

## Internationalization Pathways through EU Aid: Firm-Level Evidence from IPA Environmental Projects in Türkiye

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### Abstract

European Union–financed projects implemented via public procurement can serve as important springboards for firms’ internationalization by granting access to new markets, networks, and learning opportunities. Yet, empirical research into how official development aid influences firms’ international growth remains scarce. This study investigates whether and how projects funded under the EU’s Instrument for Pre-Accession Assistance (IPA) function as platforms that support firms’ international growth. The analysis centers on environmental projects in Türkiye —the largest beneficiary of IPA funds under the IPA II programme (2014–2020). Drawing on a unique database created from European Commission reports and the Assortis business platform, we analyse the funded projects’ features and the awarded firms’ profiles, distinguishing between individual firms and partners in business groups. We analyse the relationship between IPA participation and subsequent international growth, paying special attention to differences between EU member state firms and firms based in the beneficiary country. We also explore whether experience gained through IPA projects increases firms’ likelihood of winning contracts from other Multilateral Financial Institutions. Descriptive and comparative evidence reveals distinct patterns of participation and internationalization across firm types, suggesting that IPA projects may act as learning, network-development and reputation-building platforms that facilitate further international expansion. By offering firm-level empirical insights into the international effects of EU pre-accession assistance, this paper contributes to research on development aid, public procurement, and firm internationalization, while highlighting broader economic implications of EU external instruments.

**Keywords:** EU Pre-Accession Assistance (IPA); Public Tenders; Firm Internationalization; Türkiye, Official Development Aid