

BULGARIAN SHADOWS CAST OVER ACCESSING COUNTRIES

This week the European Commission launched its Progress reports for the Western Balkans. And similarities and trends are evident now. Analyzing the previous member states' progress reports on Bulgaria and Romania it could be said that Bulgarian shadow of EU funds failures is cast over several future members of the European Union.

Bulgarian failure in EU funds is due to deficiency in administrative capacity, management and control issues, and related problems with legislation. The trend has been reported in each progress report on Bulgaria of the Commission since notorious 2009 report where a total restructuring of the EU funds management system and nomination of an EU funds minister was launched first as a mitigation measure for coming crash with funds. Meanwhile the success was limited and questionable since not consistent progress in utilizing major funds was done. The only strong point seems strengthening the control functions of the EU structures, highly advertised as a prominent success by now minister of EU funds, Mr. Donchev. Anyhow all these virtues were eliminated by the scandalous development of the Stojkov-Nikolov trial which pointed deep inconsistency in judiciary system in Bulgaria unable to operate as a proper sanction and rule obeying system like it is required by *acquis communautaire*. And threatening simply 11% of EU funds for Bulgaria utilization at the end of the program period is the logic outcome.

All this could be repeated for the future program period for some accessing countries.

For Croatia, the already EU member with effective membership since 2013 in the field of regional policy and coordination of structural instruments, increased efforts are needed to strengthen the administrative capacity for future cohesion policy implementation and to develop a high-quality and mature project pipeline with a view to swift absorption of regional policy funds, building on the recent report of the European Court of Auditors.

Financial assistance is provided under the Instrument for Pre-accession Assistance (IPA). The 2012 IPA programmes amounted to € 156.2 million. This assistance is focused on institution-building and preparing for implementation of the EU's common agricultural policy and cohesion policy. In addition, Croatia continued to benefit from regional and horizontal programmes. A transition facility has been agreed for the first year following accession to strengthen administrative and judicial capacity in Croatia. Croatia has relevantly modest share of IPA resources – € 156.2 million and could not suffer great loss and economy misbalance from any coming EU funds shortages.

For Former Yugoslav Republic of Macedonia the Commission progress report outlines limited progress in the area of regional policy and coordination of structural instruments. Management of IPA programmes is reported to need improvement in order to ensure full and timely absorption of EU funds. Additional efforts are reported to be done for addressing deficiencies in management and control systems. In particular, staffing and qualifications within the operating structures and the Central Financing and Contracting Department of the Ministry of Finance of Macedonia need to be substantially strengthened. Preparations in this area are reported to be moderately advanced. Following that Macedonia has only the span of current cabinet mandate to improve these deficiencies and at next political cycle will

deteriorate in following the tendency the Bulgarian scenario is highly possible with all its funds lost and scarcity of utilization. Macedonia has allocation of € 101.8 million for IPA mechanism.

Serbian choice is not so different from Macedonian. The Commission reports progress in the field of agriculture and rural development including with regard to agricultural statistics. Structures and resources for the implementation of rural development under IPARD have advanced well, but additional capacity building is still essential. Overall, in this area alignment remains at an early stage. Some progress was made in the area of food safety, veterinary and phytosanitary policy, where preparations are moderately advanced. Further strengthening of the administrative capacity of the institutions involved in controlling food chain safety, in particular of the veterinary, phytosanitary and national reference laboratories is needed. Efforts are needed regarding the upgrading of food and feed establishments, the management of animal by-products and genetically modified organisms. Some progress can be reported on fisheries. The collection of market data needs to be improved and a national catch certification scheme for imports and exports of fishery products needs to be established. Preparations in this area are moderately advanced.

Let's remind that agricultural funds are the biggest ones and most vulnerable and they were the great problem for Bulgaria, even originating the Stojkov-Nikolov fiasco of judiciary system. Serbia experience according to report further problems in judiciary and it seems a vulnerable point for the future. Serbia has some € 202 million for IPA to utilize.

Turkey – the Princess of the Orient and eternal EU accessing country is reported to make some progress in the field of regional policy and coordination of structural instruments. The institutional framework for implementing of IPA regional development and human resources development components has been strengthened and the Operating Structures for the Regional Competitiveness, Environment and Human Resources Development operational programmes have obtained accreditation for the tendering, contracting and financial management functions. However, there is still a need for further strengthening of the administrative capacity of the IPA institutions. Preparations in this area are not very advanced. This, together with the enormous amount of IPA funds, compared to other accessing countries - € 860.2 million - makes the task tricky enough. Meanwhile the Progress report outlines some further work to be done in Public Procurement legislation. Deficiencies in Bulgarian Public Procurement legislation caused slow down of EU funds utilization process and current problems with breaches of sound financial management.

Following Commission Progress reports on Albania and Kosovo their legislation and economy trends do not seem to affect the EU funds sound management and control practices for the current period.

Common problems could lead to common scenarios with EU funds. So Bulgarian shadow of administrative capacity and control deficiencies could cast deep over most of accessing countries if not ingenious administrative and management measures are taken for mitigation the common political processes in Balkan countries.