

**PRESS BRIEFING**

**Report on the use of EU pre-accession aid programmes**

- The Republic of Croatia is a beneficiary of CARDS, PHARE, ISPA and SAPARD pre-accession programmes, as well as of the single pre-accession assistance instrument IPA which replaces former programmes in the Financial Perspective 2007-2013 and consists of five components: Component I- Transition Assistance and Institution Building, Component II- Cross-Border Cooperation, Component III- Regional Development, Component IV- Human Resources Development, Component V- Rural Development, through which a total of EUR 592.6 million has been allocated to the Republic of Croatia for the period 2007-2010.
- In February 2006, the Croatian system of the EU pre-accession funds management, together with all involved institutions, was accredited by the European Commission for CARDS, Phare and ISPA programmes. In November 2008, the European Commission also gave Croatia the accreditation for the IPA Programme. **It means that it is confirmed that institutions and processes are arranged in a way which guarantees transparent and efficient use of EU pre-accession programmes.**
- The system of institutions managing pre-accession programmes operates with ex-ante controls by the EC Delegation and every step of the implementation procedure is approved by the EC Delegation. Technical documentation before tender publication, notification of tender publication, appointment of an evaluation committee, selection report, contracts etc, are all sent on approval. During the procedure, the most favourable tenderer is selected, and the selection process is also monitored by a representative of the EC Delegation.
- Through CARDS, PHARE, ISPA and SAPARD pre-accession programmes for the period 2003-2006, EUR 297.23 million were allocated to us, of which, by June 30<sup>th</sup> 2009, EUR 239.80 million (80.68%) were contracted. The contracting for the ISPA Programme is underway so the final percentage of contracting will be higher.
- Through the IPA pre-accession programme for the period 2007-2010, EUR 592.6 million have been allocated to us. The European Commission Regulation, according to which institutions have been preparing themselves for dealing with IPA funds, was published in the summer 2007. After that, demanding preparations started for the building of the system which operates under EU rules and in accordance with the adopted Regulation. Accreditation was obtained in November 2008. After obtaining the accreditation, institutions were finishing the preparation of the documentation for tender publication and for the beginning of contracting procedure. All documentation is sent on approval to the Delegation of the European Commission. Currently, the harmonization of documentation is underway, along with the launching of the procurement procedure and contracting and after that, the implementation of the contracted projects will follow. The deadline for project contracting and implementation is 2013.

- Payments are underway; by June 30<sup>th</sup> 2009, EUR 159.43 million were paid out. It is necessary to emphasize that final data on used funds for a single programme will be known after the completion of each programme.

- **ALLOCATED FUNDS**

In the period from January 1<sup>st</sup> to June 30<sup>th</sup> 2009, the European Commission allocated EUR 40.3 million to the account of the National Fund. Funds are allocated for the PHARE, ISPA, SAPARD and IPA Component IV programmes.

From the beginning of the use of pre-accession programmes until June 30<sup>th</sup> 2009, funds totalling EUR 266.45 million were requested from the European Commission for programmes, and EUR 250.17 million were allocated. The payment of the difference is expected by the end of the year.

- **IPA Programme 2007- Component I**

The Financing Agreement on the allocation of funds from the IPA Programme 2007-Component I, between the Republic of Croatia and the European Commission, was signed on November 17<sup>th</sup>, 2008.

For financing of projects within the competence of the CFCA, a total of EUR 39.95 million has been allocated, of which 49 projects will be financed. Of the mentioned number of projects, tenders have been published for 47 projects, and by now, 8 contracts have been signed totalling EUR 3 282 902.18. Since the final deadline for the contracting of projects financed by this programme is November 17<sup>th</sup> 2010, the contracting of the whole allocation is expected by that time.

- **IPA Programme 2008- Component I**

The Financing Agreement on the allocation of funds from the IPA Programme 2008-Component I, between the Republic of Croatia and the European Commission, was signed on June 5<sup>th</sup>, 2009.

For financing of projects within the competence of the CFCA, a total of EUR 35.79 million has been allocated and it will be used for financing of 55 projects. The contracting of projects within the framework of this programme is underway. Currently, 8 tenders have been published and/or are in the contracting procedure. The deadline for the contracting is June 5<sup>th</sup> 2011.

Contracting procedures allow the possibility of cancellation of published tenders in justified cases defined by the procedures of the European Union. For every tender publication, as well as cancellation and republication, it is necessary to gain in advance the consent of the Delegation of the European Commission.

Basic contracting principles are: **TRANSPARENCY** (all documentation is publicly published and approved by the EC Delegation), **EQUAL TREATMENT** of all competitors, **IMPARTIALITY** (assuring complete impartiality of evaluation

committee members) and **PROPORTIONALITY** (selection criteria must be proportional to tender conditions).