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## OBJECTIVES AND IMPORTANCE OF EU REGIONAL POLICY, WITH AN OVERVIEW OF THE SERBIAN POLICY OF REGIONAL DEVELOPMENT<sup>3</sup>

### *Abstract*

*EU regional policy is among the most important common EU policies. The aims of EU cohesion policy for the period 2014-2020 are set out in the Europe 2020 Strategy, and they concern smart, sustainable and inclusive growth. Of special importance to Serbia are EU regional policy financial instruments, in particular, the European Regional Development Fund which, inter alia, also finances cross-border cooperation projects. The Law on Regional Development stipulates that regional development shall, besides other sources, be financed from EU pre-accession funds, in the context of which the Instrument for Pre-Accession Assistance – IPA was very significant for Serbia and the Autonomous Province of Vojvodina in the period 2007-2013, while pre-accession support of IPA II Programme is expected for the period 2014-2020. Finally, the current direction of EU cohesion policy, expressed in the Europe 2020 Strategy, highlights the importance of this programme for the candidate member states, as well as for the neighbouring countries, indicating that the expansion of the area of implementation of EU rules will create new opportunities, both for the European Union, and for its neighbours.*

**Keywords:** *EU regional policy, EU funds, Europe 2020 Strategy, IPA, IPA II.*

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## 1. Introductory remarks

The Treaty establishing the European Economic Community (EEC), as the original treaty which established the Economic Community in 1957, and which was ratified in 1958<sup>4</sup>, laid the foundations of European Union (EU) regional policy development. The Treaty Preamble emphasizes the endeavour to ensure the economic and social progress of Europe as a whole, with the particular aim of gradually annulling the uneven regional development. Article 2 stipulates the EEC Principles, which primarily include the promotion of harmonic, balanced and sustainable development of economic activities, a high level of employment and social care, a permanent promotion of racial, gender and age equality, sustainable non-inflationary growth, a high level of competitiveness and convergence of economic performance, as well as a high level of care and improvement of the quality of living environment, raising the standard and quality of living, as well as economic and social cohesion and solidarity among the member states.<sup>5</sup>

The ratification of the Rome Treaty of 1958 simultaneously marks the beginning of the first of five developmental stages of EU regional policy. Historically speaking, EU regional policy has passed through five phases of development in total which, in terms of chronology, respectively cover the following periods: the first phase covers the period from 1958 to 1975, the second phase covers the period from 1975 to 1986, the third phase covers the period from 1986 to 1999, the fourth phase covers the period from 2000 to 2006, while the fifth phase covers the period from 2007 to 2013.

From the point of view of the EU Treaties, and following the chronological and systematic methodology, every treaty coming after the EEC Treaties, starting with the Single European Act<sup>6</sup>, then the Maastricht Treaty (or the Treaty on the European Union)<sup>7</sup>, through the Treaty of Amsterdam<sup>8</sup> and the Treaty of Nice<sup>9</sup>, all the way to the Treaty of Lisbon<sup>10</sup>,

<sup>4</sup> The Treaty Establishing the European Economic Community - EEC Treaty, *Official Journal of the European Communities*, 2002/C, is one of the three original Founding Treaties of the European Union. Besides it, the original Founding Treaties also include the Treaty establishing the European Economic Energy Community – Euratom, also in 1957 (which is also commonly referred to as a Rome Treaty) and the Treaty establishing the European Coal and Steel Community from 1951.

<sup>5</sup> Treaty Establishing European Economic Community - EEC Treaty, *Official Journal of the European Communities*, 2002/C, Preamble and Art. 2.

<sup>6</sup> Single European Act, *Official Journal of the European Communities*, L 169/1986.

<sup>7</sup> Treaty on European Union, *Official Journal of the European Communities*, C 191/01/1992.

<sup>8</sup> Treaty of Amsterdam, *Official Journal of the European Communities*, C 340/1997.

<sup>9</sup> Treaty of Nice, *Official Journal of the European Communities*, C 80/2001.

<sup>10</sup> Treaty of Lisbon amending the Treaty on European Union and the Treaty establishing the European Community, *Official Journal of the European Communities*, C 306/2007.

has included all the more important provisions aimed at supporting and developing EU regional policy. As an example, we can quote provision of article 130a of the Single European Act, which indicates that with a view to promoting a harmonious development, EEC shall develop and perform the operations which lead to strengthening its economic and social cohesion. The Community shall particularly make efforts to reduce the differences among regions and the underdevelopment of the least privileged regions, also including rural areas. In addition to provisions of the Single European Act, we can also refer to the essential meaning of individual provisions of the Maastricht Treaty (The Treaty on the European Union), in particular in the domain of EU regional policy support, which includes the stipulation that treaty provisions enable regional and local institutions to independently interact in EU decision processes.

In the prevailing opinion, EU regional policy is one of the most important EU policies. This statement is supported by numerous arguments, one of them being that EU regional policy is important in overcoming issues resulting from the common market and the integration process, and that it focuses on cohesion and solidarity with a view to improving the economic condition of poorer EU member states, and that, consequently, it allocates significant funds for financing strategic needs and interests in different development and investment areas, insisting on the development of innovations and competitiveness, modernisation, educational activities, protection of the living environment and, finally, it also acts as a “catalyst for future financing from public and private sources, not only by binding the EU member states to co-finance national projects but also by contributing to investors’ trust”<sup>11</sup>.

Based on the introductory remarks, in the next section, we will define the basic concepts, and present the aims and importance of EU regional policy, with special emphasis on financial instruments assisting less developed regions. We will also analyse the issues of legislative support to regional development in Serbia, focusing on the importance of the IPA programme for Serbia and the Autonomous Province of Vojvodina and, in the end, point to the EU cohesion policy focus for the period 2014-2020, and the challenges and recommendations relating to the process of implementation of pre-accession support for the same period.

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<sup>11</sup> The European Commission, *European Union Policies: Regional Policy*, The Publications Office of the European Union, Luxembourg 2014, 3.

## 2. Regionalism and regionalisation, the etiology of disproportion in regional development

According to article 1 of the Declaration on Regionalism in Europe, Assembly of European Regions from 1996, a region is conceptually defined as a territorial legislative body which is directly below the state in terms of decision-making, and which possesses independent political administration.<sup>12</sup> Vuković, Jovanović and Grubišić point out that “European regions do not represent homogeneous entities and they significantly differ in terms of size, population, institutional structure, competencies and financial power. However, all European regions have the same primary objective: to contribute to the democratic aims and provide services to citizens at a level low enough “to be as close as possible to citizens and their needs”, and high enough to achieve the economy of scope”<sup>13</sup>.

The concept of regionalism can be defined in different ways, by applying different determinants and factors. Even though in theory regionalism has often been analysed from the geographical point of view (the physical-geography aspect, the statistical-geography aspect, the economic-geography aspect, etc.), because, as Komšić points out, “the root of the concept of “regionalism” is the Latin word region, which, among other things, also means a territorial area”<sup>14</sup>, it realises its full terminological and content-related dimension through a number of determinants which define it, each from a different aspect. This primarily includes the social determinant (e.g. ethnic, racial, language, religious, cultural identity, etc.), the economic determinant (e.g. economic instruments of sustainable growth, the competitiveness of regional economy, etc.), the political determinant (e.g. ideological influences, political regimes, etc.), etc. According to Hurrell, “special emphasis is also laid on regional interdependence”<sup>15</sup>.

In view of the aforesaid, regionalism is a specific response to state centralism, “and for that reason, its basic political concept is – decentralisation”<sup>16</sup>. Referring to Scruton’s “A Dictionary of Political Thought”, Komšić defines regionalism as “promoting forms of rule which

<sup>12</sup> Declaration on Regionalism in Europe, Assembly of European Regions, Basel, Switzerland 1996.

<sup>13</sup> D. Vuković, A. Jovanović, Z. Grubišić, „The Economic Aspect of Regionalization of European Countries“, *Journal of Geographical Institute “Jovan Cvijic”* 1/2012, 35.

<sup>14</sup> J. Komšić, *Principi evropskog regionalizma*, Asocijacija multietničkih gradova Jugoistočne Evrope – Philia, Novi Sad 2007, 13.

<sup>15</sup> A. Hurrell, “Explaining the Resurgence of Regionalism in World Politics”, *Review of International Studies* 4/1995, 334.

<sup>16</sup> P. Maldini, “Politički i administrativni aspekti regije: regionalizam, regionalizacija i regionalna politika”, *Zbornik Sveučilišta u Dubrovniku* 1/2014, 135.

allow and stimulate the development of culture and institutions within regions with separate jurisdictions, and which include the transfer of essential political and legal competences to regional governments, with less than full sovereignty, but more than mere administrative functions”<sup>17</sup>. In other words, with the establishment of the European Union, as a specific supranational formation, which has gradually grown stronger with each phase of development, the role of the national state has grown weaker in proportion. On the other hand, along with the weakening of the national identity of the member states as individual political sovereignty entities, regional identities have grown stronger. Moreover, according to Maldini, “in the European Union, the region is established as a principle of state organisation founded on the ideas of autonomy and democracy which a regionalised state is built upon. It is one of the fundamental political principles of the European Union, which fosters cooperation and interconnections, as well as direct interregional cooperation, regardless of national state borders”<sup>18</sup>.

As opposed to the terms defined above, regionalisation, in its basic meaning, primarily signifies geographic regionalisation, which refers to the process of separation and differentiation of individual regions, or entities, taking into account physical-geography and economic-geography factors. Regionalisation is defined as “the process of creation of lower administrative and territorial units within a state and transfer of central authorities to these units. These administrative-territorial units are at the middle level of authority, between the central government and the municipalities”<sup>19</sup>. In other words, regionalisation implies “the setting up of a new level in the territorial organisation of states, the establishment of new institutions which can vary significantly in terms of authorities, responsibilities and power, but are always installed above the level of the existing local institutions”<sup>20</sup>. Referring to Mansfield and Solingen’s influential attitudes on regionalism, Vuković and associates state further on that “while regionalism encircles intergovernmental (interstate) activities, “from the top to the bottom”, as political and very often also highly institutionalised practice, regionalisation is a social process “from the bottom to the top”, mostly economically motivated.<sup>21</sup> Consequently, regionalisation is a system of methods (actions) the application of which enables the recognition, revelation, modelling

<sup>17</sup> J. Komšić, 13.

<sup>18</sup> P. Maldini, 135.

<sup>19</sup> D. Vuković, A. Jovanović, Z. Grubišić, 35.

<sup>20</sup> O. Mirić, *Regionalna politika Evropske unije kao motor ekonomskog razvoja*, Evropski pokret u Srbiji, Beograd 2009, 15.

<sup>21</sup> E. D. Mansfield, E. Solingen, “Regionalism”, *Annual Review of Political Science* 1/2010, 145-163.

and construction of complete territorial systems - regions, as typological categories and occurrences of unique character".<sup>22</sup>

The concepts of regionalism and regionalisation should be distinguished from the concept of EU regional policy (or EU cohesion policy, or investment policy, which are used as alternative terms for the same concept). Besides the EU regional policy concept, there is also the concept of national regional policy, with each individual state acting as its proponent. While regionalism and regionalisation are the choice of an individual national regional policy, the EU regional policy objective is to reduce economic and social differences between the EU member states by systematically and methodically fostering regional growth, in continuity. In other words, with a view to developing the member states and the EU region, EU cohesion policy is focused on promoting competitiveness of commercial entities and economic growth, providing employment to a larger number of people through stimulating job creation, the application of the sustainability concept in the field of ecology and ecological development, etc. As Mirić points out, "for that reason, when speaking about EU regional policy, we should bear in mind that it does not merely signify regional development in the narrow sense of the word, but also an endeavour to achieve connectedness at the EU level by reducing the existing differences in development levels between its regions"<sup>23</sup>. We should also draw parallels between the concept of EU regional policy and national regional policy. More specifically in the region of Serbia, the national regional policy is created and realised through a legal and institutional framework, as well as through development documents relating to the national regional policy, stipulated by article 14, paragraph 1, of the Law on Regional Development<sup>24</sup>, which include the following: The National Regional Development Plan – which defines the key developmental priorities of regional development of the Republic of Serbia and the methods of their realisation, the Regional Development Strategy – which defines the main priorities for regional development and the ways to realise them, and the Regional Development Financing Programme – which includes an overview of projects for the region in question and the distribution of financial assets for the realisation of those projects for each region for one fiscal year. Although we can observe bigger or smaller differences between the EU regional policy concept and a concrete individual national regional policy, according to Mirić, EU regional policy has enabled "the recognition of regional dimensions by national institutions, thus making the region a sort of common institutional

<sup>22</sup> D. Vuković, A. Jovanović, Z. Grubišić, 36.

<sup>23</sup> O. Mirić, (2009), 16.

<sup>24</sup> The Law on Regional Development, *Official Gazette of RS*, No. 51/2009, 30/2010 and 89/2015 – other law.



reference point, despite the fact that the common European concept of “region” still does not exist”.<sup>25</sup>

It is also interesting to mention some basic etiological factors of disproportion in regional development. Namely, after enabling the free flow of goods, capital, services and people, and ever more successful and intense business cooperation between the EU member states, differences between individual regions have gradually become more conspicuous. In analysing particular characteristic causes of the occurrence of disproportion in regional development, Majstorović points out that the laws of economic development have resulted in the setting apart of individual regions and concentrating industry in them.<sup>26</sup> The cause of occurrence of less developed regions is a continuous promotion of industrial production, especially some branches of industry, which have significantly led to unpreparedness (financial, organisational, legislative, etc.) of individual regions to adapt to expansive evolutionary tendencies in this area.

### **3. The objectives and importance of EU regional policy**

EU regional (cohesion, investment) policy is the key investment instrument of the EU. Allocating funds for promoting economic and infrastructural development, the innovativeness and competitiveness of commercial entities, ecological sustainability and other aspects of development of all the member states, EU regional policy devotes special attention to the development of less developed regions, and in the spirit of the principle of solidarity between member states provides considerable funds for these purposes, at the same time encouraging national regional policies to co-finance projects of importance to particular regions.

Considering certain features and the purpose of EU regional policy, Međak and Majstorović state that since the very beginning cohesion policy has had a double role to play in European policies, which actually means that it was supposed to promote regional development and to be a kind, or source of additional funds to the member states.<sup>27</sup>

The objectives of EU cohesion policy for the period 2014-2020 are set out in A strategy for smart, sustainable and inclusive growth, under the title Europe 2020, which was adopted in 2010.<sup>28</sup> Analysing the priorities of Europe 2020 Strategy, Kronja distinguishes the following objectives of

<sup>25</sup> O. Mirić, (2009), 16.

<sup>26</sup> S. Majstorović, “EU Regional Policy and Structural Funds”, in: *European Strategies and Policies in the Local Community* (eds. Nataša Vučković, Svetlana Vukomanović), Centar za demokratiju, Beograd 2006, 41.

<sup>27</sup> V. Međak, S. Majstorović, *Regionalna politika Evropske unije*, Kancelarija za pridruživanje Evropskoj uniji, Beograd 2004, 7.

<sup>28</sup> Europe 2020, A strategy for smart, sustainable and inclusive growth, *European Commission, Communication from the Commission COM(2010) 2020*, Brussels 2010.

the European Union regional policy: smart growth – the development of economy based on knowledge and innovations; sustainable growth – at the same time promoting competitiveness and production which is more efficient in relation to resources; inclusive growth – better participation in the labour market, fighting poverty and social cohesion.<sup>29</sup> In line with EU cohesion policy, the member states, each within its national regional policy, have defined the quantitative, interrelated and mutually dependent objectives they wish to achieve in a ten-year period.

The defined objectives and the established priorities point to the reasons for existence, which indicate the importance of EU regional policy. Some of them are as follows: the balancing of the living standards of all EU residents, following the principle of solidarity between the member states and a rational allocation of funds, the focusing and harmonisation of political interests, as an important factor of successful economic integration, economic justifiability determined by viewpoints taken by the leading economic theories, a reduction of migratory movement as an important consequence of uneven regional development, etc.

With a view to responding to challenges of economic and social cohesion, achieving the defined objectives and living up to expectations, the contemporary EU cohesion policy for the period 2014-2020 also defines the basic financial instruments.

#### 4. The financial instruments of the European Union regional policy

As Mirić points out in one study, „practically speaking, EU regional policy includes the preparation and implementation of programmes and projects which are primarily financed from the cohesion and structural funds of the EU, and it must, therefore, be pointed out that preparations for managing this policy actually imply preparation for managing EU funds which are directed towards the realisation of strategic plans and priorities defined both at the EU level, and at the level of the member states“.<sup>30</sup>

According to the information of the Directorate-General for Regional and Urban Policy of the European Commission<sup>31</sup>, the corpus of European

<sup>29</sup> The starting points in drawing up the strategy were: the economic crisis exit plan; facing global challenges; continuity of implementation – continuation of the Lisbon Strategy; stronger financial aid; better coordination with other EU policies; better division of labour between the EU and member states' institutions; new more efficient mechanisms for implementing and strengthening competitiveness at the European level. J. Kronja, *Strategija Evropa 2020: četiri godine kasnije*, Evropski pokret u Srbiji, Beograd 2015, 20-21.

<sup>30</sup> O. Mirić, *Analiza uticaja procesa pristupanja Srbije Evropskoj uniji na lokalne samouprave - oblast regionalne (kohezivne) politike Evropske unije*, Program „Podrška lokalnim samoupravama u Srbiji u procesu evropskih integracija“, Stalna konferencija gradova i opština, Beograd 2014, 5.

<sup>31</sup> European Commission, Directorate-General for Regional and Urban Policy, Regional Policy, European Structural and Investment Funds, [http://ec.europa.eu/regional\\_policy/en/funding/](http://ec.europa.eu/regional_policy/en/funding/), last visited 10 November 2017.



structural and investment (ESI) funds consists of the following funds: European Regional Development Fund - ERDF; European Social Fund - ESF; Cohesion Fund - CF; European Agricultural Fund for Rural Development - EAFRD; European Maritime and Fisheries Fund - EMFF. According to statements of the European Commission, each EU region can benefit from ERDF and ESF. On the other hand, only less developed regions can gain support from the Cohesion Fund.

ERDF focuses on strengthening regional economic and social cohesion by investing in growth-promoting sectors in order to improve competitiveness and create new jobs. ERDF also finances cross-border cooperation projects. As quoted in the study of the Standing Conference of Towns and Municipalities, „ERDF focuses on the realisation of the following investment priorities: research, technological development and innovations, the promotion of ICT availability and quality, the promotion of competitiveness of small and medium enterprises, the development of low-carbon economy, adjustment to climate changes, the preservation and protection of the living environment, sustainable transport and infrastructure, sustainable employment and mobility of manpower, social inclusion, education, the development of institutional and administrative capacities of public administration“.<sup>32</sup>

ESF invests in people and is particularly focused on improving employment and education opportunities. It is committed to helping people in unfavourable circumstances who are threatened by poverty or social exclusion. The study of the Standing Conference of Towns and Municipalities states that „ESF is committed to the realisation of the following investment priorities: employment and mobility of manpower with particular emphasis on young people and the long-term unemployed, self-employment and entrepreneurship, gender equality, adapting the manpower to labour market requirements, active ageing, the modernisation of labour market institutions, social inclusion, the integration of minority groups including the Roma, combating discrimination, the availability of social and medical services, social entrepreneurship, strategies developed at the local level, education and lifelong learning, etc.“.<sup>33</sup>

CF invests in the so-called green growth and sustainable development and improves connectivity in the member states with the gross domestic product below 90% of the average of 27 EU member states. In analysing the objectives and importance of the Cohesion Fund, the study of the Standing

<sup>32</sup> O. Mirić, (2014), 10-11; V. European Commission, Directorate-General for Regional and Urban Policy, Regional Policy, European Regional Development Fund, [http://ec.europa.eu/regional\\_policy/en/funding/erdf/](http://ec.europa.eu/regional_policy/en/funding/erdf/), last visited 10 November 2017.

<sup>33</sup> O. Mirić, (2014), 11; V. European Commission, Directorate-General for Regional and Urban Policy, Regional Policy, European Social Fund, [http://ec.europa.eu/regional\\_policy/en/funding/social-fund/](http://ec.europa.eu/regional_policy/en/funding/social-fund/), last visited 10 November 2017.

Conference of Towns and Municipalities states that this fund is „focused on the realisation of the following investment priorities: energy production and distribution from renewable sources, energy efficiency, smart distributive systems, the development of strategies to reduce harmful emissions, the development of efficient co-generation systems, adjustment to climate changes, the development of disaster prevention and management systems, investment into waste material and waste water management and processing, water supply, protection of biodiversity, etc.“.<sup>34</sup>

The objectives of the EAFRD are: improving the competitiveness of the agricultural and forestry sector, improving the environment and the countryside and improving the quality of life in rural areas and encouraging diversification of the rural economy,<sup>35</sup> while the objectives of the EMFF are: ecological, economic and social sustainability of fishing and aquaculture in the EU member states.<sup>36</sup>

## **5. Legislative support to regional development in Serbia with special emphasis on the importance of the IPA Programme for Serbia and AP Vojvodina**

The successful implementation of regional policy, both at the EU level and the national level of individual states, primarily depends on the adoption and proper implementation of the adequate legislative framework, the financial and operational plan, and in particular on the responsible and effective use of all available financial resources.

Legislative support to the regional development policy in Serbia is a structural element of the stimulating regional development policy relating to the segment of regulating the realisation of investments and the realisation of projects of special importance to regional development in Serbia.

The legal framework of the regional development policy in Serbia consists of the Law on Regional Development, Directives, Regulations, Rules of Procedure, Orders, Decisions, Strategies, and the Republic of Serbia Constitution.<sup>37</sup>

<sup>34</sup> O. Mirić, (2014), 12; V. European Commission, Directorate-General for Regional and Urban Policy, Regional Policy, Cohesion Fund, [http://ec.europa.eu/regional\\_policy/en/funding/cohesion-fund/](http://ec.europa.eu/regional_policy/en/funding/cohesion-fund/), 10 November 2017.

<sup>35</sup> See European Commission, Directorate-General for Regional and Urban Policy, Regional Policy, European Agricultural Fund for Rural Development, [https://ec.europa.eu/agriculture/rural-development-previous/2007-2013\\_en](https://ec.europa.eu/agriculture/rural-development-previous/2007-2013_en), last visited 10 November 2017.

<sup>36</sup> See European Commission, Directorate-General for Regional and Urban Policy, Regional Policy, E European Maritime and Fisheries Fund, <https://ec.europa.eu/fisheries/cfp/>, last visited 10 November 2017.

<sup>37</sup> See Regionalni razvoj, Pravni okvir politike regionalnog razvoja, <http://www.regionalnirazvoj.gov.rs/Lat/ShowNARRFolder.aspx?mi=1>, last visited 12 November 2017.

The *lex generali* legal text regarding the regional development of Serbia is the Law on Regional Development. This Law defines the names of the regions and regulates the following: the manner of delineating the areas representing regions, and the manner of defining the local self-government units which constitute regions; indicators of the degree of development of regions and local self-government units; the classification of regions and local self-government units according to the degree of their development; development documents; regional development entities; measures and incentives and sources of financing for implementing regional development measures (art. 1).

The aims of promoting regional development are: the overall sustainable social-economic development; the reduction of regional and intra-regional disparities, in terms of degree of socio-economic development and living conditions, laying emphasis on fostering the development of insufficiently developed, devastated industrial and rural areas; the reduction of negative demographic trends; the development of economy based on knowledge, innovativeness, modern scientific-technological advances and organisation of management; the development of competitiveness at all levels; the establishment of a legal and institutional framework for planning, organising, coordinating and realising development activities; encouraging inter-municipal, inter-regional, cross-border and international cooperation regarding issues of common interest; a more efficient use of domestic natural resources and commodities, as well as foreign resources (art. 2).<sup>38</sup> On the other hand, the aims of promoting regional development are realised according to the regional development promotion principles, defined in art. 3.

In the context of the EU funds identified above, article 48, items 5 and 6 stipulate that the financing of regional development is, inter alia, realised from the following sources: the EU pre-accession funds, as well as from the non-refundable development aid of the international community and other European Community programmes. With regard to that, article 49 stipulates for the programmes and projects financed from the EU pre-accession funds to be implemented pursuant to provisions of the Law on Ratifying the Framework Agreement between the Republic of Serbia Government and the Commission of European Communities on the rules of cooperation which regard the European Community's financial aid to the Republic of Serbia in the context of providing aid according to IPA rules<sup>39</sup>,

<sup>38</sup> For more information on the objectives and shortcomings of the statistic regionalisation of Serbia as an instrument of even regional development, see D. Golić, S. Počuča, Statistički regioni u Srbiji, *Kultura polisa*, 23/2014, 325-339.

<sup>39</sup> The Law on Ratifying the Framework Agreement between the Republic of Serbia Government and the Commission of European Communities on the rules of cooperation which regard the European Community's financial aid to the Republic of Serbia in the context of providing aid according to the Instrument for Pre-Accession Assistance – IPA rules, Official Gazette of the Republic of Serbia – International Agreements, No. 124/07.

as well as the documents the passage and adoption of which is stipulated by the aforesaid agreement.

An important characteristic of the fifth phase of EU regional policy (2007-2013) was the integration of pre-accession instruments of aid to potential member states. Pursuant to the Council of Europe Directive No. 1085/2006, which took effect in 2007, all the instruments valid at the time (PHARE, ISPA, SAPARD, CARDS) were replaced by one Instrument for Pre-Accession Assistance – IPA, which comprises 5 components and represents a framework for providing assistance to candidate and potential candidate states.<sup>40</sup> The aforesaid Framework Agreement defines in principle the general rules on IPA financial aid and consequently defines the approach to be taken by both state authorities at the central and provincial levels, and local self-government units. Principally, the purpose of implementation of the IPA Programme is to prepare the states for the use of structural and Cohesion funds on becoming members of the EU.

As quoted in the document AP Vojvodina Development Programme 2014-2020, the five components of the IPA Programme relating to which funds were allocated in the period up to 2013 are as follows: supporting transition and institution development, cross-border cooperation, regional development, human resource and rural development. In the past period, Serbia has not had an accredited decentralised system for EU funds management, which meant that it was not capable of managing the EU funds alone so that it could only use the first two IPA components.<sup>41</sup>

In the field of cross-border cooperation, the main objectives of which are directed towards promoting sustainable economic and social development, and cooperating on problem-solving in different areas, in the period 2007-2013 Serbia was given the opportunity to take part in six cross-border cooperation programmes with neighbouring states, and two transnational cooperation programmes – the IPA Adriatic Programme and South-East Europe Programme. Owing to its geographic position, the Autonomous Province of Vojvodina was able to take part in four cross-border cooperation programmes (with Hungary, Romania, Croatia and Bosnia Herzegovina) which were financed from IPA's second component.<sup>42</sup>

<sup>40</sup> See Regionalni razvoj, Politika regionalnog razvoja Evropske unije, <http://www.regionalnirazvoj.gov.rs/Lat/ShowNARRFolder.aspx?mi=27>, last visited 12 November 2017.

<sup>41</sup> A group of authors, Program razvoja AP Vojvodine 2014-2020, [http://programrazvoja.vojvodina.gov.rs/wp-content/uploads/2016/03/Program\\_razvoja\\_AP\\_Vojvodine\\_2014\\_2020\\_3891.pdf](http://programrazvoja.vojvodina.gov.rs/wp-content/uploads/2016/03/Program_razvoja_AP_Vojvodine_2014_2020_3891.pdf), last visited 13 November 2017.

<sup>42</sup> During the three biddings to submit project proposals within the Programme of Cross-Border Cooperation with Hungary, entities from the territory of AP Vojvodina attracted around EUR 21,695,257. In two biddings for cooperation with Romania, entities from Vojvodina attracted around EUR 10,294,398, while in the first bidding with Croatia, entities from Vojvodina were granted EUR 1,301,754. In the programme with Bosnia Herzegovina, two projects from the territory of AP Vojvodina were approved in the first and second bidding, with the donation amounting to EUR 167,372. Quoted from: Group of authors, 196.

## **6. Instead of a conclusion – EU cohesion policy focus for the period 2014-2020 and the challenges and recommendations in the IPA II Programme implementation process**

The current focus of EU cohesion policy, expressed in the Europe 2020 Strategy, emphasises the importance of this programme for the candidate states, as well as for the neighbouring countries, stating that the expansion of the area of application of EU rules will create new opportunities, both for EU and for its neighbours.

As stated in Europe 2020 Strategy, „two significant novelties in EU expansion policy and regional cooperation in South-East Europe connect the Western Balkan region, including Serbia as a candidate state for membership of the European Union, to the primary trends and objectives of Europe 2020 Strategy. They are a new economic approach of the EU for the Western Balkans and the South-East Europe 2020 Strategy. Within the new economic approach, the European Commission maintains close cooperation with international financial institutions, such as the International Monetary Fund, the World Bank, the European Investment Bank. The countries of the region, inspired by Europe 2020 Strategy, have defined South-East Europe 2020 Strategy, which is committed to the same objectives, but is a product of the need for reforms in the region, with a view to, in the long run, facilitating convergence in economic and social development of the countries of the region with the EU“.<sup>43</sup>

On the other hand, as regards the pre-accession assistance area, after years of experience in using the available components of the IPA Programme, the programme framework for the development of the AP Vojvodina region distinguishes the following principal challenges for gaining the possibility of use of pre-accession assistance for the period 2014-2020 (IPA II): an insufficiently developed strategic framework, the unavailability of town-planning and project-technical documentation for infrastructure projects, unresolved property-legal relations, project pre-financing and co-financing, and the sustainability of administrative capacities.<sup>44</sup> The same document points to the essential nature of “recommendations relating to active participation in programming and monitoring international development assistance, the strengthening of human capacities, the preparation of town-planning and project-technical documentation, and the establishment of project co-financing and prefinancing mechanisms,”<sup>45</sup> as the key requirements for further use of international development assistance funds.

<sup>43</sup> J. Kronja, 41-43.

<sup>44</sup> See Group of authors, 202-203.

<sup>45</sup> *Ibid.*, 203.

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## **CILJEVI I ZNAČAJ REGIONALNE POLITIKE EVROPSKE UNIJE, UZ OSVRT NA POLITIKU REGIONALNOG RAZVOJA SRBIJE**

### **Rezime**

Regionalna politika EU spada u red najvažnijih zajedničkih EU politika. Ciljevi kohezione politike EU za period 2014-2020. godina, predstavljeni su u Strategiji Evropa 2020, i odnose se na pametan, održivi i inkluzivni rast. Poseban značaj za Srbiju imaju finansijski instrumenti regionalne politike EU, a naročito Evropski fond za regionalni razvoj, koji, između ostalog, finansira i projekte prekogranične suradnje. Zakonom o regionalnom razvoju određeno je da se finansiranje regionalnog razvoja vrši, između ostalog, i iz pretpristupnih fondova EU, u kom kontekstu je u periodu 2007-2013. godina za Srbiju i region AP Vojvodina bio veoma značajan Instrument za predpristupnu pomoć – IPA, dok se za period 2014-2020. godina očekuje pretpristupna podrška programa IPA II. Konačno, aktuelno opredeljenje kohezione politike EU, iskazano u Strategiji Evropa 2020, ističe važnost ovog programa za države kandidate, kao i države susedstva, navodeći da će proširenje prostora na kojem se primenjuju pravila Evropske unije kreirati nove mogućnosti, kako za Evropsku uniju, tako i za njene susede.

**Ključne reči:** Regionalna politika EU, fondovi EU, Strategija Evropa 2020, IPA, IPA II.