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INFORMATION

From:	Presidency
To:	Working Party on Enlargement and Countries Negotiating Accession to the EU
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Subject:	Multiannual Financial Framework (MFF) 2021-2027 - Instrument for Pre-Accession Assistance (IPA III)

Delegations will find enclosed the first revised draft of the Proposal for a Regulation of the European Parliament and of the Council establishing the Instrument for Pre-accession Assistance (IPA III), prepared by the Presidency taking into account delegations' comments at COELA meetings during the first round of discussions on the text as well as their written suggestions.

Changes to the Commission proposal are marked in ***bold italics*** and ~~strikethrough~~.

WK 8960/2018 REV 1

LIMITE

EN

2018/0247 (COD)

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL
establishing the Instrument for Pre-accession Assistance (IPA III)

CHAPTER I

GENERAL PROVISIONS

Article 1

Subject matter

This Regulation establishes the Programme 'Instrument for Pre-accession Assistance' ('IPA III').

It lays down its objectives, the budget for the period 2021-2027, the forms of Union assistance and the rules for providing such assistance.

Article 2

Definitions

For the purposes of this Regulation, the following definitions ~~apply~~ **applies**:

'cross-border cooperation' means cooperation between ~~M~~member States of the EU and beneficiaries listed in Annex I, between two or more beneficiaries listed in Annex I or between beneficiaries listed in Annex I and countries and territories listed in Annex I of the [NDICI Regulation] as referred to in point (b) of Article 3 (1) of [ETC Regulation]¹.

¹ COM(2018) 374 final - Proposal for a Regulation of the European Parliament and of the Council on specific provisions for the European territorial cooperation goal (Interreg) supported by the European Regional Development Fund and external financing instruments

Article 3

Objectives of IPA III

1. The general objective of IPA III shall be to support the beneficiaries listed in Annex I in adopting and implementing the political, institutional, legal, administrative, social and economic reforms required by those beneficiaries to comply with Union values and to progressively align to Union rules, standards, policies and practices with a view to **future** Union membership, thereby contributing to their stability, security and prosperity.
2. IPA III shall have following specific objectives:
 - (a) To strengthen the rule of law, democracy, the respect of human rights, fundamental rights, ~~and~~ international law, **and** civil society, **and to reinforce** security **and the fight against corruption and organised crime** as well as improve migration management including border management;
 - (b) To reinforce the effectiveness of public administration and support structural reforms and good governance at all levels;
 - (c) To shape the rules, standards, policies and practices of the beneficiaries listed in Annex I in alignment to those of the Union and to reinforce **regional cooperation**, reconciliation and good neighbourly relations, as well as people to people contacts and communication;
 - (d) To strengthen economic and social development **with particular attention to youth** including through increased connectivity **in all its dimensions** and regional development, agriculture and rural development and social and employment policies, to reinforce environmental protection, increase resilience to climate change, accelerate the shift towards a low-carbon economy and develop the digital economy and society-;
 - (e) To support territorial **cooperation, including** ~~and~~ cross-border **and maritime** cooperation.
3. In accordance with the specific objectives, thematic priorities for providing assistance according to the needs and capacities of the beneficiaries listed in Annex I are set out in Annex II. Thematic priorities for cross-border cooperation between beneficiaries listed in Annex I are set out in Annex III. Each of those thematic priorities may contribute to the attainment of more than one specific objective.

Article 4

Budget

1. The financial envelope for the implementation of IPA III for the period 2021-2027 shall be [EUR 14 500 000 000 in current prices].
2. The amount referred to in paragraph 1 may be used for technical and administrative assistance for the implementation of the Programme, such as preparatory, monitoring, control, audit and evaluation activities including corporate information technology systems **in accordance with Article 20 of [NDICI Regulation]**, and any activities related to the preparation of the successor programme for pre-accession assistance, ~~in accordance with Article 20 of [NDICI Regulation]~~.

Article 5

Cross-programme provisions

1. In implementing this Regulation, consistency, synergies and complementarities with other areas of Union external action, with other relevant Union policies and programmes, as well as policy coherence for development shall be ensured.
2. The [NDICI Regulation] shall apply to activities implemented under this Regulation where referred to in this Regulation.
3. IPA III shall contribute to actions established under Regulation [(Erasmus²]. [Regulation (EU) Erasmus] shall apply to the use of those funds. To that end, the contribution of IPA III shall be included in the single indicative programming document referred to in paragraph 7 of Article 11 of the [NDICI Regulation] and adopted in accordance with the procedures laid down in that Regulation.
4. Assistance under IPA III may be provided to the type of actions provided for under the European Regional Development Fund and the Cohesion Fund³, the European Social Fund Plus⁴ and the European Agricultural Fund for Rural Development⁵.
5. The [ERDF]⁶ shall contribute to programmes or measures established for cross-border cooperation between the beneficiaries listed in Annex I and Member States. These programmes and measures shall be adopted by the Commission in accordance with Article 16. The amount of the contribution from IPA-~~CBC~~ **Cross Border Cooperation** shall be determined pursuant to Article 10 (3) of [ETC Regulation]. IPA-Cross Border Cooperation programmes shall be managed in accordance with [ETC Regulation].
6. IPA III may contribute to transnational and interregional cooperation programmes or measures that are established and implemented under [ETC Regulation] and in which the beneficiaries listed in Annex I to this Regulation participate.
7. Where appropriate, other Union programmes may contribute to actions established under this Regulation in accordance with Article 8, provided that the contributions do not cover the same costs. This Regulation may also contribute to measures established under other Union programmes, provided that the contributions do not cover the same costs. In such cases, the work programme covering those actions shall establish which set of rules shall be applicable.

² COM(2018) 367 final Proposal for a Regulation of the European Parliament and of the Council establishing 'Erasmus': the Union programme for education, training, youth and sport and repealing Regulation (EU) No 1288/2013.

³ COM(2018) 372 final Proposal for a Regulation of the European Parliament and of the Council on the European Regional Development Fund and on the Cohesion Fund.

⁴ COM(2018) 382 final Proposal of the European Parliament and of the Council on the European Social Fund Plus (ESF+)

⁵ COM(2018) 392 final Proposal for a Regulation of the European Parliament and of the Council establishing rules on support for strategic plans to be drawn up by Member States under the Common agricultural policy (CAP Strategic Plans) and financed by the European Agricultural Guarantee Fund (EAGF) and by the European Agricultural Fund for Rural Development (EAFRD) and repealing Regulation (EU) No 1305/2013 of the European Parliament and of the Council and Regulation (EU) No 1307/2013 of the European Parliament and of the Council.

⁶ COM(2018) 372 final Proposal for a Regulation of the European Parliament and of the Council on the European Regional Development Fund and on the Cohesion Fund.

8. In duly justified circumstances and in order to ensure the coherence and effectiveness of Union financing or to foster regional cooperation, the Commission may decide to extend the eligibility of action programmes and measures referred to in Article 8(1) to countries, territories and regions ***which would not otherwise be eligible for financing pursuant to Article 3(1)*** ~~other than those referred in Annex I~~, where the programme or measure to be implemented is of a global, regional or cross-border nature.

CHAPTER II

STRATEGIC PLANNING

Article 6

Policy framework and general principles

1. ***Assistance under this Regulation shall be provided in accordance with*** ~~The~~ enlargement policy framework defined by the European Council and the Council, the agreements that establish a legally binding relationship with the beneficiaries listed in Annex I, ***and shall take due account of*** ~~as well as~~ relevant resolutions of the European Parliament, communications of the Commission or joint Communications of the Commission and the High Representative of the Union for Foreign Affairs and Security Policy, ~~shall constitute the overall policy framework for the implementation of this regulation.~~ The Commission shall ensure coherence between the assistance and the enlargement policy framework.
2. Programmes and actions under this Regulation ***in the pursuit of the specific objectives referred to in Article 3*** shall mainstream ***the following horizontal priorities:*** climate change, environmental protection and gender equality, and shall, where applicable, address interlinkages between Sustainable Development Goals⁷, to promote integrated actions that can create co-benefits and meet multiple objectives in a coherent way.
3. The Commission and the Member States shall cooperate in ensuring coherence and shall strive to avoid duplication between assistance provided under IPA III and other assistance provided by the Union, the Member States and the European Investment Bank, in line with the established principles for strengthening operational coordination in the field of external assistance, and for the harmonisation of policies and procedures, in particular the international principles on development effectiveness.⁸ Coordination shall involve regular consultations, frequent exchanges of information during the different phases of the assistance cycle and inclusive meetings aimed at coordinating the assistance and shall constitute a key step in the programming processes of the Union and the Member States.
4. The Commission, in liaison with the Member States, shall also take the necessary steps to ensure coordination and complementarity with multilateral and regional organisations and entities, such as international organisations and financial institutions, agencies and non-Union donors.

⁷https://ec.europa.eu/europeaid/policies/sustainable-development-goals_en

⁸https://ec.europa.eu/europeaid/policies/eu-approach-aid-effectiveness_en

CHAPTER III
IMPLEMENTATION

Article 7

IPA programming framework

1. Assistance under IPA III shall be based on an IPA programming framework for the delivery of the specific objectives referred to in Article 3 ***and thematic priorities referred to in Annexes II and III***. The IPA programming framework shall be established by the Commission for the duration of the Union's multiannual financial framework.
2. The IPA programming framework shall take relevant national strategies and sector policies into due account.
- 2a. ***The IPA programming framework shall include an indicative allocation of Union funds per specific objective, as applicable, broken down per year, and shall allow for addressing emerging needs, without prejudice to the possibility of combining assistance contributing to the achievement of different specific objectives.***

~~Assistance shall be targeted and adjusted to the specific situation of the beneficiaries listed in Annex I, taking into account further efforts needed to meet the membership criteria as well as the capacities of those beneficiaries. Assistance shall be differentiated in scope and intensity according to needs, commitment to reforms and progress in implementing those reforms.⁹~~
3. Without prejudice to paragraph 4 8, the IPA programming framework shall be adopted by the Commission by means of an implementing act. That implementing act shall be adopted in accordance with the examination procedure of the Committee referred to in Article 16.
5. The IPA programming framework shall include indicators for assessing progress with regard to attainment of the ***expected results*** ~~targets set therein~~ ***in accordance with the specific objectives referred to in Article 3. These indicators shall be coherent with the indicators referred to in Annex IV.***
6. ***The IPA programming framework shall be revised as appropriate.***
- 4.7. The programming framework for cross-border cooperation with Member States shall be adopted by the Commission in accordance with Article 10(1) of [ETC Regulation].

⁹ See Article 7a.

Article 7a

Assistance to beneficiaries

1. *Assistance to the beneficiaries listed in Annex I shall be decided in the framework of implementing measures referred to in Article 8.*
2. *Assistance shall be targeted and adjusted to the specific situation of the beneficiaries listed in Annex I, taking into account further efforts needed to meet the membership criteria as well as the needs and capacities of those beneficiaries.*
3. *Assistance shall aim to ensure progress in all beneficiaries and shall be differentiated in scope and intensity according to their needs as well as their performance including on commitment to reforms and progress in implementing those reforms.*
4. *In assessing the performance of the beneficiaries listed in Annex I, particular attention shall be paid to the efforts made in the field of the rule of law, public administration reform as well as economic governance and reforms.*

Article 8

Implementing measures and methods

1. Assistance under IPA III shall be implemented in direct management or in indirect management in accordance with the Financial Regulation through annual or multi-annual action plans and measures as referred to in Chapter III of Title II of [NDICI Regulation]. Chapter III of Title II of [NDICI Regulation] shall apply to this Regulation with the exception of paragraph 1 of Article 24 [eligible persons and entities].
2. Under this Regulation, action plans may be adopted for a period of up to seven years.

Article 9

Cross border cooperation

1. Up to 3 % of the financial envelope shall be indicatively allocated to cross-border cooperation programmes between the beneficiaries listed in Annex I and the Member States, in line with their needs and priorities.
2. The Union co-financing rate at the level of each priority shall not be higher than [85 %] of the eligible expenditure of a cross-border cooperation programme. For technical assistance the Union co-financing rate shall be 100%.
3. The level of pre-financing for cross-border cooperation with member states shall **amount to 50 % of the first three budgetary commitments to the programme** ~~be determined in the work programme, in accordance with needs of the beneficiaries listed in Annex I and may exceed the percentage referred to in Article 49 of ETC Regulation.~~
4. Where cross-border cooperation programmes are discontinued in accordance with Article 12 of [ETC Regulation], support from this Regulation to the discontinued programme that remains available may be used to finance any other actions eligible under this Regulation.

CHAPTER IV

ELIGIBILITY AND OTHER SPECIFIC PROVISIONS

Article 10

Eligibility for funding under IPA III

1. Tenderers, applicants and candidates from the following countries shall be eligible for funding under IPA III:
 - (a) Member States, beneficiaries listed in Annex I to this Regulation, contracting parties to the Agreement on the European Economic Area and countries covered by the Annex I of the [NDICI Regulation], and
 - (b) countries for which reciprocal access to external assistance is established by the Commission. Reciprocal access may be granted, for a limited period of at least one year, whenever a country grants eligibility on equal terms to entities from the Union and from countries eligible under this Regulation. The Commission shall decide on the reciprocal access after consultation of the recipient country or countries concerned.

CHAPTER V

EFSD+ AND BUDGETARY GUARANTEES

Article 11

Financial instruments and guarantee for external actions

1. The beneficiaries listed in Annex I shall be eligible to the European Fund for Sustainable Development Plus (EFSD+) and to External Action Guarantee as provided for in Chapter IV of Title II of [NDICI Regulation]. To this end IPA III shall contribute to provisioning related to the guarantee for external actions referred to in Article 26 of [NDICI Regulation] proportionally to the investments carried out to the benefit of the beneficiaries listed in Annex I.

CHAPTER VI

MONITORING AND EVALUATION

Article 12

Monitoring, audit, evaluation and protection of the Union's financial interests

1. Chapter V of Title II of [NDICI Regulation] in relation to monitoring, reporting and evaluation shall apply to this Regulation. ***The annual report referred to in [Article 31(5) of NDICI Regulation] shall also contain information on commitments and payments per instrument (IPA, IPA II and IPA III).***
2. Indicators to monitor implementation and progress of ~~the~~ IPA III towards the achievement of the specific objectives set out in Article 3 are set in Annex IV to this Regulation.
3. For cross-border cooperation with Member States, the indicators shall be those referred in Article 33 of [ETC Regulation].
4. In addition to the indicators referred to in Annex IV, the enlargement reports shall be taken into account in the results framework of IPA III assistance.
5. In addition to Article 129 of the Financial Regulation on the protection of the financial interests of the Union, under indirect management, beneficiaries listed in Annex I shall report the irregularities including fraud which have been the subject of a primary administrative or judicial finding, without delay, to the Commission and keep the latter informed of the progress of administrative and legal proceeding. Reporting shall be done by electronic means, using the Irregularity Management System, established by the Commission.

CHAPTER VII

FINAL PROVISIONS

Article 13

Delegation of power

The Commission shall be empowered to adopt delegated acts in accordance with Article 14 to amend Annexes II, III and IV to this Regulation.

Article 14

Exercise of the delegation

1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.
2. The power to adopt delegated acts as referred to in Article 13 shall be conferred on the Commission.
3. The delegation of power referred to in Article 13 may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.
4. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.
5. A delegated act adopted pursuant to Article 13 shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.

Article 15

Adoption of further implementing rules

1. Specific rules establishing uniform conditions for implementing this Regulation in particular in relation to the structures to be set up in preparation for accession and to rural development assistance, shall be adopted in accordance with the examination procedure referred to in Article 16.
2. Where reference is made to this paragraph, Article 5 of Regulation (EU) No. 182/2011 shall apply.

Article 16

Committee

1. The Commission shall be assisted by a committee ***for the Instrument for Pre-accession Assistance*** (the '~~Instrument for Pre-accession Assistance~~ ***IPA III*** Committee'). That committee shall be a committee within the meaning of [Regulation (EU) No 182/2011].
2. Where the opinion of the committee is to be obtained by a written procedure, the procedure shall be terminated without result when, within the time limit for delivery of the opinion, the chair of the committee so decides or a simple majority of committee members so requests.
3. An observer from the EIB shall take part in the ***IPA III*** Committee's proceedings with regard to questions concerning the EIB.
4. The IPA III Committee shall assist the Commission and shall be competent also for legal acts and commitments under Regulation (EC) No 1085/2006, Regulation 231/2014 and the implementation of Article 3 of Regulation (EC) No 389/2006.
5. The IPA III Committee shall not be competent for the contribution to Erasmus+ as specified in Article 5(3).

Article 17

Information, communication and publicity

1. Articles 36 and 37 of [Regulation NDICI] shall apply.

Article 18

Transitional provisions

1. This Regulation shall not affect the continuation or modification of the actions concerned, until their closure, under Regulation 231/2014 [IPA II] and Regulation (EC) No 1085/2006 [IPA] which shall continue to apply to the actions concerned until their closure. Chapter III of Title II of [Regulation NDICI], formerly under Regulation 236/2014, shall apply to these actions with the exception of paragraph 1 of Article 24.
2. The financial envelope for IPA III may also cover technical and administrative assistance expenses necessary to ensure the transition between IPA III and the measures adopted under its predecessor, IPA II.
3. If necessary, appropriations may be entered in the budget beyond 2027 to cover the expenses provided for in Article 4(2), to enable the management of actions not completed.

Article 19

Entry into force

This Regulation shall enter into force on the [...] [twentieth] day following that of its publication in the *Official Journal of the European Union*.

It shall apply from 1 January 2021.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the European Parliament
The President

For the Council
The President

ANNEX I

Albania
Bosnia and Herzegovina
Iceland
Kosovo*
Montenegro
Serbia
Turkey
The former Yugoslav Republic of Macedonia



* This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

ANNEX II

Thematic priorities for assistance

Assistance may, as appropriate, address the following thematic priorities:

- (a) **Establishing and promoting from an early stage the proper functioning of the institutions necessary in order to secure the rule of law.** Interventions in this area shall aim at: establishing independent, *depoliticised*, accountable and efficient judicial systems, including transparent and merit-based recruitment and promoting judicial cooperation, evaluation and promotion systems and effective disciplinary procedures in cases of wrongdoing; ~~ensuring the establishment of robust systems to protect the borders, manage migration flows and provide asylum to those in need; developing effective tools to prevent and fight organised crime, trafficking in human beings, migrants smuggling, money laundering/financing of terrorism and corruption;~~ promoting and protecting human rights, rights of persons belonging to minorities, including Roma as well as lesbian, gay, bisexual, transgender and intersex persons, *and* fundamental freedoms, including freedom of the media and data protection.
- (aa) ***Strengthening capacities to face migration challenges. Interventions in this area shall aim at:*** ensuring the establishment of robust systems to protect the borders, *to* manage migration flows and *to* provide ~~asylum~~ *international protection* to those *who qualify for it*;
- (ab) ***Enhancing the ability to ensure security. Interventions in this area shall aim at:*** developing effective tools to prevent and fight organised crime, trafficking in human beings *and of small arms and light weapons*, migrants smuggling, money laundering/financing of terrorism and corruption; *supporting reinforced engagement with the Union on counter-terrorism and radicalisation.*
- (ac) ***Enhancing capacities of strategic communication as a means to increase state and societal resilience to disinformation and other forms of hybrid threats. Efforts in this area shall support further development of independent and pluralistic media and media literacy.***
- (b) **Reforming public administrations in line with the good governance principles, including the Principles of Public Administration.** Interventions shall aim at: strengthening public administration reform frameworks; improving strategic planning and inclusive and evidence-based policy and legislative development; enhancing professionalisation and de-politicisation of public service by embedding meritocratic principles; promoting transparency and accountability; improving quality and delivery of services, including adequate administrative procedures and the use of citizen centred eGovernment; strengthening public financial management and the production of reliable statistics.

- (c) **Strengthening economic governance:** Interventions shall aim at supporting participation in the economic reform programme (ERP) process and systematic cooperation with international financial institutions on fundamentals of economic policy. Enhancing the capacity to strengthen macroeconomic stability and supporting progress towards becoming a functioning market economy with the capacity to cope with competitive pressures and market forces within the Union;
- (d) **Strengthening the Union and its partners' capacity to prevent conflict, build peace and address pre-and post-crisis** including through early warning and conflict-sensitive risk analysis; promoting people to people networking, *good neighbourly relations*, reconciliation, *and regional cooperation*, peace-building and confidence-building measures, supporting capacity building in support of security and development (CBSD) actions.
- (e) **Strengthening the capacities of civil society organisations** and social partners' organisations, including professional associations, in beneficiaries listed in Annex I and encouraging networking at all levels among Union-based organisations and those of beneficiaries listed in Annex I, enabling them to engage in an effective dialogue with public and private actors.
- (f) **Promoting the alignment of partner countries' rules**, standards, policies and practices to those of the Union, including state aid rules.
- (fa) *Promoting gender equality and women's and girls' empowerment. Interventions in this area shall aim at establishing a more enabling environment for the fulfilment of girls' and women's rights and to achieve real and tangible improvements on gender equality, including through ensuring girls' and women's physical and psychological integrity, promoting their economic and social rights, and strengthening girls' and women's voice and participation, including through supporting gender budgeting and the collection of sex- and age-dissaggregated data.*
- (g) **Strengthening access to and quality of education, training and lifelong learning at all levels, and offering support to cultural and creative sectors.** Interventions in this area shall aim at: promoting equal access to quality early-childhood education and care, primary and secondary education, improving the provision of basic skills; increasing educational attainment levels, *tackling brain drain*, reducing early school-leaving and reinforcing teachers' training. Developing vocational education and training (VET) systems and promoting work-based learning systems to facilitate the transition to the labour market; improving the quality and relevance of higher education; encouraging alumni related activities; enhancing access to lifelong learning and supporting investment in education and training infrastructure particularly with a view to reducing territorial disparities and fostering non-segregated education and including through the use of digital technologies.

- (h) **Fostering quality employment and access to the labour market.** Interventions in this area shall aim at: tackling high unemployment and inactivity by supporting sustainable labour market integration in particular of young people (especially those not in employment, education or training (NEET)), women, long-term unemployed and all under-represented groups. Measures shall stimulate quality job creation and support the effective enforcement of labour rules and standards across the entire territory. Other key areas of intervention shall be to support gender equality *and youth*, promoting employability and productivity, the adaptation of workers and enterprises to change, the establishment of a sustainable social dialogue and the modernisation and strengthening of labour market institutions such as public employment services and labour inspectorates.
- (i) **Promoting social protection and inclusion and combating poverty.** Interventions in this area shall aim at modernising social protection systems to provide effective, efficient, and adequate protection throughout all stages of a person's life, fostering social inclusion, promoting equal opportunities and addressing inequalities and poverty. Interventions in this area shall also focus on: integrating marginalised communities such as the Roma; combating discrimination based on sex, ~~racial or~~ *race, colour*, ethnic *or social* origin, *genetic features, language*, religion or belief, *political or any other opinion, membership of a national minority, property, birth*, disability, age or sexual orientation; enhancing access to affordable, sustainable and high quality services, such as early childhood education and care, housing, healthcare and essential social services and long term care, including through the modernisation of social protection systems.
- (j) **Promoting smart, sustainable, inclusive, safe transport and removing bottlenecks in key network infrastructures,** by investing in projects with high ~~EU~~ *European added-value-added*. The investments should be prioritised according to their relevance to TEN-T connections with the EU, contribution to sustainable mobility, reduced emissions, environmental impact, safe mobility, in synergy with the reforms promoted by the Transport Community Treaty.
- (k) **Improving the private-sector environment and competitiveness of enterprises,** including smart specialisation, as key drivers of growth, job creation and cohesion. Priority shall be given to projects which improve the business environment.
- (l) **Improving access to digital technologies and services and strengthening research, technological development and innovation** by investing in digital connectivity, digital trust and security, digital skills and entrepreneurship as well as research infrastructure and enabling environment and promoting networking and collaboration.
- (m) **Contributing to the security and safety of food supply** and the maintenance of diversified and viable farming systems in vibrant rural communities and the countryside.

- (n) **Protecting and improving the quality of the environment**, addressing environmental degradation and halting biodiversity loss, promoting the conservation and sustainable management of terrestrial and marine ecosystems and renewable natural resources, ***investing in water and waste management and sustainable chemical management***, promoting resource efficiency, sustainable consumption and production and supporting the transition to green and circular economies, contributing to the reduction of greenhouse gas emissions, increasing resilience to climate change and promoting climate action governance and information and energy efficiency. IPA III shall promote policies to support the shift towards a resource-efficient, safe and sustainable low-carbon economy and strengthen disaster resilience as well as disaster prevention, preparedness and response. ~~It shall also promote a high level of nuclear safety, radiation protection, and the application of efficient and effective safeguards of nuclear material in third countries as well as the establishment of frameworks and methodologies for the application of efficient and effective safeguards for nuclear material.~~
- (o) ~~Promoting the highest nuclear safety standards, including nuclear safety culture, emergency preparedness, responsible and safe management of spent fuel and radioactive waste, decommissioning and remediation of former nuclear sites and installations; radiation protection and the accountancy and control of nuclear materials~~ ***Cooperating with third countries in the peaceful use of nuclear energy, notably through capacity building and infrastructure development in third countries in the areas of health, agriculture and food safety; as well as supporting social actions addressing the consequences on the most vulnerable population exposed to any radiological accident and aiming at improving their living conditions; promoting knowledge-management, training and education in nuclear-related fields¹⁰.***
- (p) **Increasing the ability of the agri-food and fisheries sectors** to cope with competitive pressure and market forces as well as to progressively align with the Union rules and standards, while pursuing economic, social and environmental goals in balanced territorial development of rural and coastal areas.

¹⁰ Aligned with the wording in NDICI, Annex II, point 6(i).

ANNEX III

Thematic priorities for assistance for cross-border cooperation *between beneficiaries listed in Annex I*

Assistance for cross-border cooperation *between beneficiaries listed in Annex I* may, as appropriate, address the following thematic priorities:

- (a) promoting employment, labour mobility and social and cultural inclusion across borders through, inter alia: integrating cross-border labour markets, including cross-border mobility; joint local employment initiatives; information and advisory services and joint training; gender equality; equal opportunities; integration of immigrants' communities and vulnerable groups; investment in public employment services; and supporting investment in public health and social services;
- (b) protecting the environment and promoting climate change adaptation and mitigation, risk prevention and management through, inter alia: joint actions for environmental protection; promoting sustainable use of natural resources, coordinated maritime spatial planning, resource efficiency and circular economy, renewable energy sources and the shift towards a safe and sustainable low-carbon, green economy; **improving waste and water management**, promoting investment to address specific risks, ensuring disaster resilience and disaster prevention, preparedness and response;
- (c) promoting sustainable transport and improving public infrastructures by, inter alia, reducing isolation through improved access to transport, digital networks and services and investing in cross-border water, waste and energy systems and facilities;
- (d) promoting the digital economy and society by inter alia the deployment of digital connectivity, the development of eGovernment services, digital trust and security as well as digital skills and entrepreneurship;
- (e) encouraging tourism and cultural and natural heritage;
- (f) investing in youth, education and skills through, inter alia, developing and implementing joint education, vocational training, training schemes and infrastructure supporting joint youth activities;
- (g) promoting local and regional governance and enhancing the planning and administrative capacity of local and regional authorities;
- (h) enhancing competitiveness, the business environment and the development of small and medium-sized enterprises, trade and investment through, inter alia, promotion and support to entrepreneurship, in particular small and medium-sized enterprises, and development of local cross-border markets and internationalisation;
- (i) strengthening research, technological development, innovation and digital technologies through, inter alia, promoting the sharing of human resources and facilities for research and technology development.

ANNEX IV

List of Key Performance Indicators

The following list of key performance indicators shall be used to help measure the Union's contribution to the achievement of ~~its~~ **the** specific objectives **of IPA III**:

1. Composite indicator¹¹ on the ~~readiness of enlargement countries~~ **progress by beneficiaries listed in Annex I** on fundamental areas of the political accession criteria (including Democracy, Rule of Law (Judiciary, Fight against corruption and Fight against organised crime) and **Fundamental Human Rights including media freedom**) (source European Commission).
2. ~~Readiness of enlargement countries~~ **Progress by beneficiaries listed in Annex I** on public administration reform (source European Commission).
3. Composite indicator on the ~~readiness of candidate countries and potential candidates to~~ **progress by beneficiaries listed in Annex I in the alignment with** the EU acquis (source European Commission).
4. Composite indicator on the ~~readiness of candidate countries and potential candidates on~~ **progress by beneficiaries listed in Annex I in** fundamental areas of the economic criteria (functioning market economy and competitiveness) (source European Commission).
5. Public social security expenditure (percentage of GDP) (source ILO) or Employment Rate (source: ~~national~~ **official** statistics)
6. Digital gap between the beneficiaries and the EU average (source: European Commission DESI index)
7. Distance to frontier (Doing Business) score (source WB)
8. Energy intensity measured in terms of primary energy and GDP (source EUROSTAT)
9. Greenhouse gas emissions reduced or avoided (Ktons CO₂eq) with EU support
10. Number of cross-border cooperation programmes concluded among IPA beneficiaries and IPA/EU MS (source European Commission)

Indicators will, where relevant, be sex disaggregated.

¹¹ The three composite indicators are elaborated by the European Commission on the basis of the reports on Enlargement, which also draw from multiple, independent sources.