

The instrument for Pre-accession assistance (IPA), Albanian case through the enlargement process

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Abstract

This paper analyses the general framework of the IPA as a main financial instrument provided by the European Union for Western Balkans Countries + Turkey, which are the candidate countries toward the EU accession. This study is focused on the way that Albania has benefited and it's going to profit by this instrument. Also, this paper comprises the main fields of the concentration of European Union assistance under IPA I and IPA II in Albania. In order to create a general view about this instrument my analysis also focuses in the impact of reforms in the daily life of Albanian citizen, which is by the financial support Albania has been receiving by EC for transforming the most crucial sectors. Also this paper lays down the lessons learned through IPA I and IPA II.

Keywords: *Accession, IPA, candidate countries, Albania.*

Introduction

In 2003, the Thessaloniki European Council affirmed that following the progress and efforts of the Western Balkan countries (WB), the accession of these countries within the European Union (EU) would soon become a reality. However, the Council stressed that compliance and adaptation of European values and standards constitutes the main challenge toward accession. Progress of each country towards the EU will depend on its own merits in meeting the Copenhagen criteria and the conditions set for the SAP and confirmed in the final declaration of the November 2000 Zagreb summit.¹ Based on EU requirement and accomplishment of Albanian government to fulfill the criteria, since 2004, Albania participates in the Western Balkans Stabilisation and Association Process and concluded the Stabilisation and Association Agreement (SAA) with the EU in 2006. The objectives of this Stabilisation and Association Agreements are (a) to support the efforts of Albania to strengthen democracy and the rule of law, (b) to contribute to political, economic and institutional stability in Albania, as well as to the stabilisation of the region, (c) to provide an appropriate framework for political dialogue, allowing the development of close political relations between the Parties, (d) to support the efforts of Albania to develop its economic and international cooperation, also through the approximation of its legislation to that of the Community, (e) to support the efforts of Albania to complete the transition into a functioning market economy, to promote harmonious economic relations and develop gradually a free trade area between the Community and Albania, (f) to foster regional cooperation in all the fields covered by this Agreement.² The SAA entered

¹ http://europa.eu/rapid/press-release_PRES-03-163_en.htm.

² <http://ec.europa.eu/world/agreements/prepareCreateTreatiesWorkspace/treatiesGeneralData.do?step=0&redirect=true&treatyId=7564>.

into force on 1 April 2009 and in the same year government of Albania continues its road through the accession agenda and applied for EU membership. In June 2014, the European Council granted candidate status to Albania.³

Features of IPA I (2007-2013)

One of the most important tools that EU supports the WB is the Instrument for Pre-accession Assistance. The Instrument for Pre-accession Assistance (IPA) is the means by which the EU supports reforms in the 'enlargement countries' with financial and technical help.⁴ IPA I (2007-2013), replaces previously financial instrument such as PHARE, SAPRD, CARDS, etc., which were focused to support candidate countries or potential candidate countries in their path through the enlargement process. On 12 June 2006 the Council adopted Regulation (EC) No 1085/2006 establishing an Instrument for Pre-accession Assistance (IPA), which renews the framework for financial assistance to pre-accession countries.⁵ The legal basis for IPA is the Council Regulation 1085/2006, adopted on 17 July 2006, and more detailed implementing rules are laid down in Commission Regulation 718/2007 of 12 June 2007 and the amendments introduced by Commission Regulation 80/2010 of 28 January 2010 (Implementing Regulation).⁶ Another important agreement is the Framework Agreement, signed by European Commission (EC) and each beneficiary country. The parties have concluded on 18 October 2007 a Framework Agreement setting out the general rules for cooperation and implementation of the European Union assistance under the Instrument for Pre-accession Assistance.⁷ In order to understand and to better coordinate the process EU drafted for beneficiaries guidelines. The policy and programming framework for delivering pre-accession assistance under IPA consists of: Multi-Annual Indicative Financial Framework (MIFF) included as part of the pre-accession strategy package presented annually by the Commission to Council and Parliament, and Multi-Annual Indicative Planning Documents (MIPDs) per country or per groups of countries (regional and horizontal programmes).⁸

IPA I was composed by 5 components in regard to support countries in a) Transition Assistance and Institution Building (TAIB); b) Cross Border Co-operation (CBC); c) Regional Development; d) Human Resources Development and in the field of e) Rural Development. The philosophy of IPA I was based on the principle of differentiating countries according to their status as potential candidate countries (which benefitted only from the first two components) and as candidate countries (which benefitted from all 5 components). Under this financial instrument, the types of IPA management/ implementations of funds are:⁹ centralized management (Article

³ https://www.gopa.de/sites/default/files/jobs/tor_ipa-2014_eu_integration_facility_ppf.docx.

⁴ https://ec.europa.eu/neighbourhood-enlargement/instruments/overview_en.

⁵ <https://eur-lex.europa.eu/legal-content/IT/TXT/HTML/?uri=CELEX:52007PC0656&from=EN>.

⁶ http://ec.europa.eu/regional_policy/en/funding/ipa/framework/.

⁷ <http://ns3036873.ip-149-202-208.eu/websites/cfcu/wp-content/uploads/2016/06/Financial-Agreement-IPA-I.pdf>

⁸ http://ec.europa.eu/regional_policy/en/funding/ipa/framework/.

⁹ Rules for the implementation of EU funds, under each management form regulated in Article 53 of Council Regulation (EC, Euratom) 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities, amended by Council Regulation (EC,

53 a) made by structures of EU in each country; decentralized management (Article 53 c) when EU allows managing of some actions by the beneficiary but EU remains the responsible body for executing of the general budget; Co-management (Article 53 b) occurs when EC delegates the operations of financial operations to EU member states; and the joint management of funds (Article 53 d) which is a complement of centralized management since the European Commission remains the contracting authority but manages the funds together with an international organization.

Albania under IPA I

So far the paper has been focused on the financial features and modalities of management of IPA I, under this section we'll focus on Albania and the support given to the country by the instrument. As I explained before, IPA I was composed by five components, from which only two elements (TAIB and CBC) were eligible for potential candidate countries. Under those terms, Albania as a potential candidate country was eligible to benefit support only by the first two components. This kind of support will come by legitimization of agreement signed by EC and Government of Albania (GoA) and with the approval of the relevant legal basis. The first base of the assistance for the WB was laid down on "European Partnership priorities, which form the basis for programming the financial assistance of the Community, and will continue to be provided under relevant financial instruments, in particular Council Regulation (EC) No 1085/2006 of 17 July 2006 establishing the Instrument for Pre-Accession Assistance (IPA)",¹⁰ and immediately after that the path opens for Albania to be a part of the benefitting IPA instrument countries and sign the mutual agreements with the EU in order to create the path for country to benefit from these funds.

After the setting up of the legal framework Albania continues its path of benefiting by this instrument and carried on with the appropriate steps to consolidate the national strategies. After the signing of the Framework Agreement which emphasizes rules of cooperation on EC financial assistance, under IPA I was drafted the Multi Annual-Indicative Planning Document and Multi-Annual Indicative Financial Framework.¹¹ Multi-annual programmes or annual programmes shall consist in documents submitted by the beneficiary country, or prepared by the Commission in the case of regional and horizontal programs, and adopted by the Commission. Programmes shall present a coherent set of priority axes, any appropriate measures or operations and a description of the financial contribution which are needed in order to implement the strategies defined in the multi-annual indicative planning documents.¹² The main strategic document as regards European Integration in Albania is the Albanian

Euratom) 1995/2006, dated 13 December 2007.

¹⁰<https://eur-lex.europa.eu/legal-content/IT/TXT/HTML/?uri=CELEX:52007PC0656&from=EN>.

¹¹The Multi-annual Indicative Financial Framework (MIFF) for the Instrument for Pre-Accession (IPA) is an essential document where, based on the European Union's budget, funds are allocated to all countries included in the IPA Instrument according to each component. MIFF serves as a link between the political framework of the enlargement package and the budget process. MIFF is based on a three year programming cycle.

¹²<https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2007:170:0001:0066:EN:PDP>.

National Strategy for Development and Integration (NSDI) 2007-2013, approved by the Council of Ministers on 12 March 2008, as well as the 2010-2014 National Plan for the Implementation of the SAA, approved by the Council of Ministers with the Decision no. 812, dated 6 October 2010.¹³ The NSDI 2007-2013 represents the core strategy document of Albania, which overarches the strategic priorities defined in 38 strategies (20 sectoral and 18 sub-sectoral).¹⁴

Regarding the indirect management, the country should set up the operating structures in order to be able to manage projects. The national administration must be endowed with the necessary structures, as well as the management expertise and capacity to assume full responsibility for the decentralized management of IPA.¹⁵ The allocated funds were managed in two ways, for direct management was in charge the European Union Delegation in Albania (EUD) and regarding to the indirect management were responsible the decentralized structures /bodies of the country. The Government of Albania in Decision of Council of Ministers No. 23, dated 12.01.2013, adopted Designation of Functions, Responsibilities and Relationships Among the Authorities and the Structures of Decentralized Management of the EU Instrument For Pre-Accession Assistance (IPA), Component I.¹⁶ "In Commission Regulation (EC) No 718/2007 of 12 June 2007 implementing Council Regulation (EC) No 1085/2006 establishing an instrument for pre-accession assistance (IPA)",¹⁷ were presented the types and forms of assistance. In Albania, the most common interventions were made through technical assistance, twinning projects, grant scheme to support civil society, investments in acquis through supply and works, and financial contribution for participation on Union Programmes.¹⁸

Under the IPA I, Albania has received more than €500 million for national programs over the period 2007-2013. Key priorities were focused on the crucial sectors where the support was necessary, including strengthening of administrative capacity at all levels, enhancing the rule of law, human rights and good governance, improving socio-economic conditions for all communities, and developing regional cooperation. In Justice and Home Affairs, an amount of more than €86.5 million, has been invested through IPA I on institutional reforms and capacity building, primarily aiming to transform and modernize the justice system (EURALIUS projects) in line with the EU standards. A number of infrastructure projects have been also implemented, strengthening the capacity of the penitentiary system. Promotion of human rights has also taken place through several actions. In the Home Affairs subsector IPA support has been focused on the enhancement of the capacities of Albanian State Police and other law-enforcement agencies, in supporting the fight against corruption and illegal trafficking, organized crime, as well as the development of an integrated border management module. Currently, IPA funds dedicated to home affairs actions have

¹³https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/pdf/mipd_albania_2011_2013_en.pdf.

¹⁴Ibid.

¹⁵<http://web.ceu.hu/cens/assets/files/IPA.pdf>.

¹⁶<http://ns3036873.ip-149-202-208.eu/websites/cfcu/wp-content/uploads/2016/06/VKM23-IPA-I.pdf>

¹⁷<https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2007:170:0001:0066:EN:PDF>

¹⁸For further information see: Informative Manual for the new Instrument of European Union, Instrument for Pre-Accession, March 2008. (available in Albanian language)

reached the amount of approximately €26.5 million.

Public Administration Reform (PAR) has received assistance under IPA I notably to strengthen the capacities in a number of crucial areas such as PFM, including taxation and customs administration, public procurement, external audit, and statistics via tailored interventions of technical expertise. EU support during the period 2007-2013 to this sector amounts to more than €75 million.

In the Transport Sector, IPA I funds have been mobilized for investments on small and medium-scale road infrastructures in substantial amounts. In addition, assistance was provided to establish a unified road network connecting peripheral communities to the main national and regional transport lines, notably the South East Europe Transport Observatory (SEETO) Corridor VIII (east-west axis from Durres to Pogradec) and the SEETO Route 2 (north-south axis from Shkoder to Tepelene - Gjirokastra). The EU has also financed intersections along these two main axes, e.g. the Vlora and Rrogozhina bypasses and supported the construction and upgrading of rural roads. Through technical assistance projects drafting of the national legislation in line with the EU regulatory framework/acquis has been supported, also technical assistance in capacity building and preparation of strategic documents was provided to the ministry in charge of this sector, along the above mentioned period.

IPA I has financed different operations including investments, technical assistance and equipment in the Environment Sector. The support primarily was focused on the capacity of the national institutions at central and local level, to enforce the relevant sector legislation in line with EU acquis and to monitor the level of pollution of air and water in the country. IPA I interventions also included a series of infrastructure projects to build wastewater collection and treatment facilities along the Adriatic coast. Nature protection and climate change, as complementary areas, have also received IPA funding during the 2007-2013 period.

In the area of Social Development, the overall IPA support in 2007-2013 amounts to more than €24 million. It is focused on the development of a modern vocational education and training system, specifically through policy formulation and infrastructure investment (construction and equipment). IPA I also supported several social inclusion measures for protection of vulnerable groups and minorities, in particular Roma and Egyptians. The actions in this sector represent tailored interventions under the national program or actions financed through the civil society facility.

Agriculture and Rural Development is another key sector receiving significant amounts under IPA, approximately €90 million. IPA I included some support for the sector policy definition, with particular reference to capacity building activities in the area of food safety and veterinary services, including improving of national and local laboratory food infrastructure. IPA support also entailed assistance to set up the administrative structure for the management of the future IPA II Rural Development (IPARD) programmes.

As set out in the European Commission Regulations on IPA funds, territorial cooperation is one of the five policy areas of the IPA Instrument. This policy area is concretized through the participation of IPA countries in various programs funded by the European Union. IPA I CBC Programmes for Albania were Programmes with EU countries: IPA-Adriatic; Greece-Albania. Programmes with potential candidate

countries: Albania– Montenegro; Albania – Macedonia; Albania – Kosovo, and *Transnational Programmes*: SEE – South East Europe; MED – Mediterranean. The focus of these projects was to preserve the cultural heritage in the border areas that develops the project, encouraging youth employment, tourism development etc.

No.	Sectors	IPA 2007	IPA 2008	IPA 2009	IPA 2010	IPA 2011	IPA 2012	IPA 2013	TOTAL	%
1.	Rule of law and Fundamental Rights	15,518,790.00	7,075,905.20	10,929,533.36	18,700,000.00	18,196,631.01	17,800,000	17,100,000.00	105,320,859.57	20
2.	Democracy and governance	6,481,000.00	15,800,000.00	14,622,377.93	3,500,000.00	3,978,238.11	9,000,000	8,800,000	62,181,616.04	12
3.	Employment, Social Inclusion		7,424,094.80	4,083,360.00	3,000,000.00	2,866,830.88	6,200,000.00	3,000,000.00	26,574,285.68	4.99
4.	Environment, Climate change actions	24,000,000.00	2,000,000.00	22,030,000.00	30,000,000.00	11,360,000.00	24,500,000.00	12,200,000.00	126,090,000.00	24
5.	Agriculture and Rural Development		18,717,000.00	13,300,971.51	26,500,000.00	24,500,000.00	9,500,000	36,200,000	128,717,971.51	24
6.	Transport		7,600,000.00	0.00		18,765,000.00	9,300,000.00	2,000,000.00	37,665,000.00	7
7.		3,524,212.00	3,188,513	3,927,170.00	3,959,507.00	2,300,000	3,176,551	3,211,082	23,287,035.00	4
	Other			2,737,119.00	1,500,000.00	2,435,000.00	5,340,000.00	2,532,000.00	14,544,119.00	3
8.	Competitiveness and innovation	3,269,000.00	2,300,000.00	770,758.02				2,000,000.00	8,339,758.02	2
	Total	52,793,002.00	64,105,513.00	72,401,289.82	87,159,507.00	84,401,700.00	84,816,551.00	85,043,082	532,720,644.82	100

Table 1: IPA allocation funds for period 2007 – 2013¹⁹

Novelties of IPA II (2014-2020) and Albania

However, although some positive results were achieved under IPA I, the implementation of EU assistance was systematically a sensitive issue. During the implementation period of these projects, many problematic issues have arised, *inter alia* (i) delays in providing the construction permits for infrastructure projects (ii) missing or delayed re-imbursement of value added tax to contractors and civil society organizations (iii) delays in making available national co-financing or additional funds for operating and maintaining EU-funded investments (iv) delays in ensuring connections of the EU funded facilities to public utilities network (v) weak inter-institutional coordination, including local governmental bodies. In order to address the shortcomings above, strengthening the national ownership, and ensuring a more systematic and consolidated approach was essential and mandatory to maximize the impact of future EU support.

By building up on the lessons learned, the EC announced the IPA II. The legal base of IPA II is 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)".²⁰ The IPA II Regulation is a very important legal act in terms of programming IPA II assistance, as it sets the objectives for IPA II assistance (general and specific objectives), the policy areas and the thematic priorities for the assistance, as well as stipulates the Indicative Strategy Paper as the basis for providing IPA II assistance

¹⁹Report, Annex 1, Statistical Data on IPA Financing and Accumulation Level by Albania, April 2018, pg.3. (available in Albanian language).

²⁰<https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2014:077:0011:0026:EN:PDP>

to the Beneficiary Country.²¹ The policy areas envisaged to be supported under the said regulation are: (a) reforms in preparation for Union membership and related institution- and capacity-building; (b) socio-economic and regional development; (c) employment, social policies, education, promotion of gender equality, and human resources development; (d) agriculture and rural development; (e) regional and territorial cooperation.²² The Indicative Strategy Paper (also sometimes referred to as Country Strategy Paper)²³ is the basic strategic documents for providing IPA II assistance to the Beneficiary Country during 2014-2020 financial framework.²⁴ The Union's financial assistance may be provided through the types of financing envisaged by Regulation (EU, Euratom) No 966/2012, and in particular: (a) grants; (b) procurement contracts for services, supplies or works; (c) general or sector budget support; (d) contributions to trust funds set up by the Commission, in accordance with Article 187 of Regulation (EU, Euratom) No 966/2012; (e) financial instruments such as loans, guarantees, equity or quasi-equity, investments or participations, and risk-sharing instruments, whenever possible.²⁵

IPA II is accompanied with the improvements in order to guarantee countries with more benefits. One of the novelties is related with the fact that now there are no differentiations between candidate and potential candidate countries, but all WB can profit by this instrument no matter if they are candidate ore potential candidate countries, another novelty is the sector approach which contributes with effectiveness in the sector who will cover to support. Unlike the previous instrument, the financial assistance will be given based on the concept of sectoral approach and only for those sectors that have a clear development strategy. Under IPA II, EC represented the new type of financial which is Budget Support (BS). A sector who is chosen to cover by BS should meet four precondition, related with the stable macro-economic situation; public finance management; transparency of the budget and the policies and strategies of sector should be in place. Under IPA II, is increased the principle of ownership of the country. The ownership of the programming and implementation of IPA II assistance lays down primarily with the IPA II beneficiary²⁶ whose shall appoint a National IPA Coordinator (NIPAC) who shall be the main counterpart of the Commission for the overall process of: strategic planning, coordination of programming, monitoring of implementation, evaluation and reporting of IPA II assistance.²⁷ In Albania, NIPAC, based on Prime Minister Order No.151, dated 27.9.2017, is the Minister for Europe

²¹<https://abdigm.meb.gov.tr/projeler/ois/014.pdf>

²²<https://abdigm.meb.gov.tr/projeler/ois/014.pdf>

²³ In some IPA II documentation, such as the Commission's IPA II Programming Guide, Indicative Strategy Papers (ISP) are referred to as "Country Strategy Papers" (CSP) or "Multi-Country Strategy Papers". Irrespective of the title, there is no difference in content between ISP or CSP.

²⁴<https://abdigm.meb.gov.tr/projeler/ois/014.pdf>

²⁵https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/pdf/financial_assistance/ipa/2014/236-2014_cir.pdf

²⁶ IPA II beneficiaries are those listed in Annex I of the Regulation (EU) N° 231/2014 of the European Parliament and of the Council of 11 March 2014 establishing an Instrument for Pre-accession Assistance (IPA II).

²⁷https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/pdf/financial_assistance/ipa/2014/20140502-commission-implementing-reg-on-ipa2_en.pdf

and Foreign Affairs.²⁸

In this regards Albania harmonized the institutional framework and signed a Framework Agreement²⁹ with EC. The Framework Agreement (FW) constitutes the legal cooperation framework between our country and the European Commission. After the ratification of the FW, Albania and EC finalized the Country Strategy Paper, setting out the priorities for EU financial assistance for the period 2014-2020 to support Albania on its path to accession. It translates the political priorities set out in the enlargement policy framework into key areas where financial assistance is most useful to meet the accession criteria.³⁰ The allocated funds under IPA II in Albania are distributed in direct management, co-management, joint management and with indirect management. To ensure that funds under indirect management will implemented in the right way is drafted the Council of Ministers Decree.³¹ Thus, establishing an effective and efficient management of the tendering and contracting procedures, as well as viable technical and financial reporting system remains a real challenge, because a decentralized implementation system is a key indicator of Albanian ability to cope with European obligations and to eventually join the European Union. Albania has proven that is ready to proceed under BS and is the first country of the region that benefited for the sector of Public Finance Management (PFM) with the mechanism of the BS under IPA 2014. Based on CSP the eight fields who will concentrate the support of IPA II for Albania are: Democracy and governance; Rule of law and Fundamental Rights; Environment and Climate Action; Transport; Competitiveness and innovation; Education, employment and social policies; Agriculture and rural development; and Territorial cooperation and regional cooperation. Until now, as seen in the table below the IPA II has covered the crucial sectors including Democracy and Governance, Rule of Law and Fundamental Rights, Environment, Competitiveness and Innovation, Transport, and Agriculture and Rural Development and the indicative allocation foreseen under IPA II is €620 Million. But the high results of this intervention are concentrated in sectors of PFM (IPA 2014), PAR (IPA 2015), Employment and skills (IPA 2015), Transport (IPA 2016), Anti-corruption (IPA 2016), Justice (IPA 2018) and Water (IPA 2018) sectors whose are programming under BS.

The Public Finance Management program with a total amount of €42 million is the key sector reform contract financed under IPA II and a fundamental building block of the Public Administration reform. Its overall objective is to contribute to a sustainable growth and maintained macro-economic and fiscal stability. The specific objective of the PFM strategy is strengthening the Albanian PFM system through an efficient process of budget planning, execution and oversight, streamlining the allocation of

²⁸<http://www.qbz.gov.al/Botime/Akteindividuale/Janar%202017/Fletore%20172/URDHER%20nr.%20151,%20date%2027.9.2017.pdf>, (available in Albanian language).

²⁹<https://www.cbc-mne-alb.org/tacka-custom/tacka-media/documents/framework-agreement-between-albania-and-the-european-commission.pdf>.

³⁰https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/pdf/key_documents/2014/20140919-csp-albania.pdf.

³¹Republic of Albania, Council of Ministers Decree, No541, Dated 18/6/2015, "On Designation of Functions, Responsibilities and Relationships Among the Authorities and Structures for the Indirect Management of the EU Instrument for Pre-Accession Assistance IPA II (2014-2020)."

resources according to policy objectives, reinforcing fiscal discipline, and upgrading public services delivery.

Under IPA II, PAR sector has received €32 million of sector budget support (SBS), to implement the adopted Public Administration Reform Strategy. This reform contract is assisting the GoA in enhancing accountability and effectiveness, as well as transparency of public administration with greater focus on the needs of citizens and business. The overall objective of the intervention is to prepare a stable administrative basis and build capacities for implementing the EU acquis.

The main focus of IPA II interventions in the Employment and skills sector is to contribute to a more inclusive and effective labour market by supporting employment and skills development policy in Albania, involving labour market initiatives and provide job opportunities for all, improve quality and increase coverage of vocational education and training. The overall amount for this sector is €30 million.

For the Transport sector, under IPA II, the main objective of the EU support, is to contribute to an integrated and efficient transport system, with access to the regional and EU network, facilitating to promote economic development and improvement of citizens' quality of life by focusing on the road transport. This sector is assigned to a total amount of €24 million for the period 2014-2020.

Fight against corruption in Albania has been financed through a sector reform contract/budget support in the amount of €10 million with an overall objective to assist the Government in implementing the cross-sectoral strategy against corruption with the aim to create transparent and high-integrity of Albanian institutions that enjoy citizens' trust and ensure a quality and transparent service.

€42 million of aid under IPA II have been assigned to the Justice sector to strengthen the independence, transparency, efficiency, accountability and public trust in the Albanian Justice system, in line with the EU acquis and best practices. The action supports the implementation of the justice sector strategy to improve the institutional framework and operational efficiency of the judicial system, consolidate the legal education background, as well as specialization of the magistrates and court personnel. Increased efficiency of the anti-corruption measures, criminal justice system and improved functioning of the justice system by using modernized procedures and IT systems and electronic equipment, and tools for strengthening international cooperation; enhanced protection of human rights in penitentiary system; improved service quality of legal professions are the main pillars of this action.

Water sector has received support in the amount of €20 million under IPA II concentrating in increasing the quality of water through improved collection and treatment of municipal wastewater, aiming to assist Albania's economic, social and territorial development, progressive harmonization, adoption and implementation of the EU acquis.

For the period 2019-2020, EC has started consultations in close collaboration with Albanian institutions to agree on a list of indicative priorities. The focus of assistance during 2019-2020 is anticipated to be Employment, Education and Social Reform Program; Green Growth and Circular Economy; Property rights; and Good Governance at central and local level.

Table 2: Indicative Allocations (million EUR) per policy areas and sectors³² in Albania

Albania	2014	2015	2016	2017	2018-2020	Total 2014-2020
a. Reforms in preparation for Union membership	68,7	61,9	12,7	74,9	94,3	276,6
Democracy and governance	141,3				24,3	165,6
Rule of law and fundamental rights	41				70,0	111,0
b. Socio-economic and Regional development	0	0	28,0	47,2	100,0	175,2
Environment	24,0				34,0	58,0
Transport	24,0				38,0	62,0
Energy	0,0				0,0	0,0
Competitiveness and innovation	27,2				28,0	55,2
c. Employment, social policies, education, promotion of gender equality, and human resources development	0,0	30	0	0	50,0	80,0
Education, employment and social policies	30,0				50,0	80,0
d. Agriculture and rural development	0	0	21,7	14,0	52,0	87,7
Agriculture and rural development	35,7				52,0	87,7
TOTAL	68,7	91,9	82,4	80,2	296,3	619,5

Conclusions

As a conclusion, IPA has become an instrument to prepare Albania and other WB6 countries toward EU accession. The main objective is to support policy reform, as well as progress in the implementation of policy reform is conditionality for investment grants. The sector approach is facilitating the IPA II instrument to attain its objective of preparing candidate countries and potential candidates for EU membership. IPA II sector approach has improved the strategic focus of Albanian institutions during the preparation of national strategies and also has provided a notable impact in the implementation of sectorial reforms. From the other side, the instrument of budget support has been considered as an added value for institutional changes at central level. Albania was the first country in the region that benefited from Sector Budget Support instrument, and this fact is considered as an incentive to learn from the mistakes and improve the modality of programming process, especially in the context of identification of realistic and measurable indicators from the sectorial strategies supported by this SBS, for better monitoring of the Sector Reform Contract implementation. Also the ownership has been increased through direct involvement of the Line Ministries and Central institutions in the identification of the sectorial priorities and drafting of the programming documents (notably the Action Document's) even though partially with the continued support of the EU funded Technical assistance (Project Preparation Facility I).

³²https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/pdf/key_documents/2014/20140919-csp-albania.pdf.

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