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

1997/2106(COS) - 12/03/1998 - Text adopted by Parliament, single reading

In adopting the report by Mrs Magdalene HOFF (PSE, D) on Tacis subsidies to Ukraine, the European Parliament deplored the fact that only 37.5 % of the Tacis commitments in Ukraine from 1991 to mid-1996 had given rise to payments and that for nuclear safety programmes the equivalent figure was only 25.5%. It noted the Commission's efforts to speed up implementation in 1997, and observed that the Tacis implementation difficulties in Ukraine had arisen principally from the following: -lack of a sustained policy by the authorities in Ukraine to achieve the transition towards a market economy, -insufficient and unstable personnel resources at the Commission, -fragmentation of expenditure over large numbers of relatively small projects with limited impact, -lack of clarity and focus as to the strategic objectives of the Tacis programme, -administrative shortcomings of partner organizations in Ukraine, -frequent divergencies between the Commission and Ukrainian beneficiaries, -poor coordination and unclear division of responsibilities between the Commission and other outside providers of assistance, contractors and beneficiaries, -excessively burdensome and lengthy administrative procedures. Parliament accordingly made a list of proposals which it asked the Commission to implement in order to remedy the situation rapidly: 1) that the number of projects financed be reduced, focusing Tacis on a limited number of sectors for four years and concentrating on large projects, 2) that current projects be reviewed in 1998 with a view to cancelling those which were unproductive, 3) that the Commission improve its staffing, both on the spot and in Brussels, and retain high-level staff in its DG IA, 4) that measures be taken to ensure that projects in Ukraine were approved for financing only if they could be finalized within six months, 5) that expenditure not implemented be reallocated, 6) that international coordination be reorganized. Parliament deplored the blockages in the nuclear safety programme, and awaited the Court of Auditors' 1998 report with a view to drawing conclusions for its future direction. Parliament insisted that the effectiveness of the EU's policy on aid to Ukraine must be constantly monitored, and stressed the desirability of encouraging a more strategic approach to defining needs in Ukraine.