The efficient use of funds for local and regional authorities under the IPA-II regulation
# Table of contents

List of abbreviations ........................................................................................................... i
Introduction ......................................................................................................................... 1

1 IPA and IPA II .................................................................................................................. 3
   1.1 The Instruments for Pre-Accession Assistance (I & II) and their relevance to LRAs ......................................................... 3
   1.2 Examples and lessons learned from previous experience .......................................................................................... 12
   1.3 Lessons learned and general recommendations to increase LRAs’ absorption capacity ........................................... 18

2 The institutional context .................................................................................................... 23
   2.1 Albania ......................................................................................................................................................... 23
   2.2 Bosnia and Herzegovina ............................................................................................................................. 27
   2.3 The former Yugoslav Republic of Macedonia ................................................................................................. 29
   2.4 Iceland .......................................................................................................................................................... 32
   2.5 Kosovo* ....................................................................................................................................................... 33
   2.6 Montenegro .................................................................................................................................................. 36
   2.7 Serbia ........................................................................................................................................................ 39
   2.8 Turkey ....................................................................................................................................................... 41

References ........................................................................................................................................ 47
## List of abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>BiH</td>
<td>Bosnia and Herzegovina</td>
</tr>
<tr>
<td>CoR</td>
<td>Committee of the Regions</td>
</tr>
<tr>
<td>DAs</td>
<td>Development Agencies</td>
</tr>
<tr>
<td>DG</td>
<td>Directorate General</td>
</tr>
<tr>
<td>ENP</td>
<td>European Neighbourhood Policy</td>
</tr>
<tr>
<td>ERDF</td>
<td>European Regional Development Fund</td>
</tr>
<tr>
<td>FYROM</td>
<td>The former Yugoslav Republic of Macedonia</td>
</tr>
<tr>
<td>IPA</td>
<td>Instrument of Pre-accession Assistance</td>
</tr>
<tr>
<td>LRAs</td>
<td>Local and Regional Authorities</td>
</tr>
<tr>
<td>MFF</td>
<td>Multiannual Financial Framework</td>
</tr>
<tr>
<td>MIPD</td>
<td>Multiannual Indicative Planning Document</td>
</tr>
<tr>
<td>NGOs</td>
<td>Non-Governmental Organisations</td>
</tr>
<tr>
<td>UOM</td>
<td>Union of Municipalities (Montenegro)</td>
</tr>
</tbody>
</table>
Introduction

The Instrument for Pre-Accession Assistance (IPA) is the principal means by which the Union provides financial assistance and expertise to candidate and potential candidate countries to help them on their path towards European integration and eventual EU membership. As emphasised in the Enlargement strategy (Commission, 2013a), the launch of the new IPA – the IPA II Regulation (European Parliament & Council, 2014a) – constitutes an enhanced opportunity to ensure that enlargement and assistance evolve in parallel, and that candidate and potential candidate countries strengthen their capacities to benefit fully from EU assistance (Commission, 2013a, pp. 3, 16).

The Committee of Regions (CoR) has consistently argued for a greater degree of involvement by local and regional authorities (LRAs) in disbursing IPA funds effectively (see for instance CoR, 2008). The case for such involvement by LRAs is clear given that the purpose of IPA funds is to improve the quality of public administration, the rule of law, democratic governance, to support economic development and to assist in the fight against both organised crime and corruption. European integration cannot advance without serious involvement on the part of LRAs. In particular, the CoR believes that IPA should be made more targeted, efficient and coherent, and that this instrument should devote more attention to strengthening administrative capacity at local and regional level (CoR, 2008, p.7).

The new IPA II regulation came into force on 16 March 2014 and is applicable retroactively from 1 January 2014 (European Parliament & Council, 2014a).\(^1\) The aim of this paper is to investigate and analyse the extent to which the new IPA-II regulation will facilitate a greater level of participation by LRAs in using IPA funds. It is structured in two parts. Part I presents an overview of the IPA programme, charting continuity and change in the regulation between IPA-I and IPA-II and is followed by some suggestions for policy options. Part II takes a closer look at the administrative setting and administrative capacity of each candidate and potential candidate country in order to provide an analysis of their capabilities vis-à-vis the effective use of IPA funds.

---

\(^1\) For more information, see [http://ec.europa.eu/enlargement/instruments/overview/index_en.htm](http://ec.europa.eu/enlargement/instruments/overview/index_en.htm).
1 IPA and IPA II

This first part of the report examines the general background of the IPA II Regulation and its relevance to the local and regional authorities of the candidate and potential candidate countries. The first section highlights the main features and objectives of both IPA and IPA II so that key differences and areas of continuity can be identified. This is followed by a discussion of the most important and relevant lessons learnt from the implementation of IPA. On the basis of the lessons learnt, the section concludes with a presentation of key recommendations to help enhance the absorption capacities of local and regional authorities for IPA II.

1.1 The Instruments for Pre-Accession Assistance (I & II) and their relevance to LRAs

IPA I – Objectives and Coverage

The new Instrument for Pre-Accession Assistance (IPA II) sets a new framework for providing pre-accession assistance for the period 2014-2020, replacing the Instrument for Pre-accession Assistance I (IPA I). Before describing the main characteristics of IPA II, it is necessary to outline briefly the objectives and components of the IPA I so that we can see more clearly where and how IPA II differs from its predecessor.

The first Instrument for Pre-Accession Assistance (IPA I) was an instrument designed to replace several European Union programmes and financial instruments (PHARE, PHARE CBC, ISPA, SAPARD, CARDS and the financial instrument for Turkey) with one single instrument and legal framework (Council, 2006). The IPA was made available to pre-accession countries, i.e. candidate and pre-candidate countries, not European Neighbourhood Policy (ENP) countries.

IPA funds had two main objectives:

1. First, they were designed as a means of co-financing some of the expensive and difficult reforms that all candidate countries must undertake in order to prepare themselves for membership of the EU, and the full participation in all EU policy fields that comes with this (Council, 2006).
2. Second, they aimed to prepare countries for the post-accession receipt of the Structural and Cohesion funds that would help modernise their infrastructure and support long-term economic and social convergence within the Union in line with the Europe 2020 strategy (Council, 2006).

**Approach**

Financing under this single umbrella was provided through five components:

1. Component I (Transition Assistance and Institution Building) provided financing for institution-building and associated investments. It supported measures to drive stabilisation and the transition to a democratic society and market economy. Component I was open to all candidates and potential candidates and was managed by Directorate-General Enlargement.

2. Component II (Cross-Border Cooperation) supported cross-border cooperation between candidates and potential candidates and with EU Member States. It could also fund participation in transnational cooperation programmes (under the Structural Funds) and Sea Basin programmes (under the European Neighbourhood Instrument or ENI). Component II was open to all candidates and potential candidates and was managed by DG Enlargement and DG Regional Policy.

3. Component III (Regional Development) financed investments and associated technical assistance in areas such as transport, environment and economic cohesion. It was open to candidate countries only and was managed by Directorate-General Regional Policy.

4. Component IV (Human Resources Development) aimed to strengthen human capital through education and training and to help combat exclusion. It was open to candidate countries only and was managed by Directorate-General Employment, Social Affairs and Equal Opportunities.

5. Component V (Rural Development) contributed to sustainable rural development. It provided assistance for the restructuring of agriculture and its adaptation to EU standards in the areas of environmental protection, public health, animal and plant health, animal welfare and occupational safety. It was open to candidate countries and was managed by DG Agriculture and Rural Development.

IPA components III–V were available only to candidate countries. They were designed to mirror structural, cohesion and rural development funds, in preparation for the management of such funds upon accession. This was
intended to help countries that are on the way to joining the European Union to learn how to develop the institutional capacity to manage EU funds appropriately. Much of the added value of IPA funds was intended to be found in the process of implementation itself; project ownership and management is regarded as an important means by which to strengthen and enhance decentralised governance capacity in the IPA recipient countries.

**IPA II – Objectives and Coverage**

IPA I expired at the end of 2013. With a view to future accessions, the EU continues to offer candidate countries and potential candidates technical and financial assistance to overcome domestic challenges and develop in a sustainable fashion. The Instrument for Pre-Accession Assistance II (IPA II) is designed to create a single framework to achieve these ends, and to unite under the same instrument both candidate and potential candidate countries (Commission, 2011c, p.25; European Parliament & Council, 2014a, (2)).

Currently, the EU is dealing with six candidate countries (Albania, the former Yugoslav Republic of Macedonia, Iceland3, Montenegro, Serbia and Turkey) and two potential candidates (Bosnia and Herzegovina, as well as Kosovo under UNSCR 1244/994). Most indicators show that, with the exception of Iceland, enlargement countries are still well below the EU average with regard to socio-economic development and, in some cases, even below the level of the weakest Member States. This low level of socio-economic development calls for substantial investments to bring these countries closer to EU standards and allow them to take on board the obligations of membership and to withstand the competitive pressures of the single market. Moreover, it is important that these countries are able to withstand global challenges such as climate change and to align with the EU's efforts to deal with this and other momentous and on-going challenges.

It is also important to note that, with the exception of Albania, the countries in the Western Balkans are still relatively young states, formed after the disintegration of former Yugoslavia. Political stability, the full establishment of the principles of democracy and respect for human rights and good governance — all fundamental values of the EU — still need to be strengthened – a point re-emphasised in the conclusions on the beneficiary countries of IPA II in the 2013

---


3 The government of Iceland put on hold its accession negotiations in May 2013, which are still at a standstill (Commission, 2013, p.2).

4 This designation is without prejudice to positions on status, and is in line with UNSCR 1244/99 and the ICJ Opinion on the Kosovo declaration of independence.

Enlargement strategy (Commission, 2013a, annex). IPA II has the potential to help to achieve these objectives, especially as these countries cannot sustain alone all the efforts and costs of meeting the criteria for joining the EU. Most lack the capacity to finance by themselves the institutional reforms and public investments necessary to stabilise their societies and economies and to put them onto a sustainable development path.

As with IPA I, EU pre-accession funds are designed to make political and economic reforms easier in the beneficiary countries, and to prepare them for the rights and obligations that come with EU membership, according to their specific needs and adapted to their individual enlargement agendas (European Parliament & Council, 2014a, articles 1 & 2). The allocation of EU pre-accession funds helps to translate the political priorities of the enlargement strategy into concrete actions. Through IPA II, the EU will reinforce its guidance to the aspiring countries on the priorities necessary for aligning with EU standards and legislation (European Parliament & Council, 2014a, (4)). In doing so, the coherence between the financial assistance and the overall progress made in the implementation of the pre-accession strategy should be strengthened.

Although the IPA I and IPA II regulations share the same overall objective (articles 1 of both regulations), the IPA II regulation reaffirms the specific objectives of pre-accession assistance with some nuances (European Parliament & Council, 2014a, article 2).

The core objectives are presented under four headings:

- Supporting political reforms: less emphasis is put on public administration reform compared to IPA I but the IPA II regulation outlines the “strengthening of public administration” as well as the importance of capacity building;
- Supporting economic, social and territorial development, with the aim to enhance the consistency of economic reforms towards sustainable and stable market economies;
- Strengthening the ability of the beneficiaries to fulfil the obligations stemming from EU membership: this wording makes explicit in the IPA II regulation the link between pre-accession assistance and membership;
- Strengthening regional integration and territorial cooperation, thereby reaffirming the importance of this dimension.

Annexes II and III of the IPA II regulation list potential thematic priorities respectively for assistance in general and for territorial cooperation in particular.
Approach

Evaluations of IPA conducted between 2007 and 2010 outlined the lack of strategic focus in the project-based programming approach, highlighting that this was weakening the impact of EU assistance (Commission, 2014b, p.35). Consequently, to ensure that “pre-accession assistance [is] more closely linked to the enlargement priorities, and (…) based on a more results-oriented and strategic approach targeting key reforms in the enlargement countries” (Commission, 2013c, p.1), a “sector approach” was progressively introduced from 2012 onwards (ibidem and Koeth, 2014).

The Quick Guide to Pre-Accession Assistance defines a “sector” as “a clearly delimited area of public policy addressing a set of fairly homogeneous challenges, by using dedicated resources (staff and budget) under the authority of a competent member of the government” (ibidem).

This new approach is reaffirmed under the 2014–20 Multiannual Financial Framework. The “sector” approach:

• Promotes/reinforces sector policy dialogue and structural reforms, while empowering national authorities and enabling tighter links between Enlargement policy objectives and financial assistance;
• Allows to move towards more targeted and focused assistance (i.e. get away from the “Christmas tree” approach) - by adopting a Sector Approach we can lever large scale reforms and achieve more ambitious policy outcomes and better value for money than through isolated projects;
• Aims at giving a better focus on prioritising and sequencing, based on serious needs assessment and risk analysis;
• Allows for the better demonstration of the impact and results of limited financial resources (added value of IPA) – i.e. in a world of scarce resources, we need to concentrate assistance where we have an added value and where we can reach greater results and impact;
• Helps build the capacities at national level for the five pillars underpinning the Sector Approach: a) policy development and strategic planning i.e. the ability to set medium- to long-term priorities consistent with EU integration objectives to achieve smart, sustainable and inclusive growth; b) ensuring that line ministries have the administrative capacity to lead and efficiently implement policies and programmes; c) improving public financial management and national budgeting systems (including a closer link between activity and budget planning by developing medium- term budget frameworks); d) improving monitoring and evaluation capacity plus encouraging a focus on results based programming; e) strengthening capacity to manage donors” (Commission, 2014b, p. 36).
The European Commission has established a list of the sectors to be used for planning and programming. It consists of the nine following sectors:

1. Democracy and governance;
2. Rule of law and fundamental rights;
3. Environment;
4. Transport;
5. Energy;
6. Competitiveness and innovation;
7. Education, employment and social policies;
8. Agriculture and rural development;
9. Cross-border cooperation and regional cooperation (ibidem).

Programme Lifecycle (Commission, 2014b, p.24)

- Strategic planning


- Sector planning

On the basis of this list, the beneficiary country identifies which sectors are suitable for a sector approach and prepares its (national) sector programme accordingly.

- Action programmes

Sector programmes are then translated into ‘action programmes’. Indeed, the Common implementing rules for external action (European Parliament & Council, 2014b) provide that financing decisions adopted by the Commission are to be in the form of action programmes. They define how the priorities and objectives identified in the strategy papers will be achieved via actions (Commission, 2014b, p.9).

The Legal Dimension

The legal base for financial assistance for pre-accession is Article 212(2) of the Treaty on the Functioning of the European Union. The regulation for the new Instrument for Pre-accession Assistance is in line with the principles of subsidiarity and proportionality under Article 5 of the Treaty on European Union.
The IPA II regulation is complemented by the Common Implementing Regulation (European Parliament & Council, 2014b) – a set of simplified and harmonised implementing rules and procedures for all external action instruments – and the IPA II Implementing Regulation (Commission, 2014c).

*The Budgetary Dimension*

The financial package for the implementation of IPA II for the period from 2014 to 2020 is set at €11.7 billion (European Parliament & Council, 2014a, article 15). Up to 4 per cent of the total financial resources are to be allocated to cross-border cooperation (CBC) programmes between the beneficiaries and EU Member States, in line with their needs and priorities (*ibidem*).

*IPA I and IPA II: What Has Changed?*

Aiming for more sustainable results and to improve the readiness of candidate and potential candidate countries for membership, the IPA II regulation confirms the new approach to pre-accession assistance towards more strategic, efficient and better-targeted assistance. This methodological change has been progressively introduced since 2012–13 and is now formalised in the planning and programming documents of the instrument for pre-accession assistance.

Specifically, IPA II is intended to:

- Place greater emphasis on assistance in a limited number of policy areas. The coherence between the financial assistance and the overall progress made in the implementation of the pre-accession strategy will be strengthened (Commission, 2011a). It is expected to address more closely the needs of the beneficiaries, while taking better into account their technical and administrative capacities,

- Enhance the regional coherence of pre-accession assistance:
  - Building on the lessons learned from IPA I, the new IPA does so with the use of a multi-country strategy paper, reflecting the priorities of the Enlargement Strategy, and which addresses priorities for regional cooperation (Commission, 2014d).\(^6\)
  - Further regional cooperation. IPA II continues to support regional development and to encourage regional cooperation (European Parliament & Council, 2014a, article 3) that bring added value by encouraging knowledge and experience sharing, harmonisation of policies, agreement

\(^6\) For more information, see [http://ec.europa.eu/enlargement/instruments/overview/index_en.htm#ipa2](http://ec.europa.eu/enlargement/instruments/overview/index_en.htm#ipa2).
on joint priorities and building of mutual trust. Regional programmes are seen to have the potential to enhance the effectiveness of a wide range of policies, e.g. in transport, the development of small- and medium-sized enterprises (SMEs) energy security, environmental sustainability, climate change, and the fight against organised crime and migration issues.

- Be clearer in translating political priorities into concrete, key activities that can receive IPA funding. To this end a Common Strategic Framework (including a multi-country strategy paper: Commission, 2014d) was introduced. The IPA Common Strategic Framework includes sector approach assessment criteria for the allocation of funds to beneficiary countries.

- Address more closely the needs of the beneficiaries whilst taking into account their technical and administrative capacities.

- Introduce more flexibility in structuring action programmes. Both sector-focused (being the target for financial assistance under the new MMF) and stand-alone actions may co-exist in a programme (Commission, 2014b, p.17).

  o IPA II introduces the ‘Sector Support Action’, an innovation compared to intervention under IPA I. This first option of action aims “at supporting a sector on the basis of a beneficiary-owned (national) sector programme which fulfils the essential criteria for adopting the sector approach” (ibidem).
  
  o On the basis of the “sector fiches” under IPA I, IPA II also proposes a ‘Sector Support oriented Action’, which aims “at supporting a given sector, for which the conditions for the sector approach are not yet in place, whilst helping the beneficiary proceed gradually to the preparation of the sector support” (ibidem).
  
  o A programme may also count ‘Stand-alone Actions’, when “the sector approach is neither appropriate or necessary in the context of preparation for accession (e.g. technical support on some specific parts of the EU acquis) or a horizontal or ad hoc intervention (e.g. programme preparation facility; contribution to an EU programme or agency; etc)” (ibidem). It corresponds to a project or any horizontal measure under component I of IPA I (ibidem).

- Grant access to assistance under the same terms to all enlargement countries, without distinction based on the status of the country (i.e. whether candidate or potential candidate; Commission, 2011a). This increases the access to assistance for LRAs in aggregate across the candidate countries.
Limit the administrative burden. The ultimate objective is to facilitate a sharper focus on the objectives themselves, rather than the mechanics of preparing individual projects. For instance, to further this objective, assistance programmes become multi-annual, and will be reviewed once at mid-term (compared to the previous system of annual revisions and programming). The new focus on the simplification of procedures in the implementation of IPA II (Commission, 2011b) offers an excellent opportunity for LRAs to engage in IPA II activities without placing unnecessary administrative and financial burdens on their resources that were required under the previous system. In effect, this change at the EU level automatically increases the absorption capacity of LRAs within candidate countries.

Make overall pre-accession assistance more coherent. Under IPA II, all countries are expected to be involved early in the planning exercise (Commission, 2011b). For instance, the relevant authorities of the beneficiary countries do not only contribute to their country action programmes but they also participate in the ‘sector working groups’ preparing the sector programme.

Leverage more funds and exploit synergies to enable necessary investments to be made, and to provide for increased cooperation with international financial institutions and other donors (e.g. European Bank for Reconstruction and Development, European Investment Bank, etc.), and for the use of innovative financial instruments (Commission, 2011b). The identification of suitable projects is best done at the local level, enhancing the potential role for LRAs.

Enhance the coherence of pre-accession assistance with the sector approach, on the basis of a longer-term planning process resulting in a strategic instrument for donor coordination and for steering private-sector investment.

Reward good performance (Commission, 2011a, p.5 and European Parliament & Council, 2014a, article 14) based on absorption and on achieving strategic targets. IPA II is designed to use conditionality in a more strict and systematic way at country, sector strategy and project level. This should improve the effectiveness of the assistance provided under IPA II. In the future, there will be more flexibility to allocate funds to more result-oriented actions, to cater for emerging needs and to give incentives to improve performance. As a result, there will be greater emphasis on “linking progress along different management phases to political priorities” (Commission 2011b, a.12), as reflected in progress reports, the achievement
of negotiation benchmarks or the track record in implementing the Association Agreements.

Overall, the revisions to the design of the instrument and its implementation modalities introduced by the new regulation are as follows:

- The delivery of assistance will be made more coherent, strategic and result-oriented;
- The delivery of assistance will be made more flexible and tailored to address needs;
- The deployment of assistance will be made more efficient and effective.

In short, IPA II differs from IPA I in its core assumption that a ‘one size fits all’ approach to public policy is not appropriate to securing EU policy objectives in the countries targeted under IPA II. Instead, measures tailored to the individual circumstances of each of the countries will be employed.

1.2 Examples and lessons learned from previous experience

On the basis of interviews conducted with LRAs in project management under IPA I (interviews #13 to #21⁷), this section presents a selection of projects, the lessons learned from them and policy recommendations based on these experiences. Contact was made with project managers in all the beneficiary countries but the data below covers only four of them as it is dependent on the answers received. We have focused here solely on those projects that have value for LRAs seeking to participate in IPA II.

⁷ In line with accepted ethical best practice, the report respects the interviewees’ request for anonymity and refers to interviewees’ institutional affiliation only.
PROJECT EXAMPLE: ALBANIA

Eco-Tourism Trails

May 2012 – October 2013

IPA FUNDS: EUR 206 037

LRA actors involved in the project were one EU region (Municipality of Nestorio - Greece) acting as lead partner and one Albania LRA partner (Municipality of Korçë), alongside another regional NGO, the Wildlife and Nature Conservation Society of Greece.

This project, supported with IPA I funding, supported the advancement and development of eco-tourism projects in the cross-border region, which exploited the region’s significant natural and wildlife resources. Working in partnership, the LRA actors were able to establish an overarching approach to tourism management that allowed for the development of integrated tourist products, such as tours which would take in sites on both sides of the border, and an integrated approach to tourism resources, such as the provision of information on tourism on both sides of the border. The project took a partnership-led approach, the aim being to improve the competitiveness of the tourism sector as a whole. The project also allowed for a more integrated approach to sustainable tourism development in the cross-border region.

LESSONS LEARNED: IPA funds can foster dialogue and cooperation between LRAs in a region. The positive added impact of these new relations can facilitate economic growth and development and can support an integrated approach, which promotes sustainable development in partnership.
PROJECT EXAMPLE: FYROM

Culture - Bridge of Cohesion

July 2011 to July 2013

IPA FUNDS: EUR 235 384

LRA actors involved in the project were one EU municipality (Sandanski - Bulgaria) and one municipal authority in the candidate country (Novo Selo – The former Yugoslav Republic of Macedonia).

This project, supported through the IPA cross-border programme, offered an opportunity for collaboration in the field of cultural preservation and heritage between municipalities in the EU (Bulgaria) and a candidate country (FYROM) in a cross-border setting.

The main objective of the project was a focus on enhancing sustainable development in the cross-border region, maximising the potential of common cultural heritage in the region for both enhanced tourism and cultural preservation for the local community.

IPA funds allowed local authorities to enhance the physical condition of cultural artefacts and to develop new sites for the presentation of cultural history.

Significantly, the IPA funds also stimulated collaboration between the LRAs across EU borders, creating new partnerships between LRA actors and allowing for a strengthening of existing relationships, taking forward shared goals.

LESSONS LEARNED: Legacy capture can best be achieved through the good will and strong working relationships that have been established between LRA actors across EU boundaries under the IPA I funding streams. IPA II funds may support enhanced cooperation between LRA actors, but they should also include some incentive structure that would allow these relationships to become self-sustaining after the funds for specific projects have been terminated and the programme has run its course.
PROJECT EXAMPLE: FYROM

Bike lanes for citizen and visitors to Kyustendil and Kriva Palanka

November 2012 to January 2014

IPA FUNDS: EUR 495 357

LRA actors involved in the project were one EU municipality (Kyustendil - Bulgaria) and FYROM (Kriva Palanka).

This IPA project brought together municipal authorities on both sides of the EU’s border, in Bulgaria (Kyustendil) and FYROM (Kriva Palanka) with the shared objective of improving cycle lanes and promoting cycling in the cross border region. Through the municipal authorities, acting as lead project partners, this project encouraged grassroots cooperation between citizens and community organisations in the local area, which took ownership of the project and engaged with its deliverables from an early point. The project had a significant outreach dimension and focused on securing strong public engagement through awareness raising activities, with the net result of increased confidence in local government capabilities on the part of citizens, NGOs and the regional business sector.  

The project also allowed for collaboration and the building of new networks between the LRAs in Bulgaria and in FYROM, with the mutual objective of economic development in the region.

LESSONS LEARNED:
1. Local and regional actors in the candidate countries need further support for grant writing as there is little time, expertise or know-how at local and regional level and it is here that the greatest support would be appreciated. The CoR should work closely with the national associations of local and regional authorities in the candidate countries to train additional officials in the skills necessary for preparing IPA funding applications.

2. The lead partners who have successfully implemented IPA projects at the local and regional level could act as powerful multipliers in the region. Outreach events, where these actors engage with other local and regional authorities in the candidate states to share their experiences and expertise would be particularly useful and could easily be organised in collaboration with the national associations of local and regional authorities.

---

PROJECT EXAMPLE: MONTENEGRO

STATUS – Strategic Territorial Agendas for Small and Medium-Sized Towns’ Urban Systems

May 2013 to May 2015

IPA FUNDS: EUR 133 858 (alongside ERDF funding for the whole project)

This project has brought together a wide array of LRA partners from the South Eastern area of the EU and two LRA partners from the candidate countries: the municipality of Herceg Novi (Montenegro) and Temerin (Serbia).

The STATUS project, supported through the IPA I programme, facilitates the exchange of experience and know how between local actors throughout the EU and candidate and potential candidate countries, with a core focus on sustainable urban growth. The core initiatives that were funded within STATUS tackled some of the most pressing issues affecting metropolitan areas and regional systems. The global aim of this project is to reduce the developmental gap evident in cities in South East Europe in terms of their quality of life and their economic competitiveness. The focus is on developing integrated strategies for urban development, as well as new capacities for city management and a suite of urban implementation tools. The STATUS project aims to develop the capacity of the partner LRAs in the candidate countries and potential candidate countries to pursue more balanced territorial development and as such to move towards global competitiveness.

The network of local and regional actors which was established with this project will allow for the transfer of good and best practices in the field of urban management, policy and planning, putting into practice the concept of ‘Territorial Cohesion’ in South East Europe. It will also allow cities in SEE to develop the tools required for the better use of structural funds at an urban and city-region scale on joining the EU and the future management of funds dispersed under the EU’s cohesion policy.

LESSONS LEARNED: The main lesson is that ‘capacity builds capacity’ – in other words, there needs to be the capacity at the grassroots level within LRAs in the candidate and potential countries in the first place in order to be able to participate in capacity building projects such as the ERDF-IPA supported STATUS project.
PROJECT EXAMPLE: SERBIA

COOLING CUBES – Integrated spa development strategy for the spas situated in the area of the main traffic route through the Hungarian-Serbian cross border region.

March 2013 to June 2014

IPA FUNDS: EUR 99 824

LRA actors involved in the project were one EU municipality (Mórahalom - Hungary) and three Serbian LRA partners (Ada, Temerin, Novi Sad).

This project, supported through the IPA I programme, facilitated the exchange of experience and know how between local actors in a cross-border setting.

Local and municipal authorities from one EU member state (Hungary) and one candidate country (Serbia) were able to cooperate in a regional tourism project by leveraging IPA funds for cross-border economic development initiatives. The ‘Cooling Cubes’ project offered an opportunity for local and regional authorities in the 50 km² Belgrade-Budapest region to collaborate on the development of health tourism promotion in the region. Working in partnership, the municipalities involved in the project set out to identify complementarities between the individual spas in the region, which each attracted a set of visitors. A new tourism infrastructure was then developed, which encouraged tourists to benefit from several of the region’s spas, as each were now promoting complementary facilities. A new spa ‘route map’ for the region was developed, encouraging tourists to visit a number of local sites rather than limiting themselves to one, as had previously been seen to be the case.

The overall objective of this project was to encourage and promote tourism in the region. The net output was that a new infrastructure for tourism was created, the focus being on complementarity rather than competition between local actors. This approach delivered a mutual benefit to all relevant actors. Further, the IPA funds fostered successful collaboration and enhanced working partnership between local and regional authorities in the candidate country and in the EU member state (for more information, see http://www.cooling-cubes.org).

LESSONS LEARNED: Dialogue and cooperation between local authorities in a region can facilitate economic growth and development. Dialogue and the exchange of ideas can also overcome some of the negative externalities of competition, by finding a creative means with which to harness and promote individual strengths.
PROJECT EXAMPLE: SERBIA

HONEY CHERRY – Our common cultural heritage and culinary traditions, thematic way with strengthening the role of fruit growing and apiary (beekeeping) in the cross-border region

February 2013 to December 2013

IPA FUNDS: EUR 254 652

LRA actors involved in the project were one EU municipality (Szank - Hungary) and two Serbian LRA partners (Mali Idjos and Móricgát).

This IPA project brought together local authority actors in the EU and a candidate country with the shared aim of protecting regional traditions, heritage management and tourism development. The project focused on the municipalities’ common history of fruit growing and apiary (bee-keeping), and supported the development of new tourist information sites, which could introduce a wider number of visitors to the agricultural and rural history of the region. In addition, further activities were supported in the region such as a dedicated cultural exhibition entitled “Honey and the Man”, a joint, bilingual picture book and a joint recipe book.

LESSONS LEARNED: Dialogue and cooperation between local authorities in a region can facilitate economic growth and development; this is particularly the case in the area of tourism promotion based on cultural and regional tradition.

1.3 Lessons learned and general recommendations to increase LRAs’ absorption capacity

On the basis of the illustrations of projects funded under IPA I presented above, this section summarises the lessons learned from the particular cases. In turn, it emphasises the possible transfer of positive experience from IPA I to IPA II and identifies more general recommendations for increasing LRAs’ absorption capacity – a point that will be specified in the second part of the report on the basis of the country-specific conclusions.
**Human resources**

- There is often a shortage of properly trained and skilled staff in all but the largest LRAs. This is a significant impediment to full participation in IPA.

  - Under IPA II, support should be provided to tailor-made training programmes for LRAs’ civil servants. Support should also be provided for grant writing (one suggestion would be for LRAs to be able to apply for modest funds to pay for training and direct support through the engagement of external consultants). The CoR has in that respect a crucial role to play given its collaboration with the LRAs network and the potential for the diffusion, within this network, of best practices.
  
  - IPA II should also support networking among LRAs to maximise the multiplier effect of experience sharing with the LRAs successful in the planning and implementation of projects benefiting from EU financial assistance.
  
  - Exchanges between EU LRAs and LRAs in candidate and potential candidate countries should be further encouraged as a modality to capitalise on the lessons learned from the projects funded by EU instruments.

**Financial resources**

- LRAs, particular small municipalities, often face significant limitations with regard to their financial resources. The co-financing demands of IPA projects therefore remain one of the major obstacles (arguably the principal obstacle) to their successful participation in programmes. Simply put, LRAs in the candidate and potential candidate states find it extremely challenging to find the required level of co-funds to be able to participate in IPA projects. A generalised remedy to this problem would be that LRAs should be able to increase their own resources through the devolution of tax-raising powers, but it is important to be realistic about what is possible at the current time in this area.

  - In order to secure the wider participation of LRAs in IPA projects, the CoR could look to advocate at EU level a reduction in the demand of co-financing wherever this is possible within the framework of existing regulation.

**Procedures**

- Despite revisions to the management demands of IPA projects, many LRAs in the candidate and pre-candidate state, particularly in the western Balkans,
find the administrative dimension of IPA programmes overly complicated. This is a widespread problem that is also strongly linked both to the human resources point outlined above and to the tautological (if true) finding that ‘capacity builds capacity’.

- Wherever possible, and within the framework of existing regulation, CoR should push for a further **streamlining of administrative requirements**; a more simple and straightforward, user friendly project management system would help to encourage a greater participation rate amongst LRAs in the region.

**Regional cooperation**

- There is often a lack of formal institutional space or platforms for dialogue among LRAs in the candidate and potential candidate countries. Yet regional cooperation is key in building capacity and developing an integrated approach to a project among the different beneficiaries involved.

- IPA II should endeavour to promote **regional cooperation** between candidate and potential candidate countries and support the instruments that share this objective. As a minimum, it would be helpful if LRAs could cooperate across regions and borders without the need to obtain administratively complicated permissions from central government.

**Institutionalisation**

- The lack of institutionalisation at all levels of government, with a continued tendency towards ‘personalised’ policy making – with greater emphasis on individuals and less on long-term institutions and organisations – weakens the potential impact of IPA-funded projects.

- IPA II should contribute to the **formalisation of policy making** in the beneficiary countries at all levels of government, by reaffirming the conditionality of the financial support on the respect of specified rules and procedures.

- On occasion there is support for engagement in IPA projects and programmes amongst the administration of LRAs in the candidate and pre-candidate countries, but there is not enough political will at decision-making level to secure the participation of a particular LRA. The CoR should work with political initiatives such as the Covenant of Mayors, to encourage further political support in the region for LRA engagement in IPA programmes. Continued high-level advocacy on the part of the CoR is likely to be the most effective means of achieving this aim.
Communication

- LRAs are sometimes not sufficiently aware of EU funding opportunities as they do not always have the necessary capacity and resources to access the information. Moreover, smaller LRAs often experience difficulties identifying suitable EU partners.

  - The organisation of **outreach events and more focused public relations** on the part of EU delegations should make the information more easily accessible. In addition, EU delegations should also support the development of more information desks within LRAs in the beneficiary countries (as delegations will eventually disappear upon the accession of candidate and potential candidate countries).

Sector approach

- Because IPA II – contrary to IPA I – will be based on a sector approach to project identification and implementation, the focus should be put on the adaptation of the beneficiaries’ structures to the new EU requirements. The following recommendations are based on previous experience in the delivery of sector-based projects as well as an analysis of the findings of both the works cited in the close of this report and, most importantly, the primary data gathered during interviews with 25 officials working on IPA.

  - To support the implementation of sector approaches under IPA II, the following recommendations were formulated (Commission/Ministry of Finance and Treasury of Bosnia and Herzegovina, 2010, pp.6-9):
    - Agree on which sectors would benefit from a sector approach.
    - Agree on the sector policy framework.
    - Agree on a framework for institutional arrangements and coordination.
    - Agree on the capacity building strategy.
    - Agree on the sector performance assessment system.
2 The institutional context

This section considers each of the eight countries listed in annex 1 of the IPA II regulation in turn. The institutional framework in which LRAs operate has been discussed already in a study produced by the European Institute of Public Administration which is available online.\(^9\) This contribution focuses instead on the following discussion:

1. It assesses the challenges for LRAs’ participation in programmes funded under IPA II\(^{10}\);
2. On the basis of the indicative strategy papers (where these are available), it presents possible objectives supported by EU pre-accession assistance;
3. Lastly, it draws country-specific conclusions and details policy recommendations to increase the absorption capacity and efficient use of funds for LRAs under the IPA II regulation.

This section builds on a series of 25 interviews conducted with officials in EU Delegations in the candidate and potential candidate countries, as well as at the Commission (DG Enlargement), as well as with civil servants working at government level in the beneficiary countries who are responsible for local government and/or European integration, and LRAs’ civil servants in charge of particular projects. In line with accepted ethical best practice, in order to respect the interviewees’ request for anonymity, the exact positions are not disclosed but the institutional affiliation is specified.

2.1 Albania

In the period 2007–13, Albania received a total of approximately €594 million (Commission, 2014l, p.4). Under IPA II, for the period 2014–20, Albania will receive a total of €649 million (Commission, 2014f, p.36).

Challenges to Administrative Capacity

Overall, public administrative in Albania is weakened by a high degree of politicisation, a risk of corruption, a lack of professionalism and of continuity (Commission, 2014f, p.5). In the Albania 2014 Progress Report, the Commission notes “decentralisation reforms progressed and work has started on clarifying the functions of local government units under the new territorial

---

9 For more information, see [http://extranet.cor.europa.eu/divisionpowers/Pages/default.aspx](http://extranet.cor.europa.eu/divisionpowers/Pages/default.aspx).
10 The report does not describe the specific structures at local level for pre-accession funds as there is no typology of these structures, which vary depending on the country and the types of LRAs considered.
administrative division in the preparation of amendments to the Law on the Organisation and Functioning of Local Government” (Commission, 2014l, p.8). This law has already reduced the number of local government units but further consolidation of Albania’s institutional framework for the LRAs’ participation is needed (ibidem; interview #1, DG Enlargement, Commission).

The financial situation of local governments also remains critical (Commission, 2014l, p.8; Qarri et al., 2012, p.386). The politicisation of the financial transfers from the central government to local authorities – as illustrated in 2012, when the central government enacted changes to budget legislation that allowed the Ministry of Finance to block financial transfers to LRAs – constrains LRAs’ control over their resources (ibidem).

Despite the limitations imposed upon LRAs in Albania, it is true that administrative capacity varies across policy areas (interview #1, DG Enlargement, Commission). For example, Albanian LRAs face serious problems in the planning stage of IPA operations. In particular under the chapter on “Regional policy and coordination of structural instruments”, the Commission points out that “as regards the legislative framework, further steps need to be taken to secure multi-annual sector programming, budget flexibility and co-financing capacity for EU projects at national and local level” and that further action is also needed in the field of administrative capacity (Commission, 2014l, p.39). Given the culture of centralisation of the country and the top-down approach to the management of pre-accession assistance (and whilst it is acknowledged that central government has made progress in increasing the involvement of LRAs in the planning process) central government could still do much more. As one interviewee emphasises, the resistance at central level to the LRAs’ involvement in the planning phase and to the decentralisation of the powers to manage EU assistance to local and regional level (interview #1, DG Enlargement, Commission) is highly problematic.

In the area of project implementation, there remains much scope to increase LRA involvement, especially in areas where projects have a direct impact on them or because successful implementation directly requires their participation (interview #1, DG Enlargement, Commission). Examples cited include projects related to the construction of water infrastructure and the construction of municipal buildings (e.g.: the Court House in Tirana).

As has been reported, inadequate staffing levels within IPA structures at local level limit the LRAs’ administrative capacity (interview #1, DG Enlargement, Commission). In Albania, the lack of expertise on issues related to the management of IPA funds (e.g. on the procurement rules governing EU funds) is combined with insufficient staff numbers (Commission, 2014l, p.39), a high
turnover of the staff, the politicisation of civil servants but also corruption, which overall create planning and implementation problems for the projects, as well as for the sustainability of the assistance projects (Commission, 2014e, pp.66, 72, 81).

Lastly, and related to the insufficient expertise of LRAs’ staff, compliance with European procedures and standards constitutes a challenge for local governments (interview #1, DG Enlargement, Commission).

**EU Assistance in 2014-2020: an example in “Democracy and governance”**
(after Commission, 2014f, p.14)

Identification of needs: improvement in democratic consensus building, low degree of available human resources, a high degree of politicization and insufficient implementation of the legal framework.

The EU envisages supporting projects, which contribute towards the fulfilment of the following objectives which are specifically relevant to LRAs:

- Democratic institutions conform to legal framework and allowing for consensus building to support EU-related reforms;
- A de-politicised, merit-based civil service system with integrity systems and ethical standards is in place;
- Civil service and public administration organisation, coordination and functioning is fully defined, including competency and responsibility of local government;
- Public finances are managed efficiently and sustainably;
- Sufficient capacities are in place for management the EU accession process, including for policy development, and preparing and implementing adequate legislation.

**Recommendations to increase absorption capacity**

To enhance LRAs’ administrative capacity, some steps have already been taken, on which this report suggests more work is needed. Addressing the weaknesses highlighted above, the following recommendations are made:

- The EU should support the finalisation and consolidation of the reforms of the public service initiated in Albania. In the period 2011–13, the MIPD (Multi-annual Indicative Planning Document) aimed in particular at “enhancing professionalism and de-politicisation of public administration and strengthening a transparent, merit-based approach to
appointments and promotions” (Commission, 2014e, p.72). Ensuring the sustainability of the civil service reform is an on-going concern. It requires, notably, support for the implementation of the law on the status of civil servants and its secondary legislation (Commission, 2014e, p.81).

- The EU should increase the participation of Albania’s LRAs in the planning and programming of EU assistance. Ownership by the beneficiary is essential for the effective targeting of assistance and for achieving desired outcomes. Encouraging the participation of LRAs in the definition of the National Strategy for Development and Integration (in the period 2014–20) and of the sector approach under IPA II requires setting up coordination mechanisms between national and local institutions (Commission, 2014e, p.66).

- The EU should support a functioning sector approach in Albania in line with the new approach of IPA II. This requires the monitoring of the development of sector strategies and of the financial framework for the implementation of the sector strategies, in to assess the performance of the sector working groups (already in place) and to target support on the needs identified (Commission, 2014f, p.8).

- The EU delegation should provide ad hoc assistance to LRAs in writing proposals that respond to the procedural and substantial requirements (interview #1, DG Enlargement, Commission). Ideally, this would need to be done through the programming of financial assistance that could be made available to LRAs to hire additional support, rather than through the use of delegation staff. This action should be targeted at the LRA and EU delegation level, rather than the central level.

- The EU should support the consolidation of financial decentralisation through a strengthening of the fiscal autonomy of LRAs (Haldeda et al., 2013). This is a vitally important point that cannot be emphasized enough in promoting the sustainable financial autonomy of LRAs.

- The EU should encourage sustainable change in civil service at the local level. With the provision of training – targeted on the needs identified by LRAs themselves – and the use of TAIEX, the expertise available in LRAs’ civil service could be increased. The reform of the civil service will work towards the sustainability of these changes through the retention of the staff.

- The EU delegation should create a support desk for LRAs in Tirana to assist in the dissemination of good practices in accessing project funding.
2.2 Bosnia and Herzegovina

In the period 2007–13, Bosnia and Herzegovina (BiH) received €593.96 million. However, the country is currently at a standstill in the European integration process (Commission, 2014e, p.84; Commission, 2013a, pp.34-35). It has not established an effective coordination mechanism on EU matters, yet this is one of the key commitments in the 2012 Roadmap on the country’s EU membership application. In a difficult political context, the Commission has postponed discussions on IPA II until the situation is normalised (Commission, 2014e, p.84). In particular, the Indicative Strategy Paper for Bosnia and Herzegovina 2014-2020 is not yet available.12

Challenges to Administrative Capacity

Overall, EU official documents recognise the very limited progress made in reforming public administration in Bosnia and Herzegovina and in improving its capacity at any level (interview #8, EU Delegation; Commission, 2014e, p.84; Commission, 2014m, p.10).

First, policy and planning decisions in BiH are often compromised by an uncertain separation of powers and competences governing decision-making across policy areas (Commission, 2014m, p. 1). For instance, decisions concerning the planning and implementation of road building have been devolved to the cantonal level, whereas responsibility for forestry and utilities is divided between municipal, cantonal and state-level governments (Fagan, 2008). This lack of clarity and openness regarding the precise distribution of responsibilities for decision-making, issuing of permits and licenses, and regulation and implementation is identified by many organisations as a serious impediment to effective policy formulation and implementation.

Second, low levels of financial autonomy at the local level further complicate the administrative capacity of LRAs in BiH (see for instance Ateljevic et al., 2014, p.281). There is very limited scope for taxation and revenue generation at the local level in BiH, with a very weak culture of supporting the use of locally raised tax revenues to fund local government spending (Pugh, 2005, p.143). In the absence of financial autonomy or revenue, local government and municipalities rely overwhelmingly on either the state or the EU to fund local projects.

12 Because of the absence of the indicative country strategy paper for IPA II, it was not possible to identify the objectives of actions supported by the EU in the field of “Democracy and governance” – compared to what was done for the other beneficiaries.
Third, the fragmentation of the legal administrative framework remains a concern (interview #8, EU Delegation). Despite repeated calls for the establishment of a coordination mechanism on EU matters *inter alia* – with the objective of overcoming this fragmentation and to give the opportunity to stakeholders at central and local levels to contribute to decision-making – the situation has not improved very much.

Fourth, LRAs suffer from insufficient human resources (Commission, 2014e, p.84). The lack of technical and procedural expertise, as well as the high turnover of the staff, – issues common to IPA beneficiaries – weakens local administrative capacity.

Lastly, Bosnia and Herzegovina also lacks sector strategies, which are a prerequisite for the new approach – the sector approach – of pre-accession assistance (Commission, 2014e, p.85). The Commission’s Report on Financial Assistance for Enlargement notes that “the implementation of assistance [has become] even more difficult than in previous years and [suffers] specifically from the absence of (…) well planned sector strategies” (*ibidem*).

**Recommendations to Increase Absorption Capacity**

The weak administrative capacities of Bosnia and Herzegovina, combined with the standstill in the accession negotiation process, the absence of indicative country allocation under IPA II for 2014–20, as well as the unpreparedness for the sector approach of pre-accession assistance constitute severe obstacles. To deal with these challenges, the following recommendations are put forward:

- The planning and programming process of EU assistance should be improved in Bosnia and Herzegovina (Commission, 2014e, p.86). A reform of the preparations for IPA II should be undertaken, including *inter alia* the setting up of a coordination mechanism on EU matters giving the opportunity to stakeholders at all levels to significantly contribute to the decision-making process.

- The EU should support the definition of clear lines of responsibility across policy areas and between different levels of government. In particular the Directorate for European Integration at central level should benefit from substantial institution and capacity building support, to be in a better position to provide guidance to LRAs.

- The EU should support the gradual shift to sector support, which would promote ownership by ensuring that projects are in line with Bosnia and Herzegovina's own reform strategies and by enhanced participation of
beneficiaries in the programming process (Commission, 2014e, p.85). This emphasis on sector support is a key focus of IPA II. The EU should support the establishment of sector working groups (on the models of the groups created in Albania for instance) and the drafting of sector strategies, on which to align its pre-accession assistance.

- The EU delegation should provide assistance in project development to civil servants in order for them to meet the technical and substantial standards in answering the calls for projects (starting with assistance in writing and presenting proposals).

### 2.3 The former Yugoslav Republic of Macedonia

The indicative strategy paper for the former Yugoslav Republic of Macedonia (FYROM) notes that the “administrative capacities of the country’s IPA structures have improved in recent years, but there are still shortcomings which have led to a backlog in procurement, a low rate of contracting and a risk of de-commitment of IPA funds” (Commission, 2014g, p.5). In the period 2014–20, FYROM will receive €664.2 million (Commission, 2014g, p.32); under the previous MFF, it received €615.1 million\(^{13}\).

**Challenges to Administrative Capacity**

Although FYROM is one of the largest administrations in the region, it remains weakened by several factors (European Policy Institute/Friedrich Ebert Stiftung, 2012, p.23).

The first challenge is the lack of adequate human resources, as illustrated for instance by the fact that municipalities do not have a specific unit or team dealing with IPA funds (European Policy Institute/Friedrich Ebert Stiftung, 2012, p.35). There is at the same time an insufficient level of staffing (interview #10, Ministry for Local Self-Government, FYROM) – at least partly explained by the lack of financial capacity of LRAs – and a lack of expertise to comply with the rules and procedures of EU financial instruments (European Policy Institute/Friedrich Ebert Stiftung, 2012, p.27). Moreover, there are also challenges relating to the qualitative requirements of writing proposals (including the linguistic barrier; interview #9, ZELS, FYROM). Because of their lack of financial capacity, LRAs are not in a position to hire external experts to remedy this weakness, such as an expert who would then also provide training and assistance in project development and management (interview #10, Ministry

---

\(^{13}\) See for more information [http://ec.europa.eu/enlargement/instruments/overview/index_en.htm#ipa2](http://ec.europa.eu/enlargement/instruments/overview/index_en.htm#ipa2).
for Local Self-Government, FYROM). The situation is further exacerbated by an additional external factor, the growing competition from other beneficiaries of EU funds, such as universities, NGOs and CSOs, which are rapidly increasing their capacities and applying for funding (*ibidem*).

Second, the lack of financial capacity of LRAs overall also impedes the implementation of projects supported by the EU because they often require co-financing by beneficiaries. LRAs do not have the necessary funding available (interview #9, ZELS, FYROM). Fiscal autonomy is a challenge at municipal level (Lyon, 2013) and there exists considerable variation in administrative capacity across municipalities, restricting their ability to utilise funds effectively (Atanasova and Bache, 2010). The administrative capacity of some municipalities, particularly the smaller ones, remains especially low in the areas of financial management, tax administration and financial control, while they are underfunded by the central government (*ibidem*).

Third, despite progress in management procedures, additional efforts remain needed to improve the track record of the implementation of these procedures (Commission, 2014n, p.39). The risk of severe delays in the project planning and management cycle – together with the risks that EU funds are de-committed – still exists as operating structures at all levels are not strong enough (*ibidem*).

Insufficient coordination between national and local levels is the fourth challenge identified (Commission, 2014e, p.52, European Policy Institute/Friedrich Ebert Stiftung, 2012, p. 31). Clearly defined roles and competencies in the areas of supervision and monitoring functions remain underdeveloped. The lack of resources of central authorities does not allow for a meaningful consultation of local stakeholders, which in turn consider that they suffer from a lack of communication in their ability to access EU funding (European Policy Institute/Friedrich Ebert Stiftung, 2012, p.32). This issue also refers back, to some extent, to the human resources challenge discussed above: municipalities have complained about the lack of training on pre-accession assistance provided by the central level (European Policy Institute/Friedrich Ebert Stiftung, 2012, p.32).
Identification of needs: transparency and independence of the civil service, respect for the principles of merit and equitable representation, corruption, ensuring a sustainable financial and legal framework for the implementation of all transferred and yet to-be-decentralised competencies.

The EU envisages supporting projects, which contribute towards the fulfilment of the following objectives which are specifically relevant to LRAs:

- National legislation aligned with EU acquis to a greater extent and capacities of relevant institutions strengthened;
- A strengthened, more accountable, depoliticised and merit-based public administration;
- Financially more sustainable and autonomous municipalities established;
- Sound public financial management established.

Recommendations to Increase Absorption Capacity

While institutional structures have developed over recent years, there remains significant scope for improvement if EU-funded projects are to be prepared and implemented more effectively (Siljanovska-Davkova, 2009). To address some of the weaknesses highlighted above, the following recommendations are proposed:

- IPA II should make the strengthening of the project management capacity of the relevant institutions to ensure effective and efficient management of EU funds one of its priorities (Commission, 2014n, p.39), especially in those municipalities where existing institutional capacity is lower than on average. In particular, the move from a project-based to a sector-based approach in IPA II programming provides the opportunity to rethink training opportunities and to adapt them better to the needs of the beneficiaries (Commission, 2014e, p. 53).

- The EU should provide training (or rather funding for training to be organised) to civil servants at both central and local levels, relying on instruments such as experience sharing, lessons learnt and networking (interview #9, ZELS, FYROM). Indirectly, supporting the hiring of external staff to provide ad hoc assistance to LRAs’ staff will create positive synergies with training (interview #10, Ministry for Local Self-
Government, FYROM). To ensure the sustainability of these changes, an effective staff retention policy is needed.

- The EU should support the establishment of a municipal bank that can help municipalities to provide the necessary funds for co-financing projects under IPA II and enhance the “expenditure autonomy” of the municipalities (Lyon, 2013, p.647; interview #9, ZELS, FYROM).

- The EU should continue monitoring and evaluating sector strategies.

- The EU delegation should monitor the implementation of planning and management procedures (Commission, 2014n, p. 39).

- The EU delegation should improve transparency, visibility, information and communication on EU-funded assistance (Commission, 2014n, p. 39; for an example of the impact of the lack of information on IPA-funded project, see for instance Hristova and Apostolova, 2013).

2.4 Iceland

Accession negotiations were put on hold in May 2013 following the 27 April 2013 general elections, despite the fact that substantial progress had already been made - 27 chapters had been opened and 11 provisionally closed (Commission, 2013a, p.45). Iceland’s EU negotiations committee has been dissolved, which means that the accession process has come to a halt. The country’s new government has also ceased contributing to the Commission’s report on EU enlargement strategy (ibidem).

Consequently, the country will not receive IPA funding any longer and ongoing projects have been terminated (interview #7, EU Delegation; Commission, 2014e; Commission, 2013a). All preparatory work on IPA II has also been suspended (Commission, 2014e, pp.125-127).
2.5 Kosovo*\textsuperscript{14}

Kosovo* needs continued support to ensure progress in the enlargement process. Under IPA II, it will receive €645.5 million in the period 2014-20 (Commission, 2014h, p.37) compared to €635.3 million in the period 2007-13.\textsuperscript{15}

**Challenges to Administrative Capacity**

The Commission notes that local governments in Kosovo* have improved their capacity, as illustrated for instance by the availability of legal guidance for municipalities and increased transparency of municipal decision-making (Commission, 2014o, p.9).\textsuperscript{16} Although the relevant structures are in place at local level and although LRAs are well informed about the possibilities for external assistance, there nevertheless remain challenges to LRAs administrative capacity (interviews #22 and #23, Ministry of Local Government Administration, Department for European Integration and Policy Coordination and Regional Cooperation and Development Department, Kosovo*).

First, a lack of professionalism and motivation continues to characterise public administration reform and the civil service in general at both central and local government levels (*ibidem*).

Second, at the project implementation level, shortage of trained staff has proven problematic in the past in both the Community Assistance for Reconstruction, Development and Stability in the Balkans (CARDS) and IPA I (Government of the Republic of Kosovo, Ministry of Local Government Administration, 2014; Commission, 2014o, p.10). The lack of experience, at the local level, in the independent management of EU assistance, often proves critical (interviews #22 and #23, Ministry of Local Government Administration, Department for European Integration and Policy Coordination and Regional Cooperation and Development Department, Kosovo*).

Third, the difference in the size of LRAs and the resources at their disposal result in an unbalanced distribution of EU assistance. The smaller LRAs do not have the financial resources to meet the co-financing requirement of EU-funded projects. Besides, the experience under IPA I shows that the largest share of EU assistance was absorbed by bigger LRAs (interviews #22 and #23, Ministry of Local Government Administration, Department for European Integration and Policy Coordination and Regional Cooperation and Development Department, Kosovo*).

\textsuperscript{14} This designation is without prejudice to positions on status, and is in line with UNSCR 1244/99 and the ICJ Opinion on the Kosovo declaration of independence.

\textsuperscript{15} See for more information [http://ec.europa.eu/enlargement/instruments/overview/index_en.htm#ipa2](http://ec.europa.eu/enlargement/instruments/overview/index_en.htm#ipa2).

\textsuperscript{16} This report does not cover the persistence of ethnic tensions in Kosovo*. For a discussion of the potential impact of these tensions on local governments, see for instance Rossi, 2014.
Lastly, despite progress, coordination remains a concern in Kosovo* at all levels (Commission, 2014o, p.9). The situation has improved to the extent that municipalities operate within a clearer legal framework and under guidance provided by the central government but coordination in strategic planning and between planning and budgeting needs to be improved (Commission, 2014o, pp.9-10).

EU assistance in 2014-2020: an example in “Democracy and governance” (after Commission, 2014h, pp.16-19)

Identification of needs: preparation for a new strategy on public administration, finalisation of the legislative framework for public administration, introduction of solid budgetary planning, improved policy coordination mechanisms and ownership of strategic planning, strengthening of sector approach, professionalization and de-politicisation of the civil service.

The EU envisages supporting projects, which contribute towards the fulfilment of the following objectives which are specifically relevant to LRAs:

- Consolidated and coherent public administration reform coordination and policy planning mechanisms
- A functioning public administration characterised by professionalism and sound administrative procedures
- Sustainable and effective public financial management

**Recommendations to increase absorption capacity**

To deal with some of the challenges highlighted above, the following recommendations are proposed:

- The EU should support the Kosovo Institute for Public Administration to provide training for civil servants.

- To ensure that sufficient human resources and structures are present to carry out projects, efforts should be made to increase the numbers of qualified staff for management of IPA funds. However, capacity building should not be limited to the provision of trainings, it should ensure that the proper project management tools exist throughout the project cycle and that, once recruited and trained, staff are involved at all stages and
supervised (interviews #22 and #23, Ministry of Local Government Administration, Department for European Integration and Policy Coordination and Regional Cooperation and Development Department, Kosovo*).

- The EU should support the finalisation of the reform of the status of civil servants, including the review of the organisation of public administration at the municipal level and the job description (ibidem; Government of the Republic of Kosovo, Ministry of Local Government Administration, 2014).

- The EU and the EU delegation should strengthen links between donors and ensure that there are clear links between IPA II resources and Kosovo's development and action plans, such as the budget and the Medium-Term Expenditure: a strategic coordination forum should be created to streamline activities and reduce the chance of duplication of activities.

- To consolidate the shift to the sector approach, policy and strategic budget planning should be improved. The EU should support the strengthening of the coordination capacity of the Ministry for European integration, of the development of medium-term strategies and of the monitoring and performance assessment (Commission, 2014h, p.11).

- Kosovo*, with the support of the EU delegation and the Commission services, should develop realistic actions to improve the quality of future projects, as well as transparent indicators to monitor project performance (Government of the Republic of Kosovo, Ministry of Local Government Administration, 2014). In turn, this will ensure that projects comply with the requirements of IPA II. Attention should be paid to capacity building in the areas of project preparation and strategic planning.

- The EU should support the strengthening of the framework for the financial resources of LRAs to lessen their dependence on the central level (Government of the Republic of Kosovo, Ministry of Local Government Administration, 2014; Government of the Republic of Kosovo, 2014, p.8; Government of the Republic of Kosovo, Ministry of Local Government Administration, 2013). In addition, a co-funding mechanism should be set up, to allow an equal access to all potential beneficiaries to EU assistance (interviews #22 and #23, Ministry of Local Government Administration, Department for European Integration and Policy Coordination and Regional Cooperation and Development Department, Kosovo*).
The EU should encourage the central government to provide guidelines to municipalities regarding the existing framework to strengthen administrative capacity, advice on the financial framework for LRAs as well as on administrative procedures (Government of the Republic of Kosovo, 2014, pp.45, 65, 71).

2.6 Montenegro

Under the new MFF, Montenegro will receive €270.5 million (Commission, 2014i, p.39) – a slight increase compared to the assistance amount of €235.6 million received in the period 2007-13.17 Public administration reform remains a priority to enhance Montenegro’s local capacity with a focus on financial and administrative sustainability (Commission, 2014p, p.8; Commission, 2013a, p.24).

Challenges to administrative capacity

Several challenges jeopardise the administrative capacity of Montenegrin local and regional authorities.

The lack of adequate human resources constitutes the first weakness. In particular, the fluctuation of municipal staff (interview #5, UOM, Montenegro), the politicisation and the lack of professionalism of the civil service (Commission, 2014p, pp.1-2; Commission, 2013a, p.24) are concerns of importance. These factors hinder decentralisation processes in Montenegro and the realisation of the transfer of competences in the management of EU funds (Marović, 2011, p.3).

Second, the legal system in Montenegro remains out-dated and in need of systematic decentralisation of administration to engage government authorities with LRAs (interview #3, DG Enlargement, Commission; CoR/Union of Municipalities of Montenegro, 2013).

In addition, the legislative framework for the financing of LRAs remains weak. Local governments are often in a bad financial situation (interview #5, UOM, Montenegro) and much progress remains to be made in ensuring that the principle of transparent and sound financial accounting permeates administrative structures (interview #3, DG Enlargement, Commission).

17 See for more information http://ec.europa.eu/enlargement/instruments/overview/index_en.htm#ipa2.
Lastly, LRAs are also limited by insufficient capacities for strategic long-term planning (interview #5, UOM, Montenegro).

EU assistance in 2014-2020: an example in “Democracy and governance”
(after Commission, 2014i, pp.11-15)

Identification of needs: developing the capacity to apply the acquis, to tackle de-politicisation and the high level of turnover, to increase the transparency and professionalism of the civil service, reform of the public financial management system, enhance the medium- to long-term horizontal planning, improve coordination between central and local administrations, as well as among local self-governments.

The EU envisages supporting projects, which contribute towards the fulfilment of the following objectives which are specifically relevant to LRAs:

- Improved policy-making and coordination capacity, both at central and local level;
- A merit-based civil service system with adequate human resources management;
- Improved public financial management following the implementation of a comprehensive multi-annual public financial management reform programme.

Recommendations to increase absorption capacity

To overcome the weaknesses highlighted above, the following recommendations are proposed:

- Training programmes should be better tailored to the needs of local governments to increase their capabilities in project management. This should involve the utilisation of professional advisors, the provision of trainings (CoR/UOM of Montenegro, 2013). It should also involve knowledge exchange and the sharing of best practices with other LRAs in the region – with the creation of a cooperation mechanism between local authorities (CoR/UOM of Montenegro, 2013) – and with EU member states, for instance through secondment (ibidem).

- The Joint Consultative Committee with Montenegro has suggested to build on the experience acquired through the implementation of the Local
Administration Facility (LAF) (CoR/UOM of Montenegro, 2013). It recommends the continuation of the LAF programme, and suggests that single-beneficiary study tours, targeted specifically at Montenegrin LRAs, should be organised.

- The EU delegation should continue to provide technical assistance in writing bids. It should make available anonymous copies of successful funding bids and peer-to-peer networking on that matter (CoR/UOM of Montenegro, 2013).

- The central government should maintain accessible and effective public administration offices in key areas such as public procurement and environmental protection to support LRAs (Joint Consultative Committee with Montenegro, 2013, p.4).

- The EU should encourage the Montenegrin government to improve its legislative framework for financing of local authorities.

- The setting up of a credit facility should address the LRAs’ difficulties in meeting the pre- and co-financing requirements of projects (interview #5, UOM, Montenegro).

- The EU should raise the challenge of the relatively small size of municipalities (all the more important given the small size of the country) – especially problematic for the financing of important projects – by further encouraging inter-municipal cooperation and joining efforts and capacities to implement big scale EU-funded projects (interview #5, UOM, Montenegro).

- The EU should monitor the drafting and the implementation of a consistent legislative framework for administrative bodies (Commission, 2014p, p.8).

- The EU should strengthen the sector approach in programming by first monitoring the functioning of sector working groups and second by improving the drafting of sector strategies and medium-term budget planning (Commission, 2014i, p.8).

---

2.7 Serbia

In the period 2014-20, Serbia will receive €1508 million under IPA II (Commission, 2014j, p. 40) – against €1385.4 million in the period 2007-2013.¹⁹ The indicative strategy paper for Serbia (Commission, 2014j) outlines the priorities of EU pre-accession assistance to support capacity building, in particular at local government level.

Challenges to Administrative Capacity

Stakeholders identify a number of challenges to administrative capacity, as follows. The first and foremost challenge outlined by interviewees in particular concerns insufficient human resources at local level. Despite the existence of an updated legislative framework putting in place in theory capacities at the local level, the implementation of the framework is not adequate and there remain issues (interview #12, EU Delegation). As in the rest of the Western Balkans, Serbian LRAs suffer from a lack of technical and substantial skills in policy planning and project management (interviews #2, DG Enlargement, Commission, #4, Standing conference of towns and municipalities, Serbia, #12, EU Delegation). It is for instance illustrated by the insufficient quality of the project documentation produced by potential beneficiaries in line with IPA requirements and the issue that EU procedures represent (interview #2, DG Enlargement, Commission). A related problem highlighted is the inability of LRAs to retain qualified staff, what prevents administrations from capitalising on expertise (interviews #2, DG Enlargement, Commission, #4, Standing conference of towns and municipalities, Serbia; Commission, 2014e, p.34; Commission, 2014q, p.40).

Second, there remains significant variation in resource availability across the regions of Serbia (interviews #2, DG Enlargement, Commission, #4, Standing conference of towns and municipalities, Serbia).

Third, Serbia has made significant efforts to prepare for a sectoral approach under the IPA II. The lack of efficient coordination mechanisms, of coherent sectoral strategies and of strategically developed investment plans, resulting in a weak project pipeline, remains an issue of concern in some sectors (interview #12, EU Delegation).

¹⁹ See for more information http://ec.europa.eu/enlargement/instruments/overview/index_en.htm#ipa2.
Lastly, a culture of centralisation persists in Serbia (Commission, 2013b, p.18), despite it being a large country: LRAs are often left with little freedom in principle and in practice (interview #4, Standing conference of towns and municipalities, Serbia). Nevertheless, the awareness of the central administration is growing that enhancing local capacities are crucial to meeting development and accession objectives (*ibidem*).

**EU assistance in 2014-2020: an example in “Democracy and governance”**

(after Commission, 2014j, pp.12-16)

Identification of needs: furthering of public administration reform on the basis of improved political coordination, the establishment of a monitoring working group, enhanced strategic vision as well as institutional and administrative capacity for policy planning, professionalization and de-politicisation of civil service, reform of public financial management, strengthening of LRAs’ capacities for strategic planning and project preparation facilities.

The EU envisages supporting projects, which contribute towards the fulfilment of the following objectives which are specifically relevant to LRAs:

- Enhanced policy coordination, medium-term planning and consolidated sector strategies
- Provision of training to civil servants at local government level
- Strengthened capacity for EU funds management
- Improved investment project preparation at local government level

**Recommendations to increase absorption capacity**

LRAs’ administrative capacity in Serbia should be further enhanced by working on decentralisation, depoliticisation, professionalization, rationalisation and modernisation (interview #4, Standing conference of towns and municipalities, Serbia). To address the weaknesses identified above, the following recommendations are formulated:

- The EU should continue providing training and technical assistance to civil servants at local level, in particular through the use of twinning and TAIEX, and create a monitoring mechanism at central level to assess the training needs and the training provided (interviews #2, DG Enlargement, Commission, #12, EU Delegation). Importantly, EU assistance should ensure the development of support structures in Serbia – as opposed to the assistance provided by the EU’s delegation. It should also be systematised: instead of following the logic of accession
negotiations – *i.e.* addressing issues as they arise in the negotiations chapter by chapter, horizontal priorities should be identified and addressed by the support structures (interview #2, DG Enlargement, Commission).

- The EU should encourage the setting up of regional mechanisms to share experience and organise regional events to disseminate best practices and discuss lessons learnt (interview #4, Standing conference of towns and municipalities, Serbia).

- The EU should support the Serbian government in the creation of a unique record of public entities towards the identification of responsibilities in the strategic planning phase and project management and the rationalisation of administrative organisations (*ibidem*).

- The EU should consolidate the completion of the programme budgeting framework and extend the methodology to LRAs (*ibidem*).

- The system of strategic planning and policy coordination at both central and local government level should be improved (*ibidem*). The standardisation of procedures should be extended to LRAs to eliminate unnecessary administrative barriers in project planning and project management.

- The selection process should ensure the preparedness and maturity of projects, in light also of the beneficiary organisation’s absorption capacity and record of past achievements.

- The shift towards the sector approach should be accompanied by improved coordination between EU assistance and sector strategies and action plans of the Serbian institutions, as well as a closer link between sector strategies and the budgetary process (Commission, 2014j, pp.8-9).

### 2.8 Turkey

Overall, the EU recognises that significant progress has been made in the development of the capacity of IPA institutions in Turkey, especially at local level but there remain challenges. Turkey will receive €4,453.9 million under IPA II (Commission, 2014k, p.46), compared to €4,799 million in the period 2007–13.20

---

Challenges to Administrative Capacity

The challenges to LRAs’ administrative capacity have been identified and could be enumerated, as follows:

Reforms aimed at increasing decentralisation in what is and has been a highly centralised system have been subject to considerable political resistance, especially from the CHP (Republican Populist Party), which has attacked the framework law on public administration for compromising the principle of integral unity of administration as stated in the Constitution (see for instance Esen, 2013). The framework law on public administration, special provincial administration law and the law on municipalities, as well as the law on development agencies, have also been taken to the Constitutional Court by CHP (Eliçin, 2011, p.113). There exist today tensions between the empowerment of local governments and tendencies to recentralise the local government system around the larger subdivisions only to benefit from economies of scale in planning and coordination (Akilli and Akilli, 2014).

The legislative framework for the financing of LRAs remains weak. As a result, LRAs often encounter financial constraints (Ertugal, 2010).

Administrative capacity, both at the central and regional level, has been improved substantially in recent years. A comprehensive public administration reform has been underway since 2002, which covers major transformations on every aspect of the Turkish Public Administration System. The creation of 26 Development Agencies (DAs) has helped to improve the administrative capacity at the local level (interview #6, Ministry of Development, Turkey). A major strength of the DAs system is that the legislative and organisational framework is largely based on good practice examples from EU. This ensures that DAs are acquainted with IPA requirements and have the potential to move from existing procedures to fully IPA-compatible procedures relatively easily and quickly (interview #6, Ministry of Development, Turkey). In addition, the recently introduced municipal and special provincial administration laws have permitted local authorities to conduct international cooperation initiatives, such as sister city agreements, project partnerships and membership in international organisations. Projects aimed at cities and municipalities appear to be most promising.

However, the Commission has registered delays in the implementation of IPA programmes, due to the insufficient capacities of the operating structures and end beneficiaries (Commission, 2014e, p.107). The risk that assistance is decommitted is not negligible (interview #24, Yeditepe University).
Regarding the adequacy of human resources, progress has been made thanks to the provision of training and of technical assistance (interview #6, Ministry of Development, Turkey). But measures to improve the management of human resources are still needed (Commission, 2014r, p.10).

**EU assistance in 2014-2020: an example in “Democracy and governance”**

(after Commission, 2014k, pp.13-16)

Identification of needs: civil service reform, local administration reform including better investment planning, further capacity building, comprehensive public financial management reform to make use of the sector budget support modality available under IPA II

The EU envisages supporting projects, which contribute towards the fulfilment of the following objectives which are specifically relevant to LRAs:

- Public administration reform coordination, policy making, civil service and public administration organisation and governance, including at local level are improved
- Fight against corruption
- Public financial management is improved

**Recommendations to increase absorption capacity**

The following recommendations are put forward to address the challenges identified above:

- The transfer experiences of the EU local and regional governments to Turkish colleagues (Commission, 2014k, p.16) in attracting and maintaining adequately qualified staff in local administrations and in increasing the capacity to prepare high-quality technical documentation should be further developed.

- Building on the lessons learned from IPA I and on mechanisms to share experience (interview #24, Yeditepe University, Turkey), the Commission services and the EU delegation should provide sufficient training and advisory support to the bodies involved in IPA and the final beneficiaries at central and local level, and ensure that an attractive career planning and salary system for civil servants is put in place across all bodies involved in the delivery of instruments (interview #6, Ministry of Development).
The Commission services and the EU delegation should provide training in strategic planning and in project implementation. In particular, a lack of experience among some DAs reduces their capacity to act as intermediate bodies in EU programmes because only some of the DAs have implemented EU/IPA financed projects (*ibidem*).

The EU should target capacity building programmes on cities and municipalities. They have been enthusiastic in exploiting their increased autonomy in recent years, and can be included in a range of activities, such as Twinning. Appropriate sectoral policies can also be utilised (e.g., those that focus on sustainable development in urban areas, SME development, etc.).

Coordination and complementarity among development interventions of regional and local actors should be enhanced (*ibidem*). In particular, as a consultative platform composed of major regional stakeholders, development councils should play a stronger role to enhance cooperation among local actors and to guide the agency.

Measurable objectives and indicators should be introduced to assess projects and to ensure that objectives are met.

The EU and Turkey should assess the current procedures throughout the project cycle with a view to reform them wherever needed (interview #24, Yeditepe University, Turkey). Administrative and legal simplification in that respect should be an objective for LRAs to be in a better position to follow the procedures and to avoid delay in project planning and management.

Financial execution should be improved through better forecasting, procurement planning and improved administrative capacity in both national and local authorities managing the funds. Only thirteen out of twenty-six DAs employ an internal auditor. Statements of Assurance on the functioning of the DA management and control system are not provided to the Ministry of Development.

The EU should support the preparation of a comprehensive capacity building strategy, which determines the overall approach for capacity building actions of institution to be involved in structural instruments management. It should include a training strategy and action plan to set out training priorities for all institutions involved (interview #6). The EU should also monitor and support the implementation of the reforms (Commission, 2014k, p.16).
- The EU should assess the comprehensiveness of the legislative framework developed by the Ministry of development, as well as the operational procedures and guidance given, to ensure that it plays a strong coordination and mentoring role for LRAs (interview #6, Ministry of Development, Turkey)

- Further decentralization should be supported. Despite the adoption of the Law on Metropolitan Municipalities, the EU should work towards the implementation by Turkey of the Council of Europe recommendations on the strengthening of municipalities through devolution of powers or enabling them to raise their own revenue (Commission, 2014r, p.10).
References


Committee of the Regions/Union of Municipalities of Montenegro (2013), *Draft report of the Joint Consultative Committee with Montenegro: Increasing absorption capacity of EU pre-accession funds and improving administrative capacity at the local level in Montenegro*, Brussels.


European Policy Institute/Friedrich Ebert Stiftung (2012), The use of EU funds in Macedonia : Efficiency, impact and absorption capacity.


Joint Consultative Committee with Montenegro (Committee of the Regions and Union of Municipalities of Montenegro) (2013), *Increasing Absorption Capacity of EU pre-Accession Funds and Improving Administrative Capacity at the Local Level in Montenegro*, Brussels.


**Interviews:**

#1 Commission, DG Enlargement (Albania), 7 May 2014

#2 Commission, DG Enlargement (Serbia), 12 May 2014

#3 Commission, DG Enlargement (Montenegro), 12 May 2014

#4 Standing conference of towns and municipalities, Serbia, 5 June 2014

#5 UOM, Montenegro, 11 June 2014
#6 Ministry of Development, Turkey, 11 July 2014
#7 EU Delegation, Iceland, 29 October 2014
#8 EU Delegation, Bosnia, 30 October 2014
#9 ZELS, FYROM, 5 November 2014
#10 Ministry for Local Self Government, FYROM, 6 November 2014
#11 EU Delegation, Kosovo*, 6 November 2014
#12 EU Delegation, Serbia, 7 November 2014
#13 Secretariat for European Affairs, Ministry for European Integration, FYROM, 6 November 2014
#14 Mayor’s office, City of Banja Luka, Bosnia and Herzegovina, 7 November 2014
#15 Municipality of Móráhalom, Hungary, 10 November 2014
#16 Municipality of Ada, Serbia, 10 November 2014
#17 Municipality of Kriva Palanka, FYROM, 11 November 2014
#18 Municipality of Novo Selo, FYROM, 11 November 2014
#19 Municipality of Herceg Novi, Montenegro, 17 November 2014
#20 Agency for IPA project implementation and delivery, Bosnia and Herzegovina, 18 November 2014
#21 Environmental Protection and Energy Efficiency Fund of Republika Srpska, Bosnia and Herzegovina, 18 November 2014
#22 Ministry of Local Government Administration (Department for European Integration and Policy Coordination), Kosovo*, 19 November 2014
#23 Ministry of Local Government Administration (Regional Cooperation and Development Department), Kosovo*, 19 November 2014
#24 Yeditepe University (Faculty of Law), Turkey, 19 November 2014
#25 Ministry of State for Local Issues, Albania, 21 November 2014