth and competitiveness. At the same time, IPA II assistance is tailored to the specific needs of each individual beneficiary, and takes into account the status of each partner in the overall accession process. Assistance is also provided through multi country programmes, providing a viable complement to national assistance.

In the policy area ‘agriculture and rural development’, assistance includes management by DG for Agriculture and Rural Development for the beneficiaries which are already operating under indirect (formerly decentralised) management. In addition, cross-border cooperation between candidate countries and potential candidates and Member States continues to be managed by DG for Regional and Urban Policy. Finally, IPA II helps beneficiaries building capacity and promoting mobility in higher education and for young people by contributing to the Erasmus+ Programme.

II. Programme Implementation Update

Implementation status (2017-2019)

The Regulation establishing the Instrument for Pre-accession Assistance (IPA II) introduced an important innovation: a seven years strategic framework for the programming of the instrument. For this purpose, Indicative country and multi-country Strategy Papers (ISPs), covering the full duration of the multiannual financial framework, were established in partnership with the IPA II beneficiaries. The country ISPs set sector-level priorities for assistance. They are defined on the basis of the IPA beneficiary’s specific needs and capacities. The Multi-Country Strategy Paper addresses priorities for regional cooperation or territorial cooperation. The ISPs also contribute to the following goals of the IPA II Regulation: deliver assistance that is (1) targeted and adjusted to the specific situation of each IPA II beneficiary, and also (2) differentiated in scope and intensity, according to the beneficiary’s needs, level of commitment to reforms and progress in implementing them.

As laid down in the IPA II Regulation, Article 6(4), the 7-year ISP were ‘revised at mid-term and published in August 2018. The main objective of this review/revision was to take account of recent policy developments, political priorities and other changes registered in the region. This exercise also allowed allocating the performance reward as foreseen in Article 14 of the IPA II Regulation. Following a Strategic Dialogue with the European Parliament, inter-service consultation and comitology procedure, the European Commission adopted the Revised Indicative Strategy Papers in August 2018.

Twenty programmes were adopted in 2017, in particular:

- Ten annual action programmes (including one multi-country programme and one sector budget support programme)
- One multiannual programme to support connectivity;
- Five amendments to the multiannual sector operational programmes for Turkey and the Republic of North Macedonia.
- Two major projects forming part of the multiannual sector operational programme for the Republic of North Macedonia
- Two support measures

Total operational commitments for IPA II in 2017: EUR 2.1 billion.

In 2018, twenty-four programmes and five amendments were adopted in particular:

- Eight annual action programmes (including one multi-country programme and two amendments to the 2017 Multi-country programme)
- One multiannual programme to support connectivity;
- One multiannual programme to support Technical Assistance and Information Exchange (TAIEX);
- One multiannual programme to support civil society and media;
- Nine cross-border cooperation programmes in the Western Balkans and a cross-border cooperation technical assistance programme;
- One special measure on supporting Bosnia and Herzegovina in managing the migration flows;
- One individual measure (support to the Office of the High Representative (OHR) in Bosnia and Herzegovina);
- One support measure for the 2018 Audit Programme;
- One special measure on education under the Facility for Refugees in Turkey and one amendment;
- Five amendments to the multiannual sector operational programmes for Turkey and the Republic of North Macedonia.

Total operational commitments for IPA II in 2018: EUR 2.1 billion.

In 2019, seventeen programmes and five amendments were adopted, including in particular

- Eleven annual action programmes
- Two special measures on supporting Bosnia and Herzegovina and Serbia in managing the migration flows
- One individual measure (support to the Office of the High Representative (OHR) in Bosnia and Herzegovina)

- One Support Measure for sector evaluations of IPA Assistance to Turkey
- One Special measure on health, protection, socioeconomic support and municipal infrastructure
- One Support measure on monitoring and evaluation, audit and communication
- One (substantial) amendment to the Multi-Annual Action Programme for Turkey on Environment and Climate Action
- One amendment to the Annual Action Programme for Turkey for year 2016; and one amendment to the Annual Action Programme for Turkey for year 2018
- Two Amendments to multi-country action programmes.

Total operational commitments for IPA II in 2019: EUR 2.4 billion.

Key achievements

The following concrete results have been achieved:

Migration – Western Balkans

In 2019, the migratory flows on the Western Balkans route witnessed a significant increase on the previous year. According to the data provided by the European Border and Coast Guard Agency, this trend was recorded at the majority of border sections in the region. The main route during 2019 led from Greece to North Macedonia and further to Bosnia and Herzegovina via Serbia. Pressure at the external borders of the EU remains high. In Bosnia and Herzegovina, a total of EUR 30.2M IPA funds have been allocated, since early 2018, to provide basic accommodation and protection services to over 54,000 persons and reinforce migration management capacities of the BiH authorities. A special measure of EUR 27.5M was also awarded to Serbia in 2019.

Migration – Turkey

Turkey currently hosts close to 4 million refugees and the EU is committed to assist Turkey in dealing with this challenge. The EU Facility for Refugees in Turkey, managing a total of EUR 6 billion (EUR 3 billion for 2016-2017 and EUR 3 billion for 2018-2019), provides for a joint coordination mechanism, designed to ensure that the needs of refugees and host communities in Turkey are addressed in a comprehensive and coordinated manner. The Facility is implemented as humanitarian and development assistance.

The 2016-2017 envelope of EUR 3 billion was fully contracted with 72 projects rolled out, showing tangible results

- 1.7 million of the most vulnerable refugees are provided with monthly cash transfers under the Emergency Social Safety Net;
- Education – a EUR 300 million grant – implemented in cooperation with the Turkish Ministry of National Education – has supported the integration of Syrian children into the Turkish education system providing access to education to over 500 000 children. This support continues also under the second tranche and a new project with the Ministry of National Education was signed, worth EUR 400 million.
- Health – the Facility has delivered EUR 300 million in aid to ensure refugees can access healthcare services, with over 8 million primary healthcare consultations carried out and over 650 000 Syrian refugee children vaccinated so far. Furthermore, 179 migrant health centers are now operational with over 2 900 staff employed. The Facility will continue to provide assistance in health, education, municipal infrastructure and socioeconomic support, with a special focus on creating livelihood opportunities for refugees in Turkey.

EUR 2 billion under the second tranche come from the EU budget. The full operational budget of the second tranche was committed at the end of 2019 and out of the development strand, EUR 710 million was contracted at the end of 2019.

Connectivity agenda

The EU has set aside up to EUR 1 billion for connectivity investment projects and technical assistance for the 2015-2020 period, with a special emphasis on the preparation and financing of concrete regional infrastructure investment projects, but also on the implementation of technical standards and accompanying reform measures such as aligning and simplifying border crossing procedures, railway reforms, information systems (ITS), road safety and maintenance schemes, unbundling and third party access. Continued progress has been achieved on the implementation of the Connectivity agenda in 2019. The EU provided EUR 880,7 million under regional and national IPA envelopes for 39 transport and energy connectivity projects, which is expected to leverage overall investments of more than EUR 3.2 billion. The latest Connectivity Agenda package, endorsed at the Poznan Summit in July 2019, includes 6 transport projects and 2 energy projects aiming at the modernisation of a joint railway border station, installation of signaling and telecommunications equipment on more than 100 km of railway lines benefiting 2 million people living along the routes, building or upgrading over 30 km of motorways (including bridges, viaducts, tunnels and underpasses), construction of over 100 km electricity transmissionline and reconstruction of connected substations, construction of 68 km of interconnection gas pipeline. In 2019, construction works have been initiated on six connectivity projects.

Private Sector Support

The Western Balkans Investment Framework, financed through IPA, is increasingly at the core of fostering investments in the region. Together with the Western Balkans Enterprise Development & Innovation Facility (WB EDIF) and the European Fund for Southeast Europe (EFSE), the European Commission has launched an EUR 150 million guarantee to enable investors, to scale-up investments in areas contributing to EU policy objectives currently not, or not sufficiently, served. The Western Balkans Guarantee is fully programmed by the European Commission which intends to use it as a pilot instrument to prepare for larger guarantee

schemes expected in the next Multiannual Financial Framework, in particular under the EFSD+. 2019 saw the establishment of the Fund and the launching of the first call. Between 4 to 8 projects will be selected during 2020 to implement guarantees aiming at mobilising investments of around EUR 1 billion to support socioeconomic development in the Western Balkans region.

Turkey

In Turkey, work under IPA II has continued to support investment and reforms, notably in the areas of institution-and capacity-building, socioeconomic development, employment, social policies, education, promotion of gender equality, human resources development, agriculture, rural development, regional development and territorial cooperation. For example:

The IPA Rural Development programme has been supporting the modernisation of the agricultural sector, promoting innovative approaches and reaching out to grass roots level in Turkey, including the peripheral and border regions. It is a flagship programme of the EU in Turkey. This is due to its great track record and the fact it provides direct benefits to the Turkish citizens involved in the agriculture and fisheries sectors in rural areas. Turkey is well advanced in the implementation of the programme and the absorption capacity continues to be strong. IPARD supports a wide spectrum of rural activities, from beekeepers to milk processors and farmers and very importantly, it has a specific focus on women and young entrepreneurs. The programme has started to reach the civil society and local authorities through LEADER and the National Rural Network. The call for application that was launched in September 2019 on LEADER Measure is a key tool to promote rural development via a bottom-up participatory approach. After almost 10 years of preparations, 55 Local Action Groups have been established in 12 IPARD provinces. The Turkish Rural Development Network is also an excellent tool for more stakeholders' involvement, policy improvement and publicity of rural development to a wider audience. Under IPARD II so far the eight calls for project proposals have been conducted with 17,000 applications submitted, 3,850 projects currently contracted and 2,800 projects completed. In response to heavy budget cuts, in order to ensure the continuation of IPARD, the programme has been modified (more strictly targeted) to give incentives to areas with highest value such as collective investments, rural employment and LEADER.

The IPARD projects have been setting a new benchmark for investments in the Turkish agri-food sector, fully in line with EU standards. Only the most sound and sustainable investments are supported by the programme, which improves the quality of investments in the sector overall.

The Turkish IPARD Agency operates to high standards and serves as a good institutional model. Funding is highly appreciated by the Turkish recipients and projects get good publicity and visibility in their locations throughout Turkey and in press. This is why IPARD creates good will towards the EU. IPARD II is a continuation of IPARD I and its success is thus due to a continuous work of both Turkey's and EU institutions for more than 10 years.

A map of IPARD projects is accessible on the website at <https://www.tdkk.gov.tr/ProjeIslemleri/OrnekProjeler>; best practices can be reached at <https://ipard.tarim.gov.tr/>

The EU Civil Society Facility (CSF) has allowed the EU to directly support civil initiatives and rights-based projects proposed by individuals and civil society organisations to address particularly sensitive issues. The CSF flagship programme in Turkey is Sivil Düşün ('Think Civil'), a unique programme that has been implemented for 8 years. Through various support mechanisms, Sivil Düşün provides flexible, transparent and accessible support to rights-based work carried out by activists, civil society organisations, platforms, networks, civil initiatives, foundations, associations, rights-based cooperatives, non-profit companies, city councils, unions, as well as human rights and civil society units of universities. Since the launch of Sivil Düşün, around 4.250 applications in diverse thematic areas (more than twenty) were received, out of which over 1.130 actions were selected for implementation. Its constructive help-desk offers assistance to applicants and potential applicants across Turkey through various communication channels, with an average of over 2.000 requests per year. Support provided directly addresses the needs of the civil society, and a participatory approach is adopted in all stages. Support contributes to the inclusion and equal participation of disadvantaged groups and grassroots organisations through addressing their needs.

Since April 2014 Sivil Düşün has provided an effective platform for its beneficiaries to network and learn from each other through its CSO Forums, Info Days, trainings, round table and consultation meetings across Turkey. Always asserting a participatory and inclusive approach, Sivil Düşün encourages participants to share their experience and know-how in meetings, sessions, working groups and workshops, letting participants be in charge. In these thematic events and meetings over 5.000 participants, engaged in rights-based work, had the chance to learn from one another and were offered the chance to collaborate.

Through its multiple communication channels and tools, Sivil Düşün maintains its position as an established and effective communication hub for civil society, rights-based work and EU support in Turkey. Sivil Düşün's online and digital communication tools (website, social media channels, e-newsletter, digital library) are strategically employed to boost the visibility of assistance offered, showcase the work it supports, and provide valuable reference, support and consultation tools for civil society and individuals engaged in rights-based work. Sivil Düşün's website has received a total of more than 1 million web page views throughout its history and its social media channels receive around 20,000 views each month. For more information you can reach www.SivilDusun.net

The CSF also provides funding to support the core functions of Human Rights CSOs that are most at risk. This specific programme answers to calls from Turkish civil society, EU Member States and the European Parliament that the EU should help to reinforce those CSOs thus reinforcing actors able to provide some checks and balances, support human rights defenders and hold authorities accountable in relations to their commitments towards EU values and principles. Support to CSOs is now extending to financing third parties, helping small CSOs, to grow and promoting Civil Society at grass-roots level. Under CSF 2017, there are also two

media projects. These two projects aiming to improve the media situation in the country by way of supporting media pluralism and solidarity in the sector, both achieved good results in their one year of implementation. Some of their key achievements can be summarised as: the press freedom campaign reached at least 350.000 people, ‘our rights’ campaign reached approximately 56.000 people, 1033 journalists received professional trainings nationwide, broadcast studios in Istanbul and Izmir press academies were used 109 times, editorial support was provided for 188 mostly unemployed journalists. The projects also provide legal assistance to journalists, monitor their trials, provide mediation and judicial process support as well as psychological support to those in need. 31 media organisations/ journalists received website and online channels technical support for their efforts to enrich media pluralism in the country. The young journalism support programme touched the lives of 31 applicants and 1003 journalists attended the weekly gatherings in the press house in Ankara.

As part of the comprehensive Trans-European Transport (TEN-T) railway network, under IPA II, a financing agreement has been signed with Turkey for the construction of the fast track Halkali-Kapikule railway between Istanbul and the Bulgarian border. The EU made a large contribution (EUR 275 million) and works have started in 2019.

Western Balkans

In **Albania**, the EU focused its work in 2019 on five key priorities: the judiciary, fight against corruption and organised crime, public administration, and the protection of human rights.

In the justice sector reform, good progress was noted in terms of vetting of judges and prosecutors, establishment of new justice institutions and finalisation of legal amendments. Particularly good results were achieved with the increased recruitment of the School of Magistrates via the support of EURALIUS (Support to strengthening of Justice Reform in Albania) and coordination with Member State projects. Support to courts at all levels continued as well. The International Monitoring Operation (IMO) supported the vetting by providing international observers to the ‘National Vetting Bodies’.

Progress was made in fight against corruption with the establishment of new institutions, including the Special Anti-Corruption and Organised Crime Structure, and several legal amendments (political party financing, Moneyval package). The institutional setting of the National Coordinator against Corruption itself was strengthened with the creation of an Anti-corruption Directorate and a network of anti-corruption coordinators in 16 institutions.

Positive development are noted in the fight against organised crime with implementation of the recommendations of the 2018 EU Country’s report. PAMECA (Consolidation to Law Enforcement Agencies – Support to the Ministry of Internal Affairs, Albanian State Police and Prosecutor Offices) and SANCAS (Support to Anti-Cannabis Strategy) programmes supported the Albanian prosecution services and law enforcement agencies in enhancing their capacity to tackle organised crime and drug trafficking. This support was instrumental in increasing law enforcement capacities to carry out operations, including jointly with EU member States, against criminal organisations and to counter the production and trafficking of cannabis.

EU-funded assistance played a fundamental role in moving forward the public administration reform agenda, in particular in the policy development and coordination area by supporting the development of an integrated planning system and the rollout of regulatory impact assessments. The digital agenda was revised and new e-services rolled out to the citizens. The EU continued its financial assistance to local governance, focusing on enhancing the capacity of municipalities and their ability to benefit from EU funds and programmes, increasing the effectiveness and the transparency of public services, and fostering local democracy, in particular the inclusion of citizens in the decision-making process.

Finally, EU assistance contributed to the protection of human rights through assisting the authorities in identifying missing persons from the Communist era, thus contributing to the Western Balkans Strategy initiatives to support reconciliation and good neighborly relations.

In addition to supporting the five key priorities, EU assistance contributed to Albania’s economic development through supporting public finance management, employment and skills, as well as environmental protection, in particular in the water and wastewater sectors.

In 2019, Albania finished two calls for the three entrusted IPARD measures (support to farms, support to primary processing and for diversifying economic activity). Request for entrustment of Technical Assistance measure was submitted in the autumn.

Examples of successful IPA projects implemented in Albania in 2019:

Since 2016, with the full support of the European Union, Albania has embarked on one of the most demanding and complex transformations in its recent history: judicial reform. In this framework, Albania has recently started a thorough and comprehensive vetting process of its 811 judges and prosecutors under the aegis of the International Monitoring Operation (IMO) funded by the European Union with a budget of EUR 25,7 million. The IMO brings the best European judicial expertise to monitor Albania’s vetting process. This includes the re-evaluation of the judges and prosecutors on the basis of integrity, ethical background, professional competence and background checking of their assets, and is one of the core elements of judicial reform. So far, 220 magistrates have been vetted. Together with the successful establishment of the new independent judicial institutions, the vetting monitored by the IMO has deeply transformed Albania’s judicial architecture. The EU is helping the country in bringing its judicial performance closer to the EU standards as well as restoring public trust and confidence in the rule of law.

C.A.U.S.E, Confiscated Assets used for Social Experimentations, is an EU-funded project that aims to establish a model of sustainable re-use of confiscated assets from organised crime by civil society organizations (CSOs). With a budget of EUR 451,127

C.A.U.S.E is the first initiative of this kind in Albania and the Western Balkans applying an innovative approach that focuses on the promotion and development of the culture of social entrepreneurship to fight against organised crime. C.A.U.S.E provides opportunities, skills and financial support to CSOs to start a new project in an asset confiscated from organised crime. A social pastry shop, a multicultural coffee library and a social crafts garage are the first tangible enterprises in three different cities of Albania employing close to 30 youngsters, former convicts, women and girls at risk or former victims of organised crime. More than 1,500 youngsters, students and women benefit from the activities of these hubs that promote Vocational Educational Training, handicraft activity, employment of vulnerable people, Roma culture and gender equality.

In May 2019, the Commission published its opinion on the EU membership application of **Bosnia and Herzegovina**, identifying 14 key priorities in the areas of democracy/functionality, rule of law, fundamental rights, and public administration reforms. As endorsed by the EU Council in its conclusions in December 2019, the country needs to address these priorities in order to advance on the EU path. The analytical report accompanying the Opinion also, for the first time, reviews the situation in Bosnia and Herzegovina against all standards applicable to EU Member States, including on issues such as internal market, public procurement, competition policy, environment, food safety and consumer protection.

The adoption of countrywide strategies for transport, environment, agriculture, and energy satisfied an important precondition for IPA funding. Consequently, the 2019 and 2020 allocations demonstrate a steady increase compared to previous years. However, adoption of the countrywide Public Administration Reform and Public Financial Management strategies is still pending.

In the area of Competitiveness and Innovation, two programmes were completed, resulting in tangible results in terms of investment in new technologies, and development of new products and services and leading to increase in SMEs exports and sales and over 300 new local jobs. Improvements are reported in the efficiency, business standards, reduced costs and new innovations. New SME support instruments and inter-municipal cooperation have been introduced at municipal level.

Examples of successful IPA projects implemented in Bosnia and Herzegovina in 2019:

Local Integrated Development Project (LID)

LID to which the EU contributed EUR 6 million, directly contributed to the improvements in the standard of living for more than 160,000 people in BiH, working with domestic authorities to enable and create mechanisms and resources needed to drive social and economic development. The Project prioritized assistance to the most vulnerable, including returnees, internally displaced persons, elderly, Roma, people with disabilities and long-term unemployed with special focus on women. It was implemented in 21 partner cities and municipalities prioritizing localities that are home to large returnee population and were affected by the May 2014 floods.

Main results:

Agriculture:

- A total of 506 farmers were supported in growing non-GMO soybeans, walnut, strawberry, cherry and raspberry;
- 436 soybean farmers generated a profit of 4 million KM in sales for 2017 and 2018 alone
- SME support:
- 71 SMEs were supported through the project in modernizing their production capacities, training their staff and accessing foreign markets, creating 432 new jobs.
- In addition, the project support eight greenfield investments with an additional 247 jobs created;
- In total, 679 new jobs were created with the project investment of some 1,8 million KM (equating to some 2600 KM per job).
- Livelihoods support for the vulnerable
- During 2017. and 2018, 10 public works projects were implemented for the long-term unemployed providing seasonal work for some 314 vulnerable individuals.

Support to start-ups: 17 new start-ups were created through the project in the three years of project implementation.

Infrastructure upgrades: A total of 38 infrastructure projects servicing more than 161,000 people were implemented in the course of the project, valued at almost 10 million KM. This includes water and sanitation facilities, schools, kindergartens, sports centres and business support infrastructure, among others.

Public administration reform and financial management: Through increased efficiency and better revenue management, partner LGs were supported in generating close to 10 million KM in development funding. This largely came in the form of cuts to operating expenses with an average reduction of 4.1 % across all operational expenses and all partner local authorities.

Good governance: Seven municipalities were supported in modernizing their servicing through the introduction of ICT solutions, to include document management, tax collection and disaster risk reduction.

Flood Recovery – Housing Interventions Programme in Federation BiH and Republica Srpska: The EU Programme worth EUR 15 million represents the next phase in the EU's efforts to alleviate the catastrophic effects of the 2014 million floods. The intervention, launched in September 2017, aims to provide durable housing solutions, coupled with improved livelihood opportunities, for 2,895 most vulnerable people whose homes were damaged or destroyed in floods and landslides. The Programme

prioritizes assistance to socially and economically marginalized groups, including, but not limited to, the elderly, low income households, persons with disabilities, minorities, returnees and those internally displaced.

Main results achieved so far: The construction of 285 and rehabilitation of 562 housing units is completed. Construction of additional housing units is ongoing. Within the economic component in total 204 households from 36 municipalities in BiH received aid packages. Assistance packages were delivered to households in the spring and fall of 2019 and in the spring of 2020. In the area of agricultural production, households received greenhouses with accompanying equipment and raw material for planting peppers, tomatoes and spinach, hives and raw materials for beekeeping, small agricultural machinery and equipment, and raw material for sowing corn.

Through the area of self-employment, six beneficiaries of the Program have been supported for which training has been organized to acquire the skills needed to develop and run their own small businesses. Upon completion of the training, the beneficiaries registered their small businesses and were provided with the necessary equipment and tools to operate. In the first year of operation, all participants in economic empowerment are provided with mentoring and counseling services to help them achieve the best results in the years to come.

The 2019 programme for **North Macedonia** included for the first time a budget support element aimed at improving the employment of young people, with a special focus on 15-29 year olds in the least developed regions, who are insufficiently trained to access the labour market.

A significant portion of the 2019 programme is allocated to the improvement of North Macedonia's competitiveness by the harmonisation of the internal market related legislation with the EU acquis and its enforcement, and to improving the access of start-ups and SMEs from underdeveloped regions to financing and business advisory services.

The programme also focuses on Rural Development and Competitive Sustainable Agriculture, in particular addressing the excessive fragmentation of agricultural land, need for irrigation, weak support system for agricultural producers, the need for innovative solutions in agriculture and related food industry, lack of a system for collecting and treating animal by-products, the need for a stronger forestry sector or the weaknesses in the control system on hazards to public, animal and plant health.

EU for Inclusion is an action financed in North Macedonia to reduce poverty and improve social, education and economic inclusion of people belonging to the most vulnerable groups. The support focuses on improving housing, education and economic opportunities for Roma and people living in deep poverty, on the improvement of the accessibility of educational facilities and on establishment of non-residential community-based services and support the vulnerable groups of people accessing them.

Under the Multi-annual programme for Transport and Environment additional funding was allocated for Environment focusing on wastewater management and for the construction of a key rail project in the Orient/East Med Corridor section Kriva Palanka-border with Bulgaria.

Four IPARD measures have been entrusted in North Macedonia so far – for investments in (1) farms, (2) primary food processing, (3) diversification of economic activity and (4) Technical Assistance. Five calls for project proposals were held by the end of 2019. Implementation of IPARD has significantly improved in the country in 2019, compared to the previous years.

Examples of successful IPA projects implemented in North Macedonia in 2019:

Modern customs and quality border control system, resulting in more effective customs controls, decreased administrative costs for citizens and business and improved transit traffic and cargo shipments along the European corridors 8 and 10. The EU invested EUR 6.5 million in a new electronic system for processing transit declarations and two new border terminals and modern customs clearance facilities of a total of 13,500 m², equipped with the latest technology inspection equipment, the necessary access and exit roads, parking and service support space. The EU investments allowed the country to meet all conditions to become a full member of the Convention on Common Transit Procedure and to ensure the full implementation of Additional Protocol 5 on Trade Facilitation of the CEFTA parties. The certification of 15 companies as authorised economic operators supports the trade with CEFTA countries. The expansion of the terminal Tabanovce, at the border with Serbia, provided for 30 % increase in the number of passing vehicles on the road border crossing entrance and exit while the number of passing transit vehicles in both directions can reach 30 % of the total cargo vehicles. The time for completing border crossing procedures for passengers and cargo shipments shortened due to one stop border crossing point ensuring clearance for both Serbia and North Macedonia. The new terminal parking lot at Kjafasan, at the border with Albania, now accommodates 45 bays for import and 25 bays for export cargo vehicles which facilitates customs procedures and shortens the time transporters spend at the border, thus reducing costs. The project created favourable infrastructural conditions for customs and border controls leading to enhanced trade and improved security of the borders and safety of the citizens.

The quality of both surface waters and ground waters is being detrimentally affected by the discharge of untreated or inadequately treated sewage. With the constructed Waste Water Treatment Plant (WWTP) the whole population of the Eastern part of the country totaling 54,676 people, directly benefits from the properly treated waste water. All agricultural holdings also benefit from better environmental conditions when producing their agricultural products. The health of the citizens and the nature are better preserved. The volume of untreated municipal wastewater discharged into Strumica River was reduced in this way minimizing negative impacts on the quality of water resources, nature and health in Strumica region. In Montenegro, the focus in 2019 was primarily in the areas of transport and environment and climate change. The programme is delivered through a mix of direct and indirect management.

The implementation of programmes from previous years also continued, focusing on a range of sectors including social, rule of law and agriculture, and competitiveness and innovation.

Additional support was provided as part of the multiannual education, employment and social policies programme. Social programmes continued aiming to address the integration of Roma and other vulnerable groups.

Of particular note, sector reform contracts in Integrated Border Management (IBM) and Public Administration Reform (PAR) continued their key work during 2019. For PAR this primarily focused on enhancing the professionalism and quality of the civil service and to match its resources with the needs of EU integration. Montenegro has entrustment for IPARD measures supporting investments in farms and primary processing and held three calls by the end of 2019. Request for entrustment for diversification of economic activity measure was submitted in 2019.

Under the IPARD funded project ‘Construction of new building and purchase of equipment for meat processing’ (IPARD contribution – 1,686,660.88 EUR) by Podgorka DOO, North Macedonia has funded the largest investment project in agriculture by improving environmental protection, quality and safety of food, and increasing employment of local population.

In Serbia, the support in 2019 focused on three key sectors: democracy, rule of law and competitiveness and innovation. Actions under the democracy and governance sector support the participation of Serbia in Union Programmes, and provide assistance to the national authorities to address some of the challenges arising from the European integration and negotiation process.

In the area of rule of law and fundamental rights, the aim is to contribute to strengthening the rule of law and to help Serbia achieve the obligations stemming from accession negotiations on judiciary and fundamental rights and justice, freedom and security in line with the EU acquis. In addition, a specific action will contribute to enhance Serbia’s civil protection mechanism and reduce vulnerability to disasters.

In the area of competitiveness and innovation, focus is given to improve the business efficiency of SMEs and to enhance research and development by improving the excellence of scientific research and the relevance for the economy. The whole IPA programme is delivered through a mix of direct and indirect management.

Serbia also continued implementing three sector budget support programmes in the areas of public administration reform, integrated border management and education with good overall progress on reforms and tangible results. The assistance to governance and accession related priorities supported the opening of negotiating chapters in the area of financial services and free movement of capital.

Assistance provided through the EIF guarantee facility improved access to finance for SME’s contributing to the improvement of business environment and contributing to economic growth.

Finally, work on the important migration related assistance to Serbia continued with adoption of Special Measure as regards strengthening the response capacity of Serbia to manage effectively mixed migration flows in a value of EUR 27.45 million.

Serbia received the entrustment for the first two IPARD measures already in 2018. By the end of 2019, Serbia has launched five calls for project applications under IPARD. In November 2019 it submitted entrustment applications for two new measures: (1) Technical Assistance and (2) diversification of economic activity.

Examples of successful IPA projects implemented in Serbia in 2019:

The EU’s support to the reform in the education sector focused on improving the capacities of teachers in pre-university education for delivery of the learning outcome based curricula in order to improve student’s skills and competences. A total of 18,657 education professionals were trained to implement learning outcome based curricula according to the developed and accredited programme, (this equals to 23.93 % of the education professionals). In addition, the Sector budget support helped ensure that 104 textbooks in minority languages for primary school for all subjects were provided in time for the beginning of the school year.

A total of 546 state-financed scholarships were awarded to Roma secondary school students, providing them with opportunities to continue to learn and develop. In order to reduce Roma children drop-out rates, and improve the conditions for Roma children and students (girls and boys), a total of 243 pedagogical assistants were contracted to work with them.

Finally, in order to support a social partnership linking education and labour market, a total of 12 Sector Skill Councils were established by the Government and approximately 250 members were appointed, including 211 social partners’ representatives.

Serbia – The Innovation Fund – The EU support to the Innovation Fund of the Republic of Serbia can be seen as a real success story. The Innovation Fund is the key state institution supporting innovative activities and managing funding for stimulating innovation. Until today, out of more than 1 000 applications, 132 innovative projects of enterprises have been supported with EU funds with the following results:

- the revenue of financed companies increased by 225 % in six years – from EUR 6 million to EUR 20 million;
- 480 high-end jobs were created;
- exports increased for EUR 8.4 million.
- more than 33 national and 25 international patent applications were filed (from Europe to the USA, Australia and Japan).
- Most of the funds in the 2019 Annual Programme for Kosovo were dedicated to reduce the environmental impact of the Kosovo B power plant. Furthermore, an additional action is set to support innovation in Kosovo by increasing efficiency

and productivity of the private sector through use of ICT. In December 2019, works started for the construction of biomass heating plant in Gjakova.

Kosovo continued the implementation of two sector reform performance contracts on public administration reform and public financial management, with the payment of the fixed tranches effected.

On 28 January 2019, Kosovo government has inaugurated the Kosovo Energy Efficiency Trust Fund (the first such fund in the region), to which the EU is contributing under IPA. The Fund will help municipalities in the implementation of their municipal energy efficiency action plans which will contribute to the achievement of the national energy efficiency targets. The Fund will target energy efficiency measures that will contribute to better comfort level for the students in schools, for the healthcare centers/hospitals, the service level in the municipal services buildings, and other public buildings, but also in street lighting, etc. The Fund should start disbursements in 2020.

Examples of successful IPA Multi-Country Programmes projects implemented in 2019:

Regional Housing Programme

The Regional Housing Programme (RHP) will provide housing to more than 36,000 vulnerable persons in Bosnia and Herzegovina, Croatia, Montenegro and Serbia. It is an excellent example of the European Union commitment to addressing the consequences of the 1990s conflicts. The European Union is the largest donor, with EUR 234 million representing over 80 % of all contributions. In 2019, 7,200 additional beneficiaries received a new home. This brings the total of housing units delivered by end of 2019 to 6,468, offering a quality and durable housing solution to 19,400 people. The programme has also given extra assistance to improve the lives of re-housed people, including making sure they can access services (health, education, etc.) and benefit from rights (pensions, allowances, documentation, etc.). Additionally it has also supported local businesses and job creation.

Erasmus+

The focus on youth significantly increased in 2019 with the doubling of support for Erasmus+ to 66 million EUR a year. Around 50,000 academic mobilities between 2015 and 2020 would have taken place.

Evaluations/studies conducted

During 2019 four evaluations were completed.

- A study report covered EU support for Rule of Law in Neighbourhood Countries and Candidates and Potential Candidates of Enlargement (2010-2017) and was conducted by DG NEAR to provide an independent, evidence-based assessment of the scope and performance of implemented and on-going EU support for Rule of Law. The second evaluation assessed the Twinning instrument in the period 2010-2017 in order to inform the debate on the future of this delivery mechanism to support enlargement and neighbourhood countries in meeting their respective commitments in the framework of their relationships with the EU. The third evaluation was an ex-post evaluation of EU assistance to Croatia in the period 2007-2013, focusing on capacity development results and providing specific emphasis on Rule of Law, Economic Governance and Public Administration Reform. Finally, the evaluation of Sector approach under IPA II assistance assessed and provided evidence on the use and scope of sector approach in planning, programming and implementation processes under IPA II.
- In addition, a Staff Working Document on Economic Governance was finalised and published following the completion of the corresponding evaluation at the end of 2017, in accordance with the Better Regulation principles.
- Several strategic evaluations covering the Enlargement and Neighbourhood regions were under implementation (thematic evaluations on EU info centres, civil society, migration and local authorities and a country evaluation of Serbia) in 2019.
- In addition, several new evaluations have been launched in 2019 (on IPA-IPA CBC programmes, gender equality, and country evaluation for Montenegro) as well.

Forthcoming implementation

Programming of IPA II 2020 started in 2019 for the Western Balkans. The parallel programming of IPA II 2019 and 2020 was undertaken because:

- The last two years of programming correspond to the timeline set in the Western Balkans Strategy for the Flagship Initiatives (2019-2020), as well as in the political commitments of the Sofia Declaration;
- It was necessary to frontload the funding for the connectivity projects pipeline, as well as to endow the Western Balkans Guarantee Facility.

In 2019, the European Commission adopted the 2020 programmes for Bosnia and Herzegovina, Kosovo (part 1), Montenegro, Albania and North Macedonia, Serbia (part 1). The programmes for Kosovo (part 2), Serbia (part 2), Turkey, Multi-country and programming of the performance reward just allocated to North Macedonia and Albania are well advanced but still outstanding.

The political priorities of the Commission towards the Western Balkans continued to be supported through the 2020 IPA II interventions, in particular the fundamentals of enlargement, such as rule of law and democratic governance, economic growth and jobs, as well as other important priorities such as the connectivity agenda and security.

Following the adoption of the Western Balkans Strategy, of the Sofia Declaration, and of the Enlargement package, a stronger focus was put on the regional dimension of competitiveness, research and innovation and to the measures the beneficiaries need to adopt with a view to setting up the Regional Economic Area. Support to education and employment also remained a priority with actions aimed to support the reform of the vocational training systems, as well as employment and social services focusing on young people, women and vulnerable groups (including Roma).

Concerning Turkey, the synchronised programming of the last two budget years of IPA II provides space for the strategic planning of IPA III in 2020. As set out in the revised Indicative Strategy Paper, in order to increase impact, EU financial assistance shall be concentrated on the areas where reforms or investments are most needed and tailored to take into account the capacities of Turkey to meet these needs. Assistance shall be planned in a joined-up, coherent and comprehensive manner and taking into account that IPA is only one of the means to achieve the necessary progress. Following the final vote on the 2020 EU budget, the level of resources for 2020 reached EUR 168 million, a further significant cut compared to the draft budget. The allocations will target two main objectives: Democracy and Rule of Law (including the participation in EU programmes and agencies and the support to civil society through the Civil Society Facility); and IPARD. No funds are envisaged for support to other economic and social reforms.

Considering that the mode of indirect management is not delivering with sufficient speed and efficiency, direct management will be prioritised, with the exception of the IPARD programme for which there is strong administrative capacity in Turkey and good absorption.

Outlook for the 2021-2027 period

On 14 June 2018, the Commission adopted its legislative proposal for a regulation establishing the new Instrument for Pre-Accession, IPA III. This proposal is part of a set of new proposed instruments for EU external action under the new Multiannual Financial Framework 2021-2027.

The new instrument will be clearly aligned with the priorities of the Western Balkan Strategy from February 2018 ‘A credible enlargement perspective for and enhanced EU engagement with the Western Balkans’, particularly to maximise the impact of the six flagship initiatives included in the Strategy. These flagships aim to support the implementation of robust economic reform programmes and enhance the focus on reforms necessary for future membership. At the same time, IPA III will be sufficiently flexible to adapt to the evolving situation in Turkey and reflect developments in our relations with the country. The new instrument will increase steer from the Union, as its programming is proposed to be based on priorities rather than country envelopes. This allows rewarding performance and progress towards key priorities and increased flexibility to respond to the evolving needs of the partners in their path towards accession.

III. Programme key facts and performance framework

1. Financial programming

Legal Basis	Period of application	Reference Amount (EUR million)
Regulation (EU) No 231/2014 of the European Parliament and of the Council of 11 March 2014 establishing an Instrument for Pre-accession Assistance (IPA II)	2014 – 2020	11 698,7

	Financial Programming (EUR million)							
	2014	2015	2016	2017	2018	2019	2020	Total Programme
Administrative support	50,7	41,7	41,8	44,6	45,2	46,0	46,7	316,8
Operational appropriations	1 426,8	1 531,2	1 635,5	2 073,0	1 995,4	2 347,4	1 523,8	12 533,2
Executive Agency	1,0	0,8	0,8	0,8	0,7	0,7	0,6	5,5
Total	1 478,6	1 573,7	1 678,1	2 118,4	2 041,4	2 394,1	1 571,1	12 855,5
<i>Of which contribution to Erasmus+</i>	<i>30,3</i>	<i>31,9</i>	<i>32,9</i>	<i>33,9</i>	<i>31,0</i>	<i>44,2</i>	<i>33,0</i>	<i>237,2</i>

2. Implementation rates

	2019				2020			
	CA	Impl. Rate	PA	Impl. Rate	CA	Impl. Rate	PA	Impl. Rate
Voted appropriations	2 394,090	99,96 %	1 304,958	99,47 %	1 656,684	20,07 %	1 402,792	14,95 %
Authorised appropriations (*)	3 039,880	98,46 %	1 755,673	83,48 %	1 799,239	19,71 %	1 725,094	13,77 %

(*) Authorised appropriations include voted appropriations, appropriations originating from assigned revenues (internal and external) as well as carried-over and reconstituted appropriations; the execution rate is calculated on 15 April 2020

3. Performance information

Programme performance

The Instrument for Pre-accession Assistance (IPAI) is making progress towards achieving its overall objectives and some IPA indicators are on track to be achieved. For other indicators more work is needed, for instance: although there has been reduction of cases in early stage of preparation in fundamental areas of the political accession criteria in the enlargement countries (indicator 1 of the Specific objective 1: Support for political reforms), the overall number is still not reduced due to backsliding in Turkey.

IPA II is a unique instrument that supports IPA II beneficiaries to cope with ambitious political and economic reforms and to progressively align to the European Union's rules, standards, policies and practices on their path towards EU membership. These main principles will not change under IPA III. However, IPA III programming will be also built on a stronger performance-based approach, to be assessed on a yearly basis and closely linked to the revised enlargement methodology, whereas the IPA II performance reward was granted only twice under the current instrument. It will also accelerate the projects' implementation by reducing the time gap between their selection and effective contracting.

The Commission will select the actions on the basis of their policy relevance, namely on their alignment with the Programming Framework and with the specific recommendations of the enlargement package for the countries. The second selection will then focus on technical maturity assessed against the actions documents and supporting documents. Only actions that are sufficiently technically mature (meaning, when most preparatory activities have been finalised) will be considered ready for adoption.

In line with the commitment to a merit-based enlargement process outlined in the revised enlargement methodology, the final selection of actions will also take into account the assessment of the performance of the IPA III beneficiaries in the enlargement agenda, their commitment to and progress in implementing reforms, with particular attention to key areas of the political accession criteria.

The Facility for Refugees in Turkey continues to deliver much-needed assistance to refugees and host communities in Turkey in all the priority areas it covers, i.e. basic needs, education, healthcare, protection, socioeconomic support and municipal infrastructure. The Facility Steering Committee meets on a regular basis and follows, monitors and steers the implementation of the facility. Six-monthly monitoring reports, which are publicly available, confirm that the facility is continuing to achieve its goals. The Commission is currently assessing the impact of the COVID-19 crisis on projects under the facility and will discuss possible remedial action with implementing partners and the Turkish authorities

General objectives

General Objective 1: The Instrument for Pre-accession Assistance ('IPA II') shall support candidate countries and potential candidates in adopting and implementing the political, institutional, legal, administrative, social and economic reforms required by the beneficiaries listed in Annex I to comply with Union values and to progressively align to Union rules, standards, policies and practices with a view to Union membership. Through such support, IPA II shall contribute to stability, security and prosperity in the beneficiaries.

Specific objectives

Specific Objective 1: Support for political reforms.

Performance

Indicator 1 is particularly relevant since it shows the results of the enlargement policy, including financial assistance through the Instrument for Pre-accession Assistance as regards two main fundamentals of the enlargement strategy (i.e. the rule of law and fundamental rights and public administration reform). The Commission supports the candidate countries and potential candidates to address the core issues measured by these indicators. These indicators provide also greater transparency in the enlargement process and should facilitate greater scrutiny of reforms by all stakeholders.

In terms of progress recorded in the 2019 enlargement reports, candidate countries and potential candidates made 'some progress' (12 cases) and 'good progress' (6 cases) towards meeting the political criteria. In Turkey there was backsliding in public administration reform, fight against corruption, functioning of the judiciary, and freedom of expression. In terms of readiness, there was six cases of 'early stage of preparation' in these areas of functioning of judiciary (Bosnia Herzegovina, Kosovo, Turkey), fight against organised crime (Kosovo), fight against corruption (Turkey) and freedom of expression (Turkey), and four case of 'early stage/some level of preparation'. Under the 'moderately prepared' category, there has been no change since the 2015 baseline, with five cases on public administration reform. However, the 2019 report noted improvement in North Macedonia, which reached 'some level of preparation/moderately prepared' in two areas: functioning of judiciary and fight against corruption.

There was limited visible progress towards meeting the 2020 target under this indicator. The enlargement countries need to implement difficult and time-consuming reforms to advance on the fundamental areas of political criteria, including sustainable and far-reaching political and societal transformation. These reforms are extensively supported through IPA II financial assistance. The Commission put a particular emphasis on these areas in its Western Balkans Strategy of February 2018, including enhanced support to the countries, and in its communication of February 2020 on a revised EU accession methodology, which will put an even stronger focus on these fundamental reforms.

Indicator 2 takes the scores from eight publically available external sources taken in three groups:

1. Corruption Index (Transparency International) and Control of Corruption (World Bank);
2. Press Freedom (Reporters without Borders) and Freedom of Press (Freedom House);
3. Government Effectiveness (World Bank), Rule of Law (World Bank), Regulatory Quality (World Bank) and Voice and Accountability (World Bank).

It should be noted that the indicators are based mostly on perceptions and do not necessarily reflect the impacts made by the EU assistance and policy in these areas. Overall, the trend is not as expected. There are also many external factors, which might influence overall scores (such as political instability, security situation, etc.), which make these indicators only subject to be indirectly influenced by EU action.

Indicator 1: Composite indicator on the readiness of enlargement countries on fundamental areas of the political accession criteria. These areas are: Judiciary, Fighting organised crime, Freedom of expression, Fight against corruption and Public administration reform

Baseline	2014	2015	2016	2017	2018	2019	2020	Target
2015	Milestones foreseen							2020
5					Reduced number of cases			A majority of countries are moderately prepared in these areas
	Actual results							
		5	4	5	6			

Narrative: Baseline: Five cases of early stage of preparation in these areas (i.e Albania on the Judiciary, Bosnia and Herzegovina on Public Administration Reform and Kosovo on the Judiciary, Fighting organised crime, and Fight against corruption).

Comment: This composite indicator aims at showing where the candidate countries and potential candidates stand in terms of their preparations for meeting five key areas of the political criteria, namely the functioning of the judiciary, fight against corruption, fight against organised crime, freedom of expression and public administration reform. In each of these areas, the state of play (i.e. the readiness) in the candidate countries and potential candidates is assessed according to the following five-tier standard assessment scale: Early stage – Some level of preparation – Moderately prepared – Good level of preparation – Well Advanced.

Results for 2014 are not available since the assessments, used for the preparation of this composite indicator, have been first done in 2015.

Assuming that there will not be any backsliding on these areas, the target implies that by 2020:

- at least 3 more candidate countries and potential candidates become moderately prepared on the functioning of the judiciary;
- at least four more become moderately prepared on the fight against corruption;
- at least four more become moderately prepared on the fight against organised crime;
- at least four more become moderately prepared on freedom of expression.
- As for the public administration reform area, a majority of candidate countries and potential candidates are moderately prepared in this area already in 2015.

This composite indicator is based on a careful analysis of the situation under each of the areas. Particular emphasis is given to the importance of implementation and track records of concrete results in each area. Accordingly, these aspects are given more weight than legal alignment and institutional framework in the overall assessment. These indicators have been introduced in the enlargement reports of 2015. Annual enlargement reports provide a detailed assessment of each area, used for the preparation of this composite indicator. For further details, please see the latest Communication on the EU Enlargement Strategy.

Source: Annual enlargement country reports – European Commission;

Indicator 2: Weighted score based on 8 external sources

Baseline	2014	2015	2016	2017	2018	2019	2020	Target
2010	Milestones foreseen							2020
Western Balkans: 51.53				> 52				> 55
	Actual results							
	51.55	50.56	49.77	48.84	47.69			
2010	Milestones foreseen							2020
Turkey: 51.77				> 53				> 55
	Actual results							
	50.60	48.72	44.41	42.15	39.62			

Methodology: Eight external sources are taken in three groups, each weighted one third 1. [Corruption Index (Transparency International) and Control of Corruption (World Bank); 2. Press Freedom (Reporters without Borders) and Freedom of Press (Freedom House); 3. Government Effectiveness (World Bank), Rule of Law (World Bank), Regulatory Quality (World Bank) and Voice and Accountability (World Bank)]

Source: Values: 1 (Worst) – 100 (Best). Based on:

- Corruption Index (Transparency International) -<http://www.transparency.org/country>
- Control of Corruption (World Bank)-<http://web.worldbank.org>

- Press Freedom (Reporters without Borders)–<https://rsf.org/index2014>
- Freedom of Press (Freedom House)-<http://www.freedomhouse.org/>
- Government Effectiveness (World Bank)-<http://web.worldbank.org>
- Rule of Law (World Bank)-<http://web.worldbank.org>
- Regulatory Quality (World Bank)-<http://web.worldbank.org>
- Voice and Accountability (World Bank) -<http://web.worldbank.org>

Expenditure related outputs

Outputs	Budget line	Budget 2020	
		Number	EUR million
1.Measures to support for political reforms and related progressive alignment with the Union acquis – Western Balkans, of which (EUR million indicative as per CSPs)	22 02 01 01	8	189.3
2. Measures to support for political reforms and related progressive alignment with the Union acquis – Turkey	22 02 03 01	1	150,0
Total		9	339,3

Expenditure related output covering: Specific Objective 1 – Support for political reforms AND relevant part for Specific Objective 3 – Support for progressive alignment with, and adoption, implementation and enforcement of, the Union acquis, including preparation for management of Union Structural Funds, the Cohesion Fund and the European Agricultural Fund for Rural Development.

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Measures to support for political reforms and related progressive alignment with the Union acquis – Western Balkans	F	8	8	8	8	8	8	8
	P	8	9	9	8	8		
Measures to support for political reforms and related progressive alignment with the Union acquis – Turkey	F	1	1	1	1	1	1	1
	P	1	2	2	1	1		

Specific Objective 2: Support for economic, social and territorial development, with a view to a smart, sustainable and inclusive growth.

Performance

Candidate countries and the potential candidates made some progress on meeting the economic criteria (indicator 1), according to the 2019 enlargement reports. In Turkey, there has been backsliding in the area of functioning market economy, although the country remained at a ‘well advanced’ stage of preparation. Albania, Montenegro and Serbia remain at a moderately prepared level, while North Macedonia has progressed to a good level of preparation. On competitiveness, North Macedonia, Montenegro and Serbia remained moderately prepared, while Albania remained at some level of preparation. In terms of cases of early stages of preparation, this indicator remained stable in 2019 compared to the baseline, with four cases, on functioning market economy and competitiveness in Bosnia Herzegovina and Kosovo.

Although countries have registered some or good progress in 2019, there was still limited progress towards meeting the 2020 target for this indicator. The enlargement countries face challenges in advancing on the fundamental areas of economic criteria, which are interlinked with the political criteria. The Commission put a particular emphasis on these areas in its Western Balkans Strategy of February 2018, including enhanced support to the countries, and in its communication of February 2020 on a revised EU accession methodology, which will put an even stronger focus on these fundamental reforms.

The ‘Distance to frontier’ indicator by the World Bank (indicator 2), which shows the distance of each economy to the highest performance observed across all economies, has already met its milestone and target. Same for the milestone of the indicator ‘Average of exports and imports of goods and services as percentage of the GDP’, which has already been achieved for the Western Balkans countries.

Indicator 3: ‘Average of exports and imports of goods and services/ GDP – %’ has seen growth albeit with fluctuations from year to year. Please note that this is a high level indicator and that European Commission activities only indirectly contribute to it.

Indicator 1: Composite indicator on the readiness of candidate countries and potential candidates on fundamental areas of the economic criteria These areas are: functioning market economy and competitiveness in the EU

Baseline	2014	2015	2016	2017	2018	2019	2020	Target
2015	Milestones foreseen							2020
4					Reduced number of			A majority of candidate countries

					cases			and potential candidates reach a good level of preparation in these areas
Actual results								
	4	4	4	4				

Narrative: Baseline: Four cases of early stage of preparation in these areas (i.e. Bosnia and Herzegovina on functioning market economy and competitive pressures; Kosovo on functioning market economy and competitive pressures).

Comment: This composite indicator aims at showing where candidate countries and potential candidates stand in terms of their preparations for meeting key areas of the two economic criteria, namely the existence of a functioning market economy and the capacity to cope with competitive pressures and market forces within the Union. In each of these areas, the state of play (i.e. the readiness) is assessed according to the following five-tier standard assessment scale: Early stage – Some level of preparation – Moderately prepared – Good level of preparation – Well Advanced. This composite indicator is based on a careful analysis of the situation under each of the areas. Particular emphasis is given to the importance of implementation and track records of concrete results in each area. Accordingly, these aspects are given more weight than legal alignment and institutional framework in the overall assessment. Annual enlargement reports provide an assessment of the areas, used for the preparation of this composite indicator. Results for 2014 are not available since the assessments, used for the preparation of this composite indicator, have been first done in 2015.

These results indicators are particularly relevant since they show the results of its enlargement policy including financial assistance through the Instrument for Pre-accession Assistance as regards one main fundamental of the enlargement strategy (i.e. economic criteria). To the Commission supports including through financial support the candidate countries and potential candidates to address the core issues measured by these indicators. These indicators provide also greater transparency in the enlargement process and should facilitate greater scrutiny of reforms by all stakeholders. Assuming that there will not be any backsliding on these areas, the target implies that by 2020:

- at least two more candidate countries and potential candidates reach a good level of preparation on the functioning market economy;
- at least three more reach a good level of preparation on the capacity to cope with competitive pressures and market forces within the Union.

Source: Annual enlargement reports – European Commission.

Indicator 2: World Bank's 'Distance to frontier' (Doing Business) score								
Baseline	2014	2015	2016	2017	2018	2019	2020	Target
2010	Milestones foreseen							2020
Western Balkans: 59.63				70.00				72.00
	Actual results							
	68.66	68.63	70.97	72.31	72.54	71.95		
2010	Milestones foreseen							2020
Turkey: 65.30				71.00				73.00
	Actual results							
	69.96	67.30	67.98	69.14	74.33	75.25		

Comment: The indicator shows the distance of each economy to the 'frontier', that means the highest performance observed on each of the indicators across all economies: 1 (Worst) – 100 (Best). The last DB Report has updated the methodology: both baseline values have been slightly revised upward. Milestones and targets have been slightly adjusted accordingly.

Source: <http://www.doingbusiness.org/data/distance-to-frontier>

Indicator 3: Average of exports and imports of goods and services								
Baseline	2014	2015	2016	2017	2018	2019	2020	Target
2010	Milestones foreseen							2020
Western Balkans: 42.24 %				52.00 %				55.00 %
	Actual results							
	48.64 %	52.76 %	48.77 %	52.76 %	52.08 %			
2010	Milestones foreseen							2020
Turkey: 20.46 %				32.00 %				35.00 %
	Actual results							
	25.02 %	23.93 %	23.45 %	27.05 %	30.08 %			

Comment: The indicator shows the degree of economic convergence of candidate countries and potential candidates towards the European average. The projections are based on a hypothesis of growth rate of 1.9 % in the EU area and 3.35 % in both Western Balkans and Turkey. Excluding Kosovo. Excluding Bosnia and Herzegovina.

Source: Eurostat

Unit of measure: As percentage of GDP

Indicator 4: GDP per capita (current prices-PPS) as percentage of EU level								
Baseline	2014	2015	2016	2017	2018	2019	2020	Target
2010	Milestones foreseen							2020
Western Balkans: 32.65 %	38.00 %							43.00 %
	Actual results							
	35.00 %	32.00 %	36.00 %	35.00 %	34.00 %			
2010	Milestones foreseen							2020
Turkey: 49 %	60 %							65 %
	Actual results							
	64 %	66 %	64 %	67 %	64 %			

Comment: The indicator shows the degree of economic convergence of candidate countries and potential candidates towards the European average. Data excludes Kosovo because there is no GDP data.

Source: Eurostat

Indicator 5: Number of economic entities benefitting from IPA II assistance performing modernisation projects in agri-food sector								
Baseline	2014	2015	2016	2017	2018	2019	2020	Target
	Milestones foreseen							2023
Western Balkans:	520							5 250
	Actual results							
	0		0		118	1 812		
	Milestones foreseen							2023
Turkey:	120							1 200
	Actual results							
	0	0	0		335	1 086		

Comment: IPA resources for modernisation and upgrading of farms and food companies are very limited compared to the sector size in respective candidate countries and potential candidates and therefore targets are set only for the supported projects financed from the budget and not for the sector. The specific contracts in IPA II agriculture and rural development assistance are implemented in accordance with the N+3 rule, which means that a given budget allocation in this programme may actually be implemented (contracted and paid within a period of 3 years, following year N). The initial estimate of 5.250 will be implemented during the years 2018 – 2023. Targets are based on the information provided in country programmes, approved by the Commission decision for 7 years. Calculations of targets in the programmes are based on indicative financial allocations for the entire programming period. Should these allocations be revised, targets will have to be revised as well. This will be the case for Turkey, for which allocations have been significantly cut. Targets will be revised after the next programme modification, once reduced budget has been reflected in the programme. For Turkey, the initial estimate of 1.200 will be implemented during the years 2018 – 2023. This explains deviations in other relevant indicators, namely specific objective 2 – indicator 6 and specific objective 3 – indicator 2. In 2014-2017 no effective expenditure was made/projects implemented. Contracting and payments so far made only in North Macedonia and Turkey, forthcoming in Albania, Montenegro, and Serbia. These are cumulative values for the entire programming period. The target for budget year 2020 will be fully implemented as an output by the end of 2023 (N+3).

Indicator 6: Overall investment in physical capital in agri-food and rural development implemented by beneficiaries of IPA II assistance								
Baseline	2014	2015	2016	2017	2018	2019	2020	Target
	Milestones foreseen							2023
Western Balkans:	53							710
	Actual results							
	0	0	0		2	120		
	Milestones foreseen							2023
Turkey:	200							1 586
	Actual results							
	0	0			167	655		

Comment: In 2014 no effective expenditure made/projects implemented. The target for budget year 2020 will be actually implemented as output by the end of 2023.

Unit of measure: In EUR millions

Expenditure related outputs

Outputs	Budget line	Budget 2020	
		Number	EUR million
1. Measures to support for economic, social and territorial development and related progressive alignment with the Union acquis – Western Balkans, of which (indicative as per CSPs)	22 02 01 02	6	396,9
Support for economic, social and territorial development and related progressive alignment with the Union acquis	05 05 03 02	4	84
2. Measures to support for economic, social and territorial development and related progressive alignment with the Union acquis – Turkey	22 02 03 02	5	0
Support for economic, social and territorial development and related progressive alignment with the Union acquis	05 05 04 02	1	18,2
Total		16	449,1

Outputs		Number of outputs foreseen (F) and produced (P)						
		2014	2015	2016	2017	2018	2019	2020
Measures to support for economic, social and territorial development and related progressive alignment with the Union acquis – Western Balkans	F	9	9	10	10	10	10	10
	P	10	9	10	10	10		
Measures to support for economic, social and territorial development and related progressive alignment with the Union acquis – Turkey	F	6	6	10	6	6	6	6
	P	6	7	7	6	6		

Expenditure related outputs covering: Specific Objective 2 – Support for economic, social and territorial development AND the relevant part from Specific Objective 3 – Support for progressive alignment with, and adoption, implementation and enforcement of, the Union acquis, including preparation for management of Union Structural Funds, the Cohesion Fund and the European Agricultural Fund for Rural Development.

Specific Objective 3: Strengthening of the ability of the beneficiaries listed in Annex I of the IPA II-Regulation to fulfil the obligations stemming from Union membership by supporting progressive alignment with, and adoption, implementation and enforcement of, the Union acquis, including preparation for management of Union Structural Funds, the Cohesion Fund and the European Agricultural Fund for Rural Development

Performance

According to the annual enlargement country reports, regular progress has been recorded for the indicator linked to alignment with, and adoption, implementation and enforcement of, the Union acquis. The 32 cases of early preparedness include the following: 14 cases in Bosnia Herzegovina, 8 cases in Kosovo, 4 cases in Turkey, 3 in Albania, 2 in North Macedonia, 1 in Montenegro and none in Serbia. For a more detailed analysis and the summaries of the findings on readiness and progress of enlargement countries towards the alignment to the 33 acquis chapters, please refer to the 2019 country reports.

IPA II rural development programmes (IPARD) have reached the target for Turkey and are making rapid progress towards the target for Western Balkans in relation to ‘Number of economic entities progressively upgrading towards EU standards in agri-food sector’ (second indicator under this objective).

Indicator 1: Composite indicator on the readiness of candidate countries and potential candidates on alignment to the acquis								
Baseline	2014	2015	2016	2017	2018	2019	2020	Target
2015	Milestones foreseen							2020
Cases of early stages of preparation: 50 cases of early stage of preparation in the 33 chapters. Moderately prepared: No majority of candidate countries and potential candidates which are moderately prepared in 10 out of 33 chapters					Reduced number of cases			A majority of countries are moderately prepared in at least 30 out of 33 chapters
	Actual results							
		50	43	26	32			

Comment: This composite indicator aims at showing where the candidate countries and potential candidates countries stand in terms of their

preparations for fulfilling the obligations stemming from EU membership, including the alignment to the 33 acquis chapters. In each of the acquis chapters, the state of play (i.e. the readiness) is assessed according to the following five-tier standard assessment scale: Early stage – Some level of preparation – Moderately prepared – Good level of preparation – Well Advanced.

This composite indicator is based on a careful analysis of the situation under each of the 33 acquis chapters. Particular emphasis is given to the importance of implementation and track records of concrete results in each chapter. Annual enlargement reports provide a detailed assessment of these acquis chapters, used for the preparation of this composite indicator. For further details, please see the latest Communication on the EU Enlargement Strategy. These result indicators are particularly relevant for DG NEAR since they show the results of its enlargement policy including financial assistance through the Instrument for Pre-accession Assistance as regards the third criteria. DG NEAR role is to support including through financial support the candidate countries and potential candidates to address the issues measured by these indicators. These indicators provide also greater transparency in the enlargement process and should facilitate greater scrutiny of reforms by all stakeholders. Results for 2014 are not available since the assessments, used for the preparation of this composite indicator, have been first done in 2015. The 2017 figure does not include Bosnia and Herzegovina because it has not been scored that year.

Availability of Data: Cases of countries preparedness in 33 chapters.
Source: Annual enlargement country reports – European Commission

Indicator 2: Number of economic entities progressively upgrading towards EU standards in agri-food sector								
Baseline	2014	2015	2016	2017	2018	2019	2020	Target
	Milestones foreseen							2023
Western Balkans:	0							3 325
	Actual results							
	0	0	0		49	1 812		
	Milestones foreseen							2023
Turkey:	0							1 115
	Actual results							
	0	0	0		323	900		

Comment: In 2014 no effective expenditure made/projects implemented. The target for budget year 2020 will be actually implemented as output by the end of 2023. The target for budget year 2020 will be actually implemented as output by the end of 2023.

Expenditure related outputs

The Expenditure related outputs designated for Specific Objective 3 – Support for progressive alignment with and adoption, implementation and enforcement of, the Union acquis, including preparation for management of Union Structural Funds, the Cohesion Fund and the European Agricultural Fund for Rural Development are split in the Expenditure related outputs of the following specific objectives, depending on their relevance:

Specific Objective 1 – Support for political reforms

Specific Objective 2 – Support for economic, social and territorial development

Specific Objective 4: Strengthening regional integration and territorial cooperation involving the beneficiaries listed in Annex I of the IPA II-Regulation, Member States and, where appropriate, third countries within the scope of Regulation (EU) No 232/2014 of the European Parliament and of the Council

Performance

Concerning regional integration and territorial cooperation most of the cross-border cooperation programmes were implemented. Only the Serbia-Kosovo, Greece-Turkey and Cyprus-Turkey programmes were not due to the political issues. The planned funds have been re-allocated to actions with civil society organisations.

Indicator 1: Number of cross-border cooperation programmes concluded among IPA beneficiaries and between IPA/EU Member States								
Baseline	2014	2015	2016	2017	2018	2019	2020	Target
2010	Milestones foreseen							2020
IPA-IPA: 8				10				10

	Actual results							
	8	8	9	9	9	9		
2010	Milestones foreseen							2020
IPA-EU: 12	12							12
	Actual results							
	0	10	10	10	10	10		
2010	Milestones foreseen							2020
Total CBC programmes: 20	22							22
	Actual results							
	8	18	19	19	19	19		

Comment: The Serbia-Kosovo, Greece-Turkey and Cyprus-Turkey programmes have never been prepared due to the political issues.

Expenditure related outputs

Outputs	Budget line	Budget 2020	
		Number	EUR million
Multi-country programmes, regional integration and territorial cooperation**	22 02 04 01	24	603,6
Contribution to Erasmus+	22 02 04 02	1	32,4
Contribution to the Energy Community for South-East Europe	22 02 04 03	1	4,7
Cross-border cooperation (CBC) – Contribution from Heading 4	13 05 63 02	12	34,8
Participation of candidate countries and potential candidates in ERDF ETC– Contribution from Heading 4 (IPA II)	13 03 64 02	1	10
Total		39	685,4

* Expenditure related outputs include communication, monitoring, evaluation and audit actions.

** Multi-country programmes include contributions by the Union budget to financial instruments.

4. Contribution to Europe 2020 Strategy and mainstreaming of policies

Relevant objective/output

Relevant objective/output	Budget 2019	Budget 2020
05 05 03 02 – Support for economic, social and territorial development and related progressive alignment with the Union acquis	27,5	46,8
05 05 04 02 – Support for economic, social and territorial development and related progressive alignment with the Union acquis	29,1	20,0
22 02 01 02 – Support for economic, social and territorial development and related progressive alignment with the Union acquis	129,6	145,7
22 02 03 02 – Support for economic, social and territorial development and related progressive alignment with the Union acquis	37,2	43,0
22 02 04 01 – Multi-country programmes, regional integration and territorial cooperation	158,2	162,1
Total	381,6	417,6

Programming climate action

2014-2018				2019-2020 estimates		Total
2014	2015	2016	2017	2018	2019	
88,6	210,3	216,5	191,7	379,2	381,6	417,6
						1 885,5

(*)The appropriations for the year 2014 have been reviewed to take account of the transfer to subsequent years of the allocations not used in 2014 (reprogramming exercise carried-out in 2015 in accordance with Article 19 of the Multiannual Financial Framework Regulation).

Justification

Estimates reflect the OECD/DAC reporting methodology for the Rio-markers on climate mitigation and climate adaptation. The budget of marked actions is weighted 100 % if climate mitigation/adaptation is marked as ‘principal objective’ and 40 % if it is marked as ‘significant objective’.

Rio-markers apply to actions funded in all sectors; however, past trends indicate that relevant actions tend to concentrate in the sectors of rural development, environment, energy and management of natural resources – hereby tentatively associated to Specific Objective 2 (Support for economic, social and territorial development). However, climate-related expenditure might contribute also to achieving Specific Objective 3 (Strengthening the ability of the beneficiaries to fulfil the obligations stemming from Union membership) as well as Specific Objective 4 (Strengthening regional integration and territorial cooperation).

IPA II supports the beneficiaries in their efforts to align to the EU2020 Strategy, which includes increasing energy efficiency in the industry, in transport and housing and increasing the share of renewable energy sources. Support in this area is channelled to the beneficiaries in particular through financial instruments; in the first instance the Western Balkan Investment Framework (WBIF) and the Green for Growth Fund (GGF).

Contribution to financing biodiversity

Relevant objective/output

Relevant objective/output	Budget 2019	Budget 2020
Specific objectives 2, but also 3 and 4	74,8	94,6
Total	74,8	94,6

Programmation biodiversity

2014-2018					2019-2020 estimates		Total
2014	2015	2016	2017	2018	2019	2020	
0,0	0,4	11,7	22,5	70,2	74,8	94,6	274,2

(*)The appropriations for the year 2014 have been reviewed to take account of the transfer to subsequent years of the allocations not used in 2014 (reprogramming exercise carried-out in 2015 in accordance with Article 19 of the Multiannual Financial Framework Regulation).

Justification

Estimates reflect the OECD/DAC reporting methodology for the Rio-marker on bio-diversity. The budget of marked actions is weighted 100 % if bio-diversity is marked as ‘principal objective’ and 40 % if it is marked as ‘significant objective’.

Rio-markers apply to actions funded in all sectors; however, past trends indicate that relevant actions tend to concentrate in the sectors of rural development, environment, energy and management of natural resources – hereby tentatively associated to Specific Objective 2 (Support for economic, social and territorial development). However, biodiversity-related expenditure might contribute also to achieving Specific Objective 3 (Strengthening the ability of the beneficiaries to fulfil the obligations stemming from Union membership) as well as Specific Objective 4 (Strengthening regional integration and territorial cooperation).

Gender mainstreaming

The Commission is committed to the implementation of EU Gender Action Plan II, 2016-2020 (GAP II), as well as the promotion of gender equality and women’s empowerment in international fora and agendas. The GAP was endorsed on October 26, 2015 by the Council which confirmed in its Conclusions that gender equality is at the core of European values and enshrined within the EU legal and political framework. A number of actions to address gender equality, such as the implementation of specific programs on gender equality, are undertaken: for example, IPA II funded ‘Ending Violence against Women in the Western Balkans and Turkey: Implementing Norms, Changing Minds’ (EUR 5 million) programme gives a particular focus to the most disadvantaged groups of women.

In 2019, gender commitments under IPA amounted to EUR 763,33million, an increase compare to 2018 (EUR 587 million).

Data reflect the OECD/DAC reporting methodology. The budget of marked actions is weighted 100 % if gender equality is marked as ‘principal objective’ and 40 % if it is marked as ‘significant objective’. Gender markers apply to actions funded in all sectors respectively specific objectives.

5. Programme contribution to the Sustainable Development Goals

The Enlargement policy supports the candidate countries and potential candidate make progress towards meeting the political and economic criteria for accession as well as their ability to align with, implement and enforce EU rules and regulations. Accordingly, there is a strong focus on the fundamentals of the rule of law, human rights, public administration reform and economic governance. Through preparing the enlargement countries to join the EU, enlargement policy also makes a major contribution to fostering sustainability in these countries and their ability to meet the SDGs, with a key focus on SDGs 8 and 16.

SDG 5 Achieve gender equality and empower all women and girls

The GAP II contributes to the achievement of the 17 SDGs, specifically delivering on the SDG 5 (‘achieve gender equality and empower all women and girls’).

In 2018, 223 actions were reported in the Enlargement negotiations sub-region, of which 188 were aligned to GAP II thematic priorities. These encompass actions by seven EU Delegations – to Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North

Macedonia, Serbia and Turkey. This reflects an increase of 11.5 % in reported actions – up from 200 actions in 2017 – largely due to the report from North Macedonia. Thematic priority C was by far the most commonly addressed (105 actions), while priorities D (51) and B (48) were the focus of a similar number of actions.

Under the thematic priority B, objective 7 on violence against women and girls was the focus of 29 actions in five countries. The objective was addressed by 56 % of actions reported under thematic priority B. In Bosnia and Herzegovina, actions varied widely, with the EU supporting gender justice, including for rural women, child protection, and greater efficiency among the high judiciary and prosecutors. In Kosovo, the EU Delegation supported social services and the reintegration of violence survivors. In Montenegro, it contributed to a gender-transformative programme to name and shame instances of sexual harassment and VAWG. The EU Delegation to Serbia promoted the project ‘Raise Voice for Silent’ to enhance the identification of security risks with a view to preventing femicide in the framework of the European Instrument for Democracy and Human Rights’ 2015 programme. As a result, the Government of Serbia declared the 18th of May as ‘Remembrance Day for Murdered Women Victims of Violence’. In Turkey, the EU Delegation supported civil society and the development of a model for VAWG-related data collection. Objective 9 was addressed by the EU Delegation to Turkey. Actions to protect and prevent gender-based violence in crisis situations were implemented in the framework of Facility for Refugees in Turkey under IPE and in the framework of the EU Regional Trust Fund for the Syrian Crisis MADAD.

Under the thematic Priority C, the number of actions that addressed objective 14, decent work nearly halved compared to 2017. A focus was placed on women’s employment in sustainable development programmes, especially in the fields of agriculture and rural development – as in the case of the EU Office’s work in Kosovo. Partnerships with local actors were a priority for the EU Delegation to Bosnia and Herzegovina to create viable conditions for rural women’s employment, the development of micro-enterprises, access to legal aid, and women’s entrepreneurship in the framework of the EU integration reforms related to economic policy. However, most programmes focused on the development of small- and medium-sized enterprises and promoting women’s participation in the labour market. The most frequently selected indicators were 14.1, ‘income share held by women in the lowest 40 % of income distribution’, and 14.6, ‘informal employment as a percentage of total non-agricultural employment, by sex. Objective 15 was the focus of 40 actions (37 %). This marks a significant increase in support for ‘women’s access to financial services, productive resources, trade, and entrepreneurship’. Actions were implemented in six countries, including five regional actions implemented by the EU Delegation to Kosovo and North Macedonia, as well as by the EU Delegation to Turkey. The EU Delegations to Albania and EU Office in Kosovo also addressed women’s participation in agriculture and rural development, as well as in sustainable tourism in Albania. The EU Delegation to Turkey focused on responding to refugees’ labour demands. Overall, the most frequently selected indicators were 15.8, on the ‘number of women accessing EU supported community level, (micro-) financial services’, and 15.6, on the ‘number of women receiving rural advisory services with EU support’.

Compared to 2017, actions which addressed objective 13 on education and training decreased by 10 % in 2018. Overall, indicator 13.10 was the most frequently selected indicator under thematic priority C. The Facility for Refugees in Turkey supported 11 programmes targeting Syrian women’s resilience and empowerment, vocational training and social cohesion, the integration of Syrian children into the Turkish education system, and young Syrians’ access to higher education.

Under thematic Priority D, EUD focused on objective 18. Support was particularly provided for women’s organisations, civil society organisations and Human Rights Defenders in Albania, Kosovo and North Macedonia. In Albania, the EUD bolstered civil society and human rights defenders, including in rural areas, while promoting the rights, inclusiveness, dignity and equality of lesbian, gay, bisexual, transgender and intersex (LGBTI) people. Lessons learned included the need for building women’s organisations expertise on EU accession processes and gender equality challenges. They also point to the importance of documenting results and investing in research on the role of women’s organisations in transforming gender norms as a means of evoking substantial change. Objective 17 ‘equal rights and ability for women to participate in policy and governance processes at all levels’ was the second most targeted objective. In Bosnia and Herzegovina, The EUD continued to engage in the ‘Women’s Dialogue Initiative’, selected as a good practice in 2017. In Kosovo, the EU Delegation promoted youth’s engagement in democracy and evidence-based policymaking, as well as young women’s participation in political parties and decision-making processes. In Montenegro, the EUD supported the establishment of the Women Political Network. The EU Delegation to Serbia supported civil society organisations in the framework of UN Women’s global HeforShe solidarity campaign. In Turkey, the EU Delegation fostered networks between women academics, politicians and students in the framework of a programme spearheaded by the European Instrument for Democracy and Human Rights.

SDG 8 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

The new strategy for the Western Balkans includes 6 flagship initiatives. Among them, the ‘flagship initiative to enhance support for socioeconomic development’ contributes to the achievement of SDG 8.

SDG 16 Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

The strategy for the Western Balkans also provides a significant contribution to the achievement of SDG 16 through the ‘flagship initiative to strengthen the rule of law’; the ‘flagship initiative to reinforce engagement on security and migration’ and the ‘flagship initiative to support reconciliation and good neighbourly relations’.

6. Information about financial instrument(s) and trust fund(s) financed by the Programme

Guarantee Facility I and II under the Western Balkan Enterprise Development and Innovation Facility (EDIF)

The Financial Instrument of the European Union for the Guarantee Facility contributes to achieving the objectives of enhancing socioeconomic growth of the Western Balkans.

Its major objectives are the creation of preconditions for the emergence and growth of innovative and high-potential companies. The instrument will guarantee SME loan portfolios issued by commercial banks for new SME lending. This will entail improving SME access to lending by potentially lowering the cost of borrowing or providing better lending condition.

Guarantee Facility for Serbia under the Western Balkan Enterprise Development and Innovation Facility (EDIF)

The Financial Instrument of the European Union for the Guarantee Facility contributes to achieving the objectives of enhancing socioeconomic growth of the Republic of Serbia.

Its major objectives are the creation of preconditions for the emergence and growth high-potential companies in Serbia. The instrument will guarantee SME loan portfolios issued by commercial banks for new SME lending with focus on innovative companies and start-ups. This will entail improving SME access to lending by potentially lowering the cost of borrowing or providing better lending condition.

Enterprise Expansion Fund (ENEF) under the Western Balkan Enterprise Development and Innovation Facility

The Financial Instrument of the European Union for the Enterprise Expansion Fund (ENEF) contributes to achieving the objectives of enhancing socioeconomic growth of the Western Balkans.

Its major objectives are the creation of preconditions for the emergence and growth of innovative and high-potential companies. The instrument will finance development and expansion capital in established SMEs with high-growth potential in their respective markets through equity participation. The Fund provides equity and quasi-equity funding (such as preferred shares, convertible bonds, mezzanine or subordinated debt) on a selective basis.

Enterprise Innovation Fund (ENIF) under the Western Balkan Enterprise Development and Innovation Facility

The Financial Instrument of the European Union for the Enterprise Innovation Fund (ENIF) contributes to achieving the objectives of enhancing socioeconomic growth of the Western Balkans. Its major objectives are the creation of preconditions for the emergence and growth of early stage innovative companies through equity investments. ENIF targets innovative companies with high growth potential, which are at early stage to later stage across a spectrum from pre-revenue and very early revenue through companies with established revenues and close to profitability. Under the instrument, equity and quasi-equity investment can be used.

Western Balkan Guarantee

The Western Balkans Guarantee is a fully funded guarantee scheme and a pilot instrument to prepare for larger guarantees expected in the next Multiannual Financial Framework, in particular under the EFSD+, the successor of the current European Fund for Sustainable Development (EFSD). The objective of the Western Balkans Guarantee is to enable investors, particularly from the private sector, to scale-up investments in areas that directly contribute to sustainable socioeconomic development and regional integration, particularly boosting the region's competitiveness and job creation. In the context of considerable investment needs and constrained fiscal space, the guarantee will achieve this by crowding-in private capital to support private investment in areas contributing to key EU policy objectives. Between 4 to 8 projects will be contracted during 2020 and 2021 to implement guarantees aiming at mobilising investments of around EUR 1 billion to support socioeconomic development in the Western Balkans region.

Other mixed instruments:**European Fund for Southeast Europe (EFSE)**

The European Fund for Southeast Europe (EFSE) is a form of public-private-partnership. Its objective is to attract capital from the private sector thereby leveraging public donor funds that will assist the development of the private sector in the region. EFSE extends loans to local commercial banks and micro-finance institutions in the Western Balkans for on lending to micro and small enterprises and households. European Investment Fund (EIF) manages the EFSE, the latter generating impacts at three different levels:

- supporting micro and small enterprises as the backbone of the local economies, thereby contributing to generating income and creating employment,
- satisfying the basic need of decent shelter,
- strengthening local financial markets.

Green for Growth Fund (GGF)

The mission of the Green for Growth Fund, Southeast Europe is to contribute, in the form of a public private partnership with a layered risk/return structure, to enhancing energy efficiency (EE) and fostering renewable energies (RE) in Southeast Europe and Turkey, predominantly through the provision of dedicated financing to businesses and households via partnering with financial institutions and direct financing.

Refinancing Financial Institutions (local commercial banks, non-bank financial institutions such as microfinance institutions and leasing companies and other selected financial institutions) providing loans to households, businesses, municipalities and public sector for energy efficiency measures or renewable energy projects. Investments through Financial Institutions will constitute the majority of GGF's investments.

Providing direct financing to Non-Financial Institutions (energy service companies, renewable energy companies or projects, small scale renewable energy and energy efficiency service and supply companies) that meet GGF energy saving and/or emissions targets, and comply with the technical criteria and GGF exclusion list.

SME Recovery Support Loan for Turkey

The overall objective of the SME Recovery Support Loan for Turkey is to mitigate the crisis impact for Small and Medium Enterprises and contribute to the development of the Turkish economy and employment sector. The main objective is to support SMEs with concrete productive investments by providing access to attractive and longer-dated debt financing. The co-financing of loans is to be provided to local commercial banks operating in Turkey (the 'financial intermediaries') for the benefit of eligible investments carried out by SMEs.

More information regarding the Financial instruments can be found at the documents accompanying the Draft Budget as per Art. 38(5) FR, Art. 49(l)(e) FR, Art. 140(8) FR.

The EU Regional Trust Fund in Response to the Syrian Crisis

The conflict in Syria continues to drive the largest refugee crisis in the world. Over 5.7 million Syrians are registered as refugees in neighbouring countries with the crisis going into its 10th year. Despite the move of hundreds of thousands of Syrian refugees to Europe in 2015/2016, the primary burden of hosting the refugees continues to fall on the neighbouring countries in the region. Lebanon (1 million) and Jordan (700,000) host the largest numbers of registered refugees per capita in the world. In Lebanon, one in five people is a refugee, while one in 15 is a refugee in Jordan. Meanwhile, Turkey continues to host the largest number of refugees in the world, 3.7 million. Iraq and Egypt continue to host large numbers of Syrian refugees along with refugees from many other countries. Many of the refugees have now been in these host countries for many years and struggle to make ends meet. They are increasingly vulnerable and face extremely high rates of poverty. The impact on the neighbouring countries hosting the refugees, has been profound.

Since its establishment in December 2014, an increasing share of the EU's support to help Syrian refugees and support Syria's neighbouring countries cope with the refugee crisis is provided through the EU Regional Trust Fund in Response to the Syrian Crisis. The Trust Fund reinforces an integrated EU aid response to the crisis and primarily addresses longer-term resilience and early recovery needs of Syrian refugees, host communities and their administrations in neighbouring countries, in particular Lebanon, Jordan & Iraq. The Trust Fund's programmes support basic education and child protection for refugees, training and higher education, better access to healthcare, improved water and wastewater infrastructure, as well as support to resilience, women empowerment and fighting gender based violence, economic opportunities and social stability. The scope of the Fund includes support to internally displaced persons in Iraq and support in the Western Balkans to non-EU countries affected by the refugee crisis.

Overall, EUR 1.9 billion has been mobilised in voluntary contributions from the EU budget, 22 EU Member States and Turkey. Almost all of this, EUR 1.9 billion has already been allocated by the Trust Fund Board to finance concrete actions helping refugees and host countries alike.

IPA Contribution to the Regional Trust Fund in Response to the Syrian Crisis: EUR 361.7 million up to 31 December 2019 ⁽²⁾.

⁽²⁾ DG budget EU TF in response to Syrian crisis annual accounts 2019