



EUROPEAN PARLIAMENT

2009 - 2014

Committee on Budgets

2011/2191(INI)

07.11.2011

OPINION

of the Committee on Budgets

for the Committee on Foreign Affairs

on the application of Croatia to become a member of the European Union
(2011/2191(INI))

Rapporteur: Göran Färm

PA_NonLeg

SUGGESTIONS

The Committee on Budgets calls on the Committee on Foreign Affairs, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Welcomes the conclusion of the accession negotiations and confirms its consent for Croatia to become the 28th member of the European Union;
2. Underlines the fact that accession to the EU should not be regarded as the end of a process, but rather as one step along the path of ongoing and continuous administrative and economic modernisation of a country;
3. Calls for increased use of the financial instruments that support SMEs, infrastructure development and the business environment as part of the multi-beneficiary programmes across the Western Balkans; notes that regional cooperation is of the utmost importance for the economic development of, and fruitful cooperation with, Croatia's neighbouring countries;
4. Stresses that Croatia should, following the example of other Member States, take the opportunity of membership to promote and enhance medium- and long-term planning of EU funding in order to invigorate and boost the modernisation of its economy as a step towards greater competitiveness and diversification; recalls in this regard the important role of the structural funds;
5. Endorses the Commission's conclusions presented in the Progress Report on Croatia; welcomes the good overall progress that Croatia has made, particularly in the fields of judiciary and fundamental rights, competition, and justice, freedom and security;
6. Remains, nevertheless, concerned about Croatia's administrative and absorption capacities in the face of the prospect of full membership and the ensuing implementation of structural and agricultural policies; recalls that the substantial increase in funds to be implemented can only be monitored and managed on the basis of an improvement in those capacities at both the central, and the regional and local, levels;
7. Supports, in that connection, the creation of a temporary financial assistance mechanism, the Transition Facility, designed to strengthen Croatia's administrative and judicial capacity to implement and enforce EU legislation;
8. Points out that Croatia has not yet recovered from the economic recession affecting the country; notes that despite the 2010 economic stimulus programme unemployment, particularly youth unemployment, has continued to rise; calls on the Commission to press for a Croatian labour-market solution;
9. Welcomes the growing effectiveness of the fight against corruption, including actions taken against a number of former leading politicians and officials as well as the introduction of new improved laws regarding access to information, conflict of interests and the financing of political activities; notes, however, that Croatia is in 62nd place on Transparency International's corruption index; encourages, therefore, further

consolidation of the efforts in this area and endorses the Commission's statement that corruption is still prevalent in some areas and that there is further progress to be made in the fight against corruption; supports all the necessary commitments and legal, administrative and auditing measures that the Croatian authorities will take to that end, especially with regard to the protection of the EU's financial interests and control of EU funding; calls on the Commission to incorporate a traffic-light system into its progress reports in order to guarantee the clarity of those reports and to give its critical remarks greater weight, so that improvements and where appropriate, setbacks are highlighted;

10. Calls for improvements in the quality of internal auditing in the area of public financial control and further progress in combating the forging of euro banknotes, with a view to achieving the objective of the systematic detection and notification of cases of fraud;
11. Welcomes the creation of a special temporary Schengen facility supporting the necessary investments to be made by Croatia for the maintenance and reinforcement of the EU's external borders and its eventual entry into the Schengen system;
12. Calls on all involved parties to associate Croatia, to the greatest extent possible extent, in its capacity as an acceding country, in all exchanges of views and negotiations on the Multiannual Financial Framework (MFF) 2014-2020; believes that the Croatian observers in the European Parliament, representatives in the Council, and observers in the Committee of Regions should seize the opportunity to promote their vision for the Union and contribute to the shaping of the EU budget and priorities to 2020;
13. Takes note of the position of the European Union on the financial and budgetary provisions, as defined in the Conference on the Accession of Croatia, and based on an accession date of 1 July 2013; notes that the required financial envelopes for Croatia's accession, by heading and sub-heading of the budget, for the last semester of the last financial year of the current MFF, would substantially increase expenditure in the EU budget; notes that the allocation for Croatia reserved under IPA will be reduced from the amounts originally envisaged for 2013 which, to a certain extent, offsets the net impact on the EU budget;
14. Notes Coreper's position whereby the overall level of expenditure should not be changed for the financial year 2013, but recalls nevertheless that the current MFF did not take into account, when presented, negotiated and adopted in 2006, the potential accession of Croatia during the lifetime of this Multiannual Financial Framework;
15. Urges the Commission in consequence to propose, as planned in early 2012 following the signature of the Accession Treaty in December 2011, and as provided for in point 29 of the IIA, a revision of the MFF for the financial year 2013 in order to avoid financing Croatia's accession by redeployments;
16. Regards such potential redeployments of appropriations from existing instruments and priorities not only as detrimental to the EU's capacity to implement its policies properly, but also as a process which would not fully correspond to Croatia's future status as a member of the EU;

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	7.11.2011
Result of final vote	+: 26 -: 2 0: 0
Members present for the final vote	Marta Andreasen, Reimer Böge, Lajos Bokros, Isabelle Durant, James Elles, José Manuel Fernandes, Eider Gardiazábal Rubial, Salvador Garriga Polledo, Carl Haglund, Lucas Hartong, Jutta Haug, Sidonia Elżbieta Jędrzejewska, Ivailo Kalfin, Jan Kozłowski, Alain Lamassoure, Vladimír Maňka, Barbara Matera, Nadezhda Neynsky, Dominique Riquet, László Surján, Derek Vaughan, Angelika Werthmann
Substitute(s) present for the final vote	François Alfonsi, Franziska Katharina Brantner, Frédéric Daerden, Jürgen Klute, Georgios Stavrakakis
Substitute(s) under Rule 187(2) present for the final vote	Marisa Matias