

Lessons learned from EU pre-accession funds

What Bankwatch and FoEE have been doing?

CEE Bankwatch Network and Friends of the Earth Europe have conducted constant monitoring on the programming and implementation of the EU pre-accession funds since 1999. Both NGOs have mainly concentrated on ISPA while developments with Sapard and Phare have also been followed with lesser attention. Case studies have been continuously collected from 8 countries (Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland and Slovakia). Bankwatch national coordinators have also been actively influencing the framework programs and strategies in national level. Set of recommendations for the improvement of the EU pre-accession aid have been published in series "Billions for Sustainability" (see www.bankwatch.org/downloads/billions4.pdf for the latest issue). In March/April 2004 a new collection of ISPA case studies with policy recommendations will be published by Bankwatch and FoEE.

What are the pre-accession funds?

In total, 2.6 Billion EUR was foreseen for EU pre-accession aid in CEE region for 2000-2006. The real amount of disbursement is not yet known. Aim of the pre-accession funds was two-fold:

- To help future member states to catch up with Community standards and legislation
- To serve as learning process in preparation for the use of EU Structural and Cohesion funds

Two new funds were created - ISPA and Sapard while Phare has been in operation in acceding countries already since early 1990s. ISPA is a copy of Cohesion Fund as it provides money for investments into transport and environmental infrastructure in 50-50 rate. Sapard is channeling investment grants for agriculture sector. It is notable that no fund pre-Structural Funds were set up so there will be time needed to get used to Structural Funds in new member states.

ISPA	Transport 50%, environment 50%	540 mEUR
Sapard	Agriculture	1 040 mEUR
Phare	Institutional strengthening, investment projects	1 500 mEUR
TOTAL		2 600 mEUR

Table 1. EU pre-accession aid to acceding countries in 2000-2006

Following the basic lessons learned by Bankwatch and FoEE from preparation, implementation and monitoring of the pre-accession funds is given

Basic layout of the pre-accession funds by the European Commission

- Guidelines for pre-accession funds do not demand public participation (*'where appropriate'*)

Access to information, appraisal

- Consultations with the public and NGOs during setting up the frameworks of funds has been poor
- No consultations with NGOs during project identification and selection
- Access to important and timely information is difficult (e.g. in some countries ISPA transport strategies were kept confidential)
- Quality of Environmental Impact Assessments (EIA) is often poor, very few a Strategic Environmental Assessments (SEA) are done

Programming documents, national strategies and plans:

- Were often made in rush
- There was little consultation with Ministries of Environment
- There were hardly any consultations with stakeholders (local municipalities, NGOs)
- Plans are often 'carved into stone' – little room for changing the set-up of pre-accession funds

NGO representation in monitoring committees

- SAPARD – represented in almost all countries
- ISPA environment – represented in Bulgaria, Czech Republic and Estonia
- ISPA transport – no representation is known

Unsustainable policy focus

- SAPARD focuses on implementation of the *acquis communautaire* based on "old" Common Agricultural Policy
- ISPA transport can only be used for extending the Trans-European Networks into the CEE region
- ISPA promotes car dependent development in transport sector
- ISPA environment focuses on big end-of-pipe projects

What to do?

- Financing of projects should be based on national sectoral policies and be subject of SEA
- Guidelines for pre-accession funds should be revisited in the spirit of EU Strategy on Sustainable Development
- Transparency and public participation in decision-making should be one of the key and obligatory rules for funding
- Know-how should be transferred, as well as resources dedicated for the better preparation of projects and more efficient utilization of EU funding