Special report 14/2011 (2011 discharge): Has EU assistance improved Croatia's capacity to manage post-accession funding?

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PURPOSE: to present the European Court of Auditors' Special Report No 14/2011: Has EU assistance improved Croatia's capacity to manage post-accession funding?

CONTENT: the purpose of EU pre-accession assistance is to help the Candidate Countries strengthen their administrative capacity in preparation for managing the larger amounts of EU funding available to them once they become Member States. Assistance to Croatia has amounted to 150 million euro every year from 2007.

This European Court of Auditors' (ECA) special report No 14/2011 examines whether EU pre-accession assistance has been effective in supporting Croatia prepare for managing EU funds after accession.

The audit focused on two key areas:

1. Has the EU Commission planned EU assistance in a way which satisfactorily helps Croatia to prepare for managing EU funds after accession?
2. Have the EU financed projects achieved the intended results in terms of strengthening Croatia's capacity for managing EU funds?

ECA's conclusions: the audit findings are based on an analysis of the documents relating to the programming and implementation of the pre-accession assistance, audits of a sample of 16 projects, interviews with Commission staff, and interviews with the Croatian ministries, agencies and regional and local authorities involved in the management of EU funds.

The Court found that:

- assistance to address Croatia's capacity building needs has been soundly planned by the Commission and the Croatian authorities;
- EU assistance has made an important contribution to building up Croatia's capacity for managing post-accession funding, including through learning by doing;
- implementation in the rural development sector has suffered from **low absorption rates**;
- the intended results of some projects still need to be safeguarded - the audit identified a **number of key issues** in this respect;
- important steps have been taken to strengthen the anti-corruption body but significant challenges remain;
- despite there still being scope for further improvement, the Commission has clearly learned important lessons from previous enlargements which has made its assistance to Croatia more effective.

Court's recommendations: the ECA makes a series of recommendations to help the Commission and Croatian authorities make EU assistance even more effective. They should:

- increase the priority given to building up procurement capacity by implementing plans for on- and off-the-job training;

- take greater steps to meet capacity building needs at regional and local level;
- build up a portfolio of mature projects to be able to fully absorb the increased post-accession funding available; and strengthen anti-corruption measures.