TACIS subsidies allocated to Ukraine. Special report 6/97 Court of Auditors

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OBJECTIVE: to present the Court of Auditors' special report (no. 6/97) on TACIS subsidies allocated to the Ukraine from 1991 to 1995, especially in the nuclear safety sector. CONTENT: this report examines the efficiency of aid granted by the European Union to the Ukraine under the TACIS programme and, more importantly, the way in which technical assistance has been implemented in the nuclear sector, which is the priority sector under this programme. The Court's analysis shows that the implementation of the TACIS programme has been particularly slow in this country due to the need for reform, especially in the field of nuclear safety. The Court considered that this delay was caused both by lengthy negotiations with the Ukrainian authorities and by the Commission, which had been unable to find one full-time expert to monitor action in this sector. The agency coordinating foreign aid, which should act as the TACIS coordination unit for Ukraine, was still not able to perform its role effectively. The Court even noted that financing provided under TACIS did not always respond to actual needs. The existing coordination agency did not, in practice, fulfil its role of intermediary between the Commission and the local authorities, especially in the field of nuclear safety, where supplies of equipment were given preference over measures to improve operational safety. Faced with these shortcomings, the Commission increased project support and monitoring activities. In the Court's opinion, these indiscriminant activities proved ineffective and gave rise to duplication of work and administrative delays, resulting in the dilution of responsibilities. The Court also considered that the Commission had delegated too much responsibility to outside consultants without providing supervision. This dilution of responsibilities was reflected in a weakening of early warning systems (the parties involved in certain actions in the nuclear sector did not feel duty bound to refer problems to the Commission or the highest authorities in Ukraine). The Court also emphasized that the sluggishness of the administrative processes was often the result of concentrating management functions at Commission headquarters. A redeployment of Commission staff therefore appeared desirable. It also considered that administrative procedures should be more rapid and better adapted to rapid response requirements (especially in the nuclear sector). On a financial level, mobilization of funds was too slow. The Court called for coordination to be encouraged between the activities of donors and between the various European Union programmes. Mobilization of financial support should be more dependent on the level of progress actually achieved in the sectors in question (as was the case in the agricultural sector). On a general level, the Court considered that the audit in Ukraine showed that the supervisory mechanisms which were supposed to optimize the impact of TACIS commitments were not operating effectively. It found that there was a lack of quantified objectives and an absence of project monitoring and evaluation of progress. The Court therefore recommended more efficient monitoring of actions undertaken in order to benefit from the experience acquired and called for the terms of reference of the project assessment and monitoring teams to be reviewed