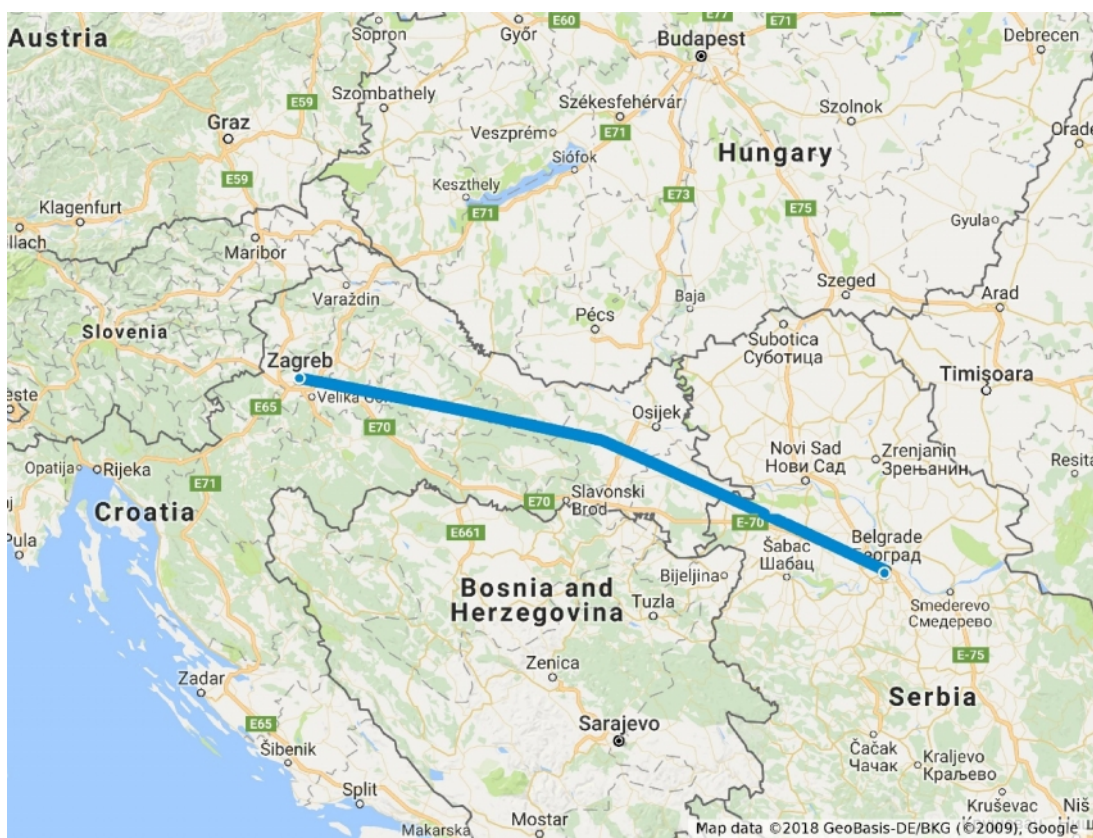


Directorate-General for Internal Policies of the Union
Directorate for Budgetary Affairs
Secretariat of the Committee on Budgetary Control

Brussels, 1 February 2018

Report on the fact-finding mission of the Budgetary Control Committee to Croatia and Serbia

17 to 20 July 2017



Summary & recommendations

A delegation of the European Parliament's Committee on Budgetary Control (CONT) visited the Republic of Serbia from 17 to 18 July 2017 and the Republic of Croatia from 19 to 20 July 2017, with the objective to observe how effectively the European Union funds are spent.

1. Visit of the CONT delegation to Serbia

The first part of the program took place in Serbia - in Belgrade and Obrenovac, where the CONT delegation, with the assistance of the EU delegation to Serbia, took a closer look at different projects, financed under the Instrument for Pre-accession Assistance (IPA), the efficiency and effectiveness of implemented controls as well as Serbia's plans to increase administrative capacity and to support SME development. In particular, the delegation met with the representatives of the Serbian State Audit Institution, Serbian Parliament Budgetary Committee, held an exchange of views with the Chief Negotiator for Serbia's EU accession and representatives of Ministry of Finance, Audit Authority, Anti-Corruption Agency and Ministry of Economy. Moreover, the delegation visited projects related to SME support in Belgrade, as well as reconstruction projects in Obrenovac following the 2014 unprecedented floods and financed through IPA funds.

The EU pre-accession funding to Serbia for the period 2014-2020 amounts to 1.5 billion EUR (IPA II). Since 2000 the EU has invested a total of 3 billion EUR in Serbia.

The delegation met the competent Serbian national authorities of Serbia and the representatives of funded projects in order to verify how the pre-accession funds have been spent in preparation for EU membership.

The delegation was impressed by the reconstruction works in the flood affected areas and the support to the small business development. In addition the delegation commends the high rate of implementation of IPA 2013 funds of 86% as well as the installation of new procurement and audit procedures, together with the administrative capacity building.

The delegation concludes that Serbia has well progressed in its spending of pre-accession funds as well as in the way how the funds have been spent.

During and after the visit the CONT delegation had confirmed a vision of Serbia's well-deserved future as a member of the European family. The delegation encourages the country and its authorities to continue making good progress in the use and implementation of EU pre-accession assistance and accompanying reform pursuing the path towards the EU.



Delegation press conference in Belgrade

2. Visit of the CONT delegation to Croatia

The second part of the mission took place in Croatia - in Zagreb and Karlovac, where the delegation met the representatives of the Ministry of Regional Development, the Ministry of Finance, the Ministry of Labour and Pension System, the ARPA Agency (Agency for the audit of EU programmes), the SAFU agency (Central finance and contracting agency), the Croatian Parliament European Affairs Committee, and the Croatian Employment Service. The delegation visited five projects in Zagreb and Karlovac, in the area of regional competitiveness, research, employment and education.

The CONT delegation focused on whether the EU funds are spent properly, efficiently and effectively, as well as on their absorption rate. The delegation noted that Croatia was off to a slow start when it comes to absorbing the EU funds in the 2014-2020 period, with the absorption rate of EU funds being at 23 % at the time of the delegation's visit and the target for the following year set at 50 %. The delegation notes, however, that other new Member States, following their accession to the EU, were slow at first to absorb EU funds.

The delegation was pleased with the progress made, and encourages Croatia's plans to increase administrative capacity, in particular with regards to the posts intended for experts for managing the EU funds.

The delegation encourages the implementation of operational measures intended to reduce the administrative burden, such as simplification and standardisation of procedures, moving the

applications on-line in order to simplify the project applications, making employment in the public sector (for the posts related to EU funds) more flexible and strengthening cooperation between central and local levels on EU projects.

The delegation welcomed government's commitments for raising awareness that the projects are being financed by the EU, and encourages further efforts in this regard.

The delegation concludes that Croatia is on the right track, however further efforts remain to be invested in order to increase the absorption rate and eliminate the bureaucratic obstacles related to the management of EU funds.



Delegation press conference in Zagreb

1. Visit to Serbia

1.1. EU-Serbia relations and EU financial assistance

The European Council granted Serbia the status of candidate country in 2012. The Stabilisation and Association Agreement (SAA) between Serbia and the EU entered into force in September 2013. Accession negotiations were launched in January 2014.

The 2016 European Commission Report on Serbia commended the well-organised April 2016 elections, the new government's confirmed commitment to EU accession and dialogue with Pristina, the ongoing political and economic reforms, and Serbia's constructive regional role and approach to the migration crisis. The report highlighted the country's economic progress, improved economic indicators and growth. Despite the overall good tone, however, it revealed concerns in a number of areas. Reforming the judiciary remains a priority, the objective being to tackle political influence and improve the judiciary's quality and efficiency. Adopting a law on free legal aid and amending related constitutional provisions are other pending tasks. The fight against corruption and organised crime has not yielded 'meaningful results' and needs to be stepped up. A track record of effective investigations, prosecutions and convictions in (high-level) corruption cases is also required. The media environment is seen as not conducive to the full exercise of freedom of expression and needs to be significantly improved. Other areas in need of improvement include protection of minorities, giving civil society a stronger role in the accession process, and progressive alignment with the EU's foreign policy positions in future, including as regards Russia.

1.1.1. IPA financing

Serbia was conferred the management of EU funds in March 2014. The funds allocated under this management mode belong to IPA 2013, IPA 2014, IPA 2015, IPA 2016 and IPA 2017 programmes.

Under IPA II, funds are implemented under direct management by the EU Delegation, indirect management with some international organisations and IFIs when justified, and indirect management by Serbian authorities. In addition, Serbia developed its first sector reform contract financed through IPA 2015, in the area of public administration and public finance management. Two additional sector reform contracts are included under the 2016 programme to support the implementation of the Serbian Integrated Border Management and Education Strategies.

Table 1: IPA II financing

IPA II (2014-2020)	Indicative share of total allocation foreseen in the ISP (in EUR million)
Democracy and governance	278
Rule of law and fundamental rights	265
Environment and climate change	160
Transport	175
Energy	125
Competitiveness and innovation	105
Education, employment and social policies	190
Agriculture and rural development	210
Total (2014-2020)	1.5 billion

Table 2: IPA allocations under Decentralised/Indirect Management mode

Programme	IPA allocation in €	Sectors covered
IPA 2013	138,014,533 (out of it EU Programmes 6,596,242)	<ul style="list-style-type: none"> • Public Administration Reform • Justice and Home Affairs • Private Sector Development • Transport • Energy, Environment and Climate Change • Social Development • Agriculture and Rural Development • Other EU acquis and horizontal activities
IPA 2014	65,590,000 (out of it EU Programmes 8,063,840)	<ul style="list-style-type: none"> • Democracy and Governance • Rule of law and fundamental rights • Energy • Competitiveness and innovation • Education, employment and social policies

IPA 2015	72,850,000 (out of it EU Programmes 12,090,000)	<ul style="list-style-type: none"> • Transport • Support to participation in EU Programmes
IPA 2016	15,900,000 (out of it EU Programmes 10,900,000)	<ul style="list-style-type: none"> • Twinning Facility • Support to participation in EU Programmes

1.1.2. Other EU external action instruments / major EU initiatives or agreements

Following the floods that hit the country in May 2014, Serbia was awarded EUR 60.2 million from the European Union Solidarity Fund (EUSF) in March 2015. The European Union Civil Protection Mechanism (EUCPM) was activated on 15 May 2014. Serbia became a member of the EUCPM in April 2015.

To support the management of the refugees and migration crisis, close to EUR 80 million of EU funds (IPA + Humanitarian) have been allocated to Serbia, mainly to support accommodation, running costs, increase migration and border management capacities and for humanitarian aid.

In addition, Serbia is benefiting from the European Instrument for Democracy and Human Rights (EIDHR), managed by DG DEVCO and implemented by the EU Delegation in Belgrade.

Table 1: Other EU external action instruments

Instrument	Allocation
Erasmus +	
- 1000 mobilities in the period 2008-2014 (principally post-grad students)	
- 3000 mobilities (students and teachers) from Serbia to the EU estimated in 2016	EUR 22.3 million (Regional amount for all WB countries which covers up to 4000 mobilities. Results show Serbia is using 2/3 of the amount)
EIDHR (European Instrument for Democracy and Human Rights)	EUR 1 million/year
EUSF (European Union Solidarity Fund)	EUR 60.2 million in 2015

1.2. Visits and meetings of the Delegation in Belgrade and Obrenovac

1.2.1. Meeting at the National Assembly of Serbia - Strengthening capacities of the State Audit Institution (SAI)

Presentation by the SAI with the participation of the representatives of the Serbian Parliament Budgetary Committee

Budget: EUR 1,400,000

Duration: 24/10/2012 - 23/03/2015

Contractor: The Twinning Project between the State Audit Institution of Serbia SAI, and its counterparts from the Netherland Court of Audit and the UK's National Audit Office

Background and project description



The delegation was welcomed by Mr Radoslav Sretenovic, President of the State Audit Institution, who presented the key components and results of the project. The establishment of SAI and their independence which are of crucial importance in countries in transition did not go easy in Serbia. The law on SAI was passed only in

2005, while the start of operations happened two years later with the nomination of the President and the Council members in September 2007. Earlier planned projects had not materialized, so the strategic decision was made that Office of the Auditor General of Norway will operationally support SAI in the initial phase until reasonable capacities are developed and the institution is mature enough to embark on a more comprehensive and demanding IPA support.

The main project objectives were comprehensive review of SAI related framework, appropriate organisational structure, enhanced audit capabilities, external communication and visibility.

Project results

The project results comprised an extensive review of the legal framework and compliance with the ISSAIs, practical guidelines and sets of recommendations on the Human Resources Management, Strategic Development Planning and IT, enhanced audit capabilities and audit

methodologies, improved communication with external stakeholders, and adaptation of the institution to the new INTOSAI standards. One of the major result indicators is the amount of SAI staff which increased from 100 at the beginning of the project to 220 and the development of IT support. Audit handbooks were printed out to keep with highest international standards. This project performed as “highly relevant” and allowed to build capacities, knowledge and skills.



In addition, Ms Aleksandra Tomic, president of the State Parliament’s Committee on finances, republic budget and control of spending of public funds pointed out the good cooperation between the SAI and the Committee. In particular, she noted that the SAI presents its annual report to the Committee together with other relevant reports. In response to the increased importance of the SAI’s work, the Committee decided for the first time in 2015 to create the subcommittee for review of SAI’s audit reports, with the practice continuing after the 2016 elections and the new Parliament.

1.2.2. Presentations and exchange of views on the implementation of EU funds in Serbia at the EU Info Centre



Tanja Miscevic, chief negotiator for Serbia's accession negotiation with the EU, presented the overview and current state of play of Serbia's negotiations - where 10 chapters were currently open and 2 provisionally closed. She pointed out that the main focus of Serbia is on continuing to open new chapters, with the chapter on environmental protection and climate change will be the most challenging in terms of investments.

Mr Steffen Hudolin from the EU delegation to Serbia presented the Instrument for Pre-accession assistance (IPA) as a support to the enlargement policy, as well as the differences between IPA I (2007-2013) and IPA II (2014-2020). IPA I had a project approach and the accreditation for the Decentralised Implementation System (DIS), while IPA II was sector oriented, with sector budget support, new programming guide, with a focus on results and indicators and annual entrustment for indirect management. Mr Luka Pivljanin from the Ministry of European Integration presented the strategic framework and the programming of IPA in Serbia, the establishment of the Public Policy Secretariat within the Ministry Introduction of Sector Approach Roadmaps (SARs), as well as the introduction of Sector Approach Roadmaps which are coordinated by the Ministry. Mr Dusan Carkic, head of the contracting authority - Department for Contracting and Financing of EU Funded Projects (CFCU) at the Ministry of Finance, presented the overview of contracting and implementation of programmes in Serbia and the decentralised implementation system. He noted further strengthening of capacities of the CFCU and IPA units in the department, maintaining and improving cooperation with IPA units/other horizontal bodies, as well as maintaining close cooperation with EU delegation in Serbia.



1.2.2.1. Project for technical assistance to Serbian authorities for management of Pre-accession assistance, presented by the Ministry of Finance

Budget: EUR 2,744,110

Duration: 10/03/2014-17/12/2017

Contractor: ECORYS Nederland

Background and project description

Mr Darko Vasic from the Ministry of Finance presented this capacity building project, whose aim is to strengthen the capacity of Serbian structures for Decentralised/Indirect management of IPA funds. The key partners and beneficiaries are the National Authorising Officer (NAO) and the Central Financing and Contracting Unit (CFCU) .

The project has assisted the Serbian authorities with preparing the legal basis for managing IPA assistance under Decentralised/Indirect Management, setting up the management and control system for Decentralised/Indirect management of IPA funds, and preparation of Procedures Manuals for Decentralised/Indirect Management.

Project results

The project has strengthened the capacity of newly set-up structures of Serbia for decentralised/indirect management of EU funds. The newly set-up structures had extensive capacity building needs and the project has addressed these needs. As a consequence, the Serbian authorities have maintained the accreditation by the European Commission for managing IPA 2013 programme (the very first programme under decentralised management in Serbia), and the Serbian authorities have been entrusted with indirect management of further IPA programmes (IPA 2014 and 2015 programmes).

Mr Vasic informed the Members that the project is at assisting the Serbian administration to effectively manage EU pre-accession assistance in order to accelerate preparation for EU membership. At the time of the visit the project was still ongoing with the capacity development progressing well within the beneficiary bodies. Mr Vasic informed that the continuation of the project was ensured under a new 2016 IPA funded project.

1.2.2.2. Support to the Capacity Building of Audit Authority, presented by the Government Audit Office of EU funds

Budget: EUR 499,930

Duration: 26/08/2013-17/07/2016

Contractor: SAFEGE

Background and project description

Mr Ljubinko Stanojevic, director of the Governmental Audit Office (GAO) – the Audit Authority of EU Funds – presented the project whose main purpose was to build up the capacity of the Audit Authority for performing its functions in Decentralised/Indirect Management of IPA funds as an external auditor. The main task of Audit Authority is to verify the effective and sound functioning

of management and control system of IPA funds and the reliability of accounting information. Based on its audit work, the Audit Authority submits the Annual Audit Activity Report and the Annual Audit Opinion to the European Commission.

The project assisted with preparing the Development Strategy for Audit Authority, drafting the legal basis, and preparing the Audit Manuals for auditing IPA funds.

Project results

The main result is the improved capacity of Audit Authority for performing its functions in the Decentralised/Indirect Management of IPA funds as external auditor. M. Stanojevic informed the Members about the tasks of the Audit Office, the challenges and the capacity building needs. The current challenges mentioned are the finalisation of the IPA II Audit Strategy and the development of audit tools and methodologies in line with guidelines to be issued by DG NEAR and DG AGRI. The capacity building needs are the development of the Continuing Professional Education (CPE), the development of the Quality Assurance, Control and IT Manuals, trainings etc.

1.2.2.3. Support to the establishment of the Anti-Corruption Agency, presented by the Anti-Corruption Agency

Budget: EUR 1,371,630

Duration: 16/02/2011-30/04/2013

Contractor: Hulla & Co Human Dynamics KG (AT) in consortium with DBB Akademie (DE), Transparency Serbia (RS) and HD European Consulting Group (RS)

Ms. Marijana Obradovic, Assistant Director of the Anti-corruption Agency informed the Members that the Agency is an independent state body, established in 2010 and accountable to the State Parliament of Serbia.

Background and project description

Corruption and anticorruption policy have been major political issues in Serbia since the mid-90s, and based on the pressure of the European Commission coming from the Stabilization and Association Agreement (2008) and the application for EU membership in 2009, the Serbian government made that issue a top priority. For the implementation of the National Anti-Corruption Strategy, adopted in 2005 and related Action Plan of 2006, a number of anticorruption institutional mechanisms and legal instruments has been introduced since. In that context the Law on the Anti-Corruption Agency (ACA) was adopted in 2008, after which the ACA became operational in January 2010. It is built as a multifunctional anticorruption agency, with a focus on corruption prevention, without competencies in the criminal law enforcement. The overall objective of the project was to strengthen the Anti-Corruption Agency in order to increase its capacities for implementing and further developing anti-corruption policies and legislation.

Project results

The project was designed to provide a combination of technical assistance to strengthen the Anti-Corruption Agency and to maximize the impact of its work. This has been achieved by optimizing the

agency's internal organization and improving the skills of its staff. On the other hand the project assisted with a range of assessments and analyses falling under the agency's mandate. These assessments as well as other support activities also led to a more effective and efficient cooperation between the agency and other bodies/ institutions relevant to the fight against corruption. Other key areas of focus under the project were measures aimed at improving the Serbian public's understanding of corruption and the agency's role in the fight against it.

Ms. Obradovic informed the Members of the impact and sustainability of the project. The main impact of the project is the establishment of efficient system for monitoring National Anti-Corruption Strategy and Action Plan, the adoption of the law on whistle blower and the issuance of 100 opinions on corruption risk within legislation. Furthermore, the agency participates successfully in the EU twinning project "Prevention and Fight against Corruption".

1.2.2.4. Presentation on the economic situation in Serbia

Ms. Miona Popovic Majkic, Head of IPA Programming Unit at the Ministry of Economy, presented the in-depth overview of the current economic situation in Serbia, the key macroeconomic indicators as well as the Serbian economy priorities in the five areas of business environment improvement, finalization of privatization process, public enterprises restructuring, investments and support to SMEs.

1.2.2.5. Innovation Fund Serbia

Mr Ivan Rakonjac, managing director of the Innovation Fund Serbia (a public entity to support innovative activities) presented the fund. It was founded by the law on innovation activity to provide financing for innovation from 2005, and was operational since 2011. The fund is working under the supervision of Government of Serbia and Ministry of Education, Science and Technological Development, and implements different projects such as Innovation Serbia Project for establishing Mini&Matching grants and direct grants for the Collaborative Grant Scheme for R&D Organizations and Private Sector Enterprises.

1.2.3. Support to SME Development in Serbia, visit to company Bexing in Rusanj



Ms Bojana Vukosavljevic, Principal Manager, Advice for Small Businesses, EBRD, informed that in period 2013-2016 the EU funded 3.5 millions EUR and 240 projects in the sector of SME in Serbia. In the 2016, IPA funding the SME sector in Serbia was to receive 2.2 million EUR. The EBRD's "Advice for small businesses" provides business advice to help SMEs grow and succeed and assist enterprises to engage local consultants on a cost sharing basis (40-50% of the total net project cost, capped at €10.000).

Company "Bexing" is one of the only few Serbian producers of firefighting and utility vehicles and supporting equipment. Company performs complete engineering and production process – from the project design and technical solution proposal through locksmith and welding, mechanical engineering, installation and service. "Bexing" produces 30 vehicles per year, as per orders received and tenders won, while its full capacity is up to 50 vehicles per year.

Project results

Through the EU funded "Support to SME Development in Serbia" project (implemented by the EBRD) company



has significantly improved its management effectiveness and increased its competitiveness. The advisory service in the area of ICT technology was provided by the local consulting company "Kala" by establishing the computerised manufacturing system that provides standardization of material resources (raw materials, semi-finished and finished products, etc.) and database.

Before the commencement of the project Bexing had several serious problems which prevented it to grow and export its fire fighting vehicles. The identified problems were: inadequate cost analysis, high level of stock and imprecise production plan. The project helped the company to develop the planning software and activity based costs analysis. Bexing has very good prospects for export as Serbia and other countries in the region have fire-fighting truck older than 28 years which should be replaced.

1.2.4. European Union Assistance for Flood Relief in Serbia Programme, visit to two projects in Obrenovac: the reconstruction of the Agriculture-Chemistry school and the construction of social housing building



Delegation Members with the EU delegation staff and the representatives of the municipality of Obrenovac

Background

In May 2014, the unprecedented rains in Serbia caused the floods and landslides that were unheard of, which left behind a significant damage. During the floods 25 people lost their lives, while over 30,000 had to leave their homes. The losses incurred in only a few days are estimated at EUR 1.7 billion EUR. The damages were recorded in more than 100 local self-governments, while floods and landslides affected 24 towns and municipalities.

The European Union Assistance for Flood Relief in Obrenovac is estimated at EUR 11.1 million through the IPA 2012, IPA 2014 and the EU Solidarity Fund funded projects. The funds provided through IPA 2012 and 2014 have been used for the construction and reconstruction of damaged houses, procurement of furniture and appliances for households, the reconstruction of roads, landslides and public infrastructure, the revival of economy and agriculture through income generating activities and assistance to agricultural households and the rehabilitation of flood prevention and protection infrastructure.

1.2.4.1. Visit to the Social Housing building for flood affected families

The building with 32 apartments was constructed in Obrenovac, for 15 families that used to live in the barracks of the bankrupted enterprise “Termoelektro” and 17 families (out of which 11 are Roma) were accommodated in the collective centres in the Hotel Obrenovac and the Military Barracks. All

those families were affected by the May 2014 floods.

None of these 32 beneficiary families with 118 members had the ownership of the real estate. They fall under the most vulnerable categories as they were neither eligible for any Government support or have been considered for housing in any other donation effort, while having been kept in the collective centres from the first days of the floods until now.

The construction, furnishing and equipping of the building funded by the European Union with EUR 780,000 through the EU Assistance for Flood Relief in Serbia Programme was conducted from October 2015 until 9 July 2016. The building was constructed by the United Nations Office for Project Services (UNOPS), on the plot of land provided by the City of Belgrade

1.2.4.2. Reconstruction of the Agriculture and Chemistry School



The Agriculture and Chemistry School was constructed in 2007. During the May 2014 floods, the School gym, ground floor and the school-yard were damaged, when the water rose to around 1.4 metres on the ground floor.

The European Union funded this reconstruction with EUR 74,000, which included rehabilitation of five teaching cabinets and school gym and provision of the school furniture. This was one of

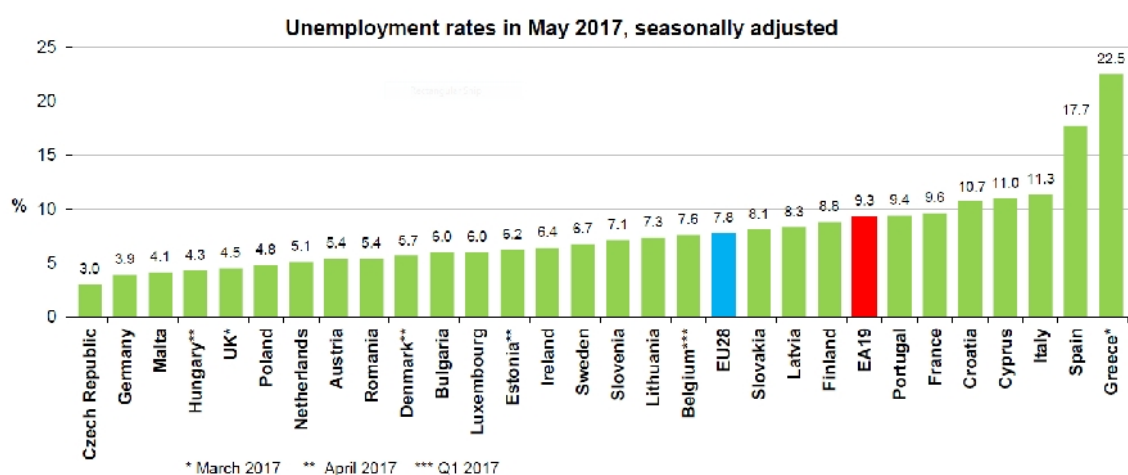
six schools which was entrusted to the United Nations Office for Project Services UNOPS to reconstruct in Obrenovac.



2. Visit to Croatia

2.1. Economic indicators and trajectories

Croatia became the 28th EU Member State on 1 July 2013, in the midst of a six-year-long recession. However, by joining the EU Single Market and absorbing EU funds as a fully-fledged member certainly brought it closer to economic recovery, which started in the year 2015. After 8 years of stagnation, Croatia's growth accelerates to 3.5% along with an improvement regarding unemployment; its high numbers have been plaguing the country and its youth in particular. According to the European Commission, in 2017 Croatia's unemployment rate will go down to 10.2 % and in 2018 it is to fall under 10 %.



According to the Croatian Bureau of Statistics, Croatia's economic growth further improved in the course of 2016. Gross domestic product advanced at an unadjusted 3.4 % year-over-year in the fourth quarter of 2016, faster than the 2.9 % rise in the third quarter. In the second quarter of 2016, the rate of expansion was 2.8 %. Final consumption expenditure grew 3.1 % annually in the December quarter and gross fixed capital formation climbed by 4.6 %.

2.2. EU Funds

Through four national programmes, Croatia has been allocated EUR 10.74 billion from ESI Funds over the period 2014-2020, representing an average of 2529 euro per person. This is equivalent to around 3,3% of GDP annually (over 2014-2017) and 74% of total public investment.

With a national contribution of EUR 1.9 billion, Croatia has a total budget of EUR 12.67 billion to be invested in various areas, from research and innovation to employment, education and training, social inclusion, public administration and civil society as well as infrastructure and environmental protection. Out of that amount, EUR 8,397 billion is foreseen for the objectives of the cohesion policy, EUR 2,026 billion for agriculture and rural development, while EUR 253 million is predicted for development of fisheries.

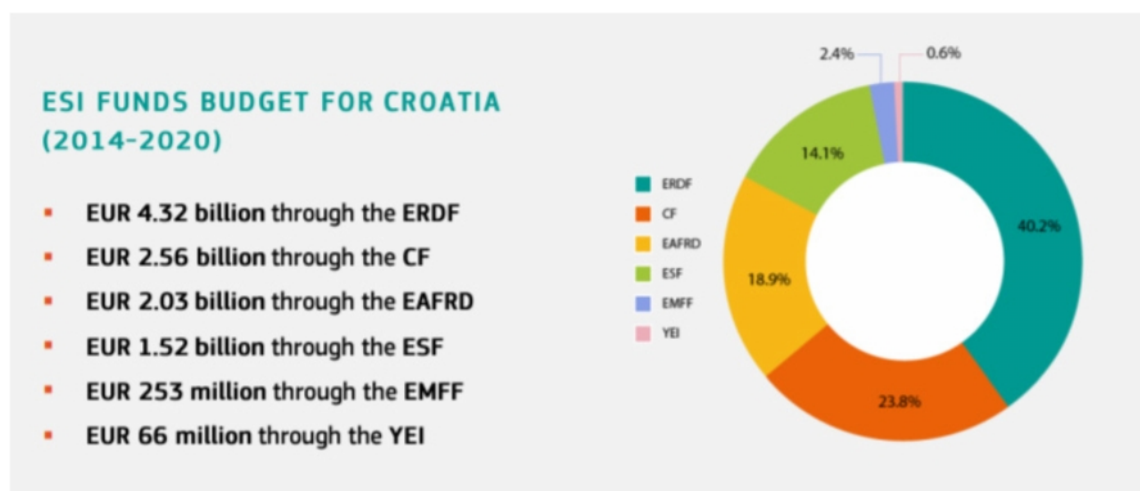
According to the Croatian Chamber of Economy, in the period from the accession until the **end of 2016** Croatia withdrew **19% of the total available** through EU funds, which is slightly less than EUR 2 billion. The OP Competitiveness and Cohesion 2014-2020 (adopted on 12 December 2014) and

Efficient Human Resources 2014-2020 (adopted on 17 December 2014), on the basis of which the utilisation of the allocated funds may commence, were adopted together with the first third of the operational programmes of the EU member states. Croatia absorbed **EUR 584 million from the EU budget in 2014, EUR 556 million in 2015 and around EUR 850 million in 2016**. By the end of the year 2016, EUR 1,3 billion were allocated to concrete projects (about 12% of total allocation of the ESI funds).

Financing under the European Fund for Strategic Investment, Horizon 2020, the Connecting Europe Facility and other directly managed EU funds is additional to the ESI Funds. By the end of 2016, Croatia signed agreements worth EUR 350 million for projects under Connecting Europe Facility. ESI helped structural reforms such as for e.g. the adoption of smart specialization, which provides the frame for investments in research and innovation. The resources of the ESI funds in the Republic of Croatia are utilised on the basis of the following programmes:

1. Programmes which support the objective “Investment in growth and work posts”: OP “Competitiveness and Cohesion”, financed from ERDF and Cohesion Fund and OP “Efficient human resources”, financed from ESF.
2. Programmes which support the objective “European Territorial Cooperation”, including the programmes within the external financial instruments of the Union:
3. “IPA cross-border cooperation programmes: Croatia – Bosnia and Herzegovina – Montenegro” and “Croatia – Serbia”; “Cross-border cooperation programmes Hungary – Croatia”, “Slovenia – Croatia” and “Italy – Croatia”, “Transnational cooperation programmes Central Europe”, “Mediterranean”, “Danube”, “Adriatic-Ionian Programme of Transnational Cooperation”; “Interregional cooperation programmes INTERREG EUROPE”, “INTERACT”, “URBACT”, “ESPON”- all financed from ERDF.
4. “Fisheries OP” which supports the objectives of the Common Fisheries policy and Integrated Maritime policy, financed from ERDF
5. “Rural Development OP” which supports the objectives of the European Union for rural development, financed from ERDF.

ESI funds implemented in the Republic of Croatia are the following: European Regional Development Fund (ERDF), European Social Fund (ESF), Cohesion Fund (CF), European Maritime and Fisheries Fund (EMFF), and, European Agricultural Fund for Rural Development (EAFRD).



Source: European Structural and Investment Funds: Country factsheet – Croatia 2016

Croatia is combining ESF and ERDF funding to build a job-rich and more inclusive society as part of the country's development strategy. Better education opportunities and public services that are more efficient are also targeted. Croatia is aiming to raise employment levels to over 62% by 2020, in particular by focusing on young people through Youth Employment Initiative (YEI) investments. Another goal is to reduce the number of people at-risk-of-poverty by 150 000. These efforts are complemented by European Regional Development Fund (ERDF) investments in related infrastructure.

The ESF and ERDF are also working together to deliver access to high-quality health services across Croatia, particularly in rural and island regions. The education system is getting ESF help particularly the tertiary education where the ESF is helping to raise participation to 35% by 2020. Croatia is also using ESF funds to improve the capacities of public administration and the quality of public services, both for citizens and businesses.

The European Commission formally adopted the Croatian Rural Development Programme (RDP) on 22 May 2015, outlining Croatia's priorities for using EUR 2.3 billion of public money that is available for the period 2014-2020 (EUR 2 billion from the EU budget and EUR 0.3 billion of national funding). The main objective of the RDP is to restructure and modernise the farm and food sectors. It is expected that nearly 2 000 holdings will receive investment support, more than 5 000 farmers will receive start up aid for the development of small farms and around 1 000 young farmers will get support to launch their businesses. The programme also puts emphasis on the restoration, preservation and enhancement of biodiversity.

2.3. Visits and meetings of the delegation in Zagreb and Karlovac

2.3.1. Improving the management of EU funds in Croatia - presentations and exchange of views - meetings with the Ministry of Regional Development and EU funds (MRDEUF)



The delegation was welcomed by Ms Gabirela Zalac, the Minister of Regional Development and EU Funds, whose Ministry is the "coordinating body" for the 2014-2020 ESI Funds, and the Managing Authority for the single ERDF-CF 2014-2020 programme "competitiveness and cohesion".

Ms Zalac briefly presented the goals of the Croatia's government as regards the EU funds and the regional development. In

particular, Ms Zalac noted that in the few months prior to the visit of the CONT delegation, the staffing levels of qualified officials improved, with a recent agreement following an audit and analysis from

DG REGIO to recruit additional 676 people in the control and EU fund management administrations. Moreover, Ms Zalac noted that every two weeks the government in a closed session discusses the advancements and issues concerning the projects financed by EU funds. It was pointed out that a National Coordination Committee for EU funds is being prepared, where both on a Ministerial level, and the State Secretary operational level improvements are being discussed as regards the coordination issues between all relevant stakeholders.

It was pointed out that the current management and control system is seen as too cumbersome, but that it is difficult to change the whole system in the middle of the current 2014-2020 financial period. Further to the discussions with the European Commission, it was decided to keep the current system until the end of 2020 and to concentrate on results. The management and control system should be streamlined further and significantly reduced for the new post 2020 financial period.

2.3.1.1. Action Plan for Improving the Management of EU Funds



Ms Ivana Nagy, Head of Sector for Coordination of Economic Policies and International Programs at the MRDEF presented the action plan for improving the management of EU funds. She presented the following EU funds absorption rate for investment for growth and jobs on 30 June 2017:

- EUR 3,518 billion (EU part) has been published, which represents 41,6% of

the available funds (projects, programmes, calls for proposals)

- Selected operations amount to EUR 1,815 billion (EU part), which represents 21,4% of the available funds
- EUR 426 million (EU part) funds were reimbursed from the EU budget to the national budget, which represents 5% of the available funds
- EUR 328,4 million (EU part) has been paid from the national budget, which represents 3,9% of the available funds
- Requests for payment totalling EUR 70,1 million (EU part), which represents 0,83% of the available funds, have been submitted to the European Commission

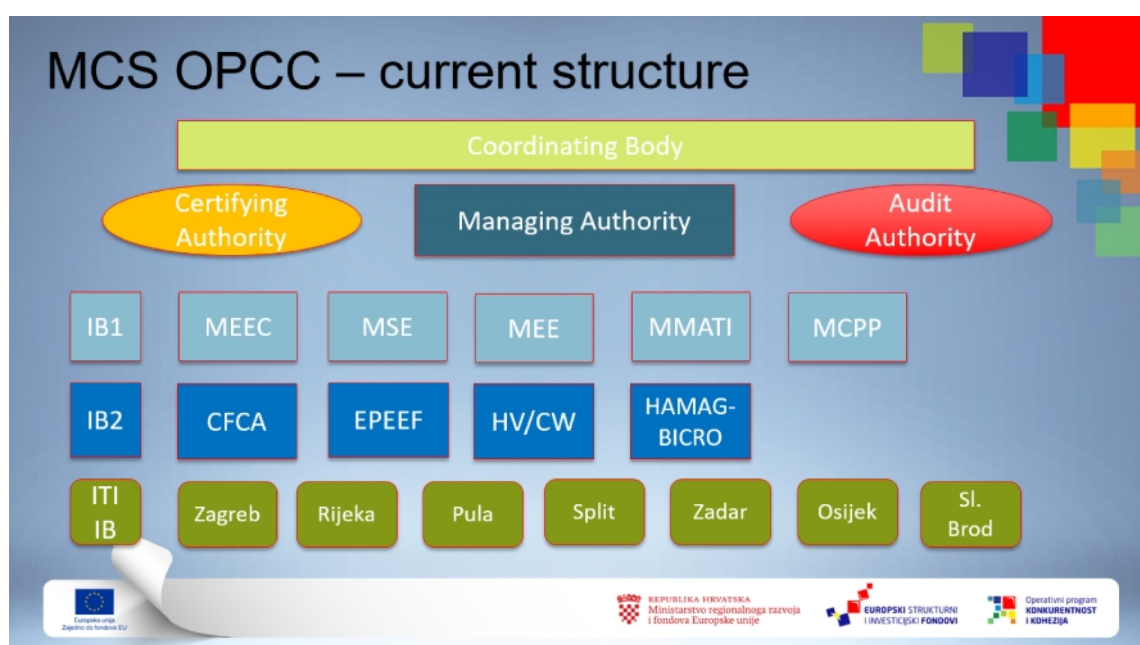
Ms Nagy pointed out that the main challenges at the beginning of the financial perspective for Croatia were significant increase in the amount of funds available (in comparison with 2007-2013 and pre-accession funds), parallel implementation of two programming periods (2007-2013 and 2014-2014) under three different sets of rules, meeting the regulatory requirements, problems with administrative capacity – restrictions on public sector employment, restrictions in national public financing and finally project planning and project pipeline.

In June 2016, under the framework of the European semester, the Croatian Government adopted a set of measures to mobilise EUR 10.7 bn under various EU funded programmes for the period 2014-2020, with a view to meet necessary requirements to access all EU funds available in the current programming period, to enable a sufficient number of well-prepared projects, to reduce administrative burden for EU funds applicants & beneficiaries and to ensure sound management of EU funds. A number of operational measures were planned for the reduction of administrative burden, such as simplification and standardisation of procedures, making employment in public jobs related to EU funds more flexible and strengthening cooperation between central and local levels on EU projects.

It was pointed out that as a result of the efforts made, contracting rates have more than tripled in the first six months of 2017, as compared to 2016 (22,17% in 6.2017 vs. 6,78% in all 2016 of available funds). In addition, total amount paid has increased by four times in the first six months of 2017, as compared to 2016.

2.3.1.2. Management and Control System (MCS) for OP Competitiveness and Cohesion (OPCC) 2014-2020

Ms Tatjana Borovina from the Managing Authority presented the MCS, which was based on the pre-accession IPA structure.



It was pointed out that the MCS currently has a complex structure, with a different level of delegation to different Intermediary Bodies - based on allocation of funds, type of operations, administrative capacities of IBs - experience, expertise and number of staff – which is difficult to supervise. The selection and award process is lengthy, while some irregularities were detected in the public procurement procedures, which points out to the lack of capacity in beneficiaries. The anti-fraud measures of the OPCC were presented to the delegation, with 3 cases of suspected fraud identified by the Management Authority were reported to judicial authorities.

2.3.1.3. Central Finance and Contracting Agency (CFCA) – Selection of Operations – Management Verifications

Ms Josipa Herceg Zeba, deputy director of the CFCA and Ms Ana Marija Perović, assistant to the CFCA director presented the role of different bodies in the selection process, which types of procedures are used, the stages in selection process and the review process - appellant procedure. In addition, procedures of ex-ante/ex-post verifications as well as verifications of the application for reimbursement were presented to the delegation.

2.3.1.4. Improvement of administrative capacity of the bodies included in the management and control system of EU funds

Ms Tatjana Perkovic from the Management Authority presented the quantitative aspects of strengthening administrative capacity, in particular the Workload analysis (WLA) for the period 2017 – 2019 carried out by the Intermediary bodies, which showed that for the adequate performance of all the functions and activities envisaged in 2017 a total of 925 officials will be needed. It was pointed out that on June 19, 2017 the Act on Amendments to the Civil Servants Act was adopted, which will facilitate and speed up the employment procedures on ESI jobs in state administration bodies. In addition, MRDEUF (Managing Authority) carried out an assessment of the training needs of the bodies involved in the control and management of ESI funds for 2017, and accordingly prepared the Annual Implementation Training Plan of the MRDEUF for 2017, with a total of 15 workshops from different areas of ESI management held in the first half of 2017, with a total of 310 participants.

2.3.2. Croatian Parliament - meeting and exchange of views with the Members of the European Affairs Committee of the Croatian Parliament



The delegation met with Mr Domagoj Ivan Milošević, chair of the European Affairs Committee, as well as with other Members of the Committee. The Committee chair gave a brief economic panorama of

Croatia, stating that the crisis was an opportunity to move to market economy. He then highlighted the problem of the Croatian Brains' drain and the need for a joint mutual effort on the topic, and finally asked the delegation for their thoughts on Brexit. The Members of the European Affairs Committee emphasised the large scale education reform which took place during previous government's term, which they consider being the starting point of preventing the brain drain. It was pointed out that it is necessary to think about what



being an EU state means and raise awareness that the EU funds come from all taxpayers – including the Croatian ones, and not only to consider the benefits of being the recipient of EU funds as outside means.

2.3.3. Visiting the projects at the Ruđer Bošković Institute (IRB) - Zagreb



The CONT delegation was welcomed by Mr Tome Anticic, the director of the Ruđer Bošković Institute (IRB), who pointed out that the IRB has over 550 scientists in 11 research divisions, and more that 80 research laboratories in Zagreb, Rovinj and Šibenik. The IRB Institute has been awarded so far an amount of EUR 10.984.214, from IPA, INTERREG, structural and Horizon

2020 funds to implement 30 projects together with its partners. EU funding has allowed to guide scientists towards broader areas of research and internationally relevant research areas, to familiarize with some state of the art technology, and has permitted the creation of permanent jobs. It was noted that the IRB has 5 % of Croatian scientists, produces around 30 % of Q1 papers and absorbs approximately 40 % of the Horizon 2020 funds.

CONT Members were informed about different projects currently developing on the IRB, funded by IPA and FP7 funds, in particular in the field of biotechnology. Members were also briefed about the O-ZIP, open scientific infrastructural platform for innovative applications in economy and society, as well as on future plans for the IRB.



2.3.4. Visiting the Biotechnology Incubation and Commercialization Centre (BIOCentre) - Zagreb



The project was financed through the priority “Enhancing the competitiveness of the Croatian economy” of the Operational Programme for Regional Competitiveness. It was worth EUR 18 823 995 with a EUR 16 376 410 ERDF contribution.

The CONT delegation was welcomed by Mr Dubravko Kicic, the director of the BIOCentre, who pointed out that the BIOCentre was funded through the priority “Enhancing the

competitiveness of the Croatian economy” of the “Regional Competitiveness Operational Programme” for the 2007-2013 programming period. BIOCentre was implemented through 4 types of contracts: a contract for construction works, a contract for supervision of works, a technical assistance service contract (with the purpose of providing assistance in defining portfolio and services of the BIOCentre and capacity building of personnel in charge of implementation of the activities of the BIOCentre), and a supply contract (with the purpose of providing laboratory equipment).

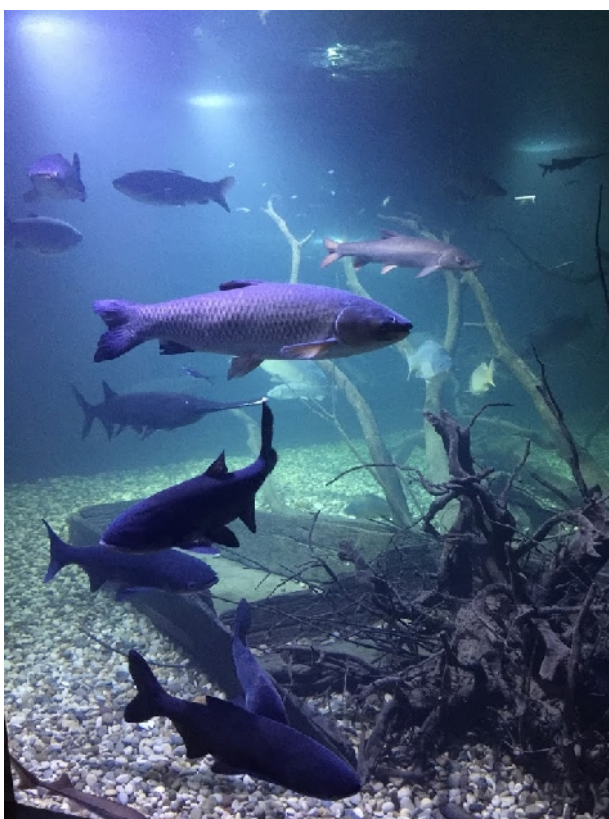
The BIOCentre is the first of its kind in Croatia. It is an incubation centre consisting of 4,500 square meters of net usable floor area and of several laboratories and offices. The project aims at supporting creation and growth of spin-off companies in biosciences and biotechnology fields, originating from higher education institutions, and based on technology and knowledge, by providing all necessary requirements,



infrastructure and services for developing their business in the area of biosciences and technology. The BIOCentre ensures the productive link between basic and applied scientific research and industry, technological infrastructure and new biotechnology companies in the process of new product development.



2.3.5. Visiting the “Aquatika” Freshwater Aquarium project in Karlovac



The CONT delegation was welcomed by Mr Damir Mandic, mayor of the City of Karlovac and Ms Margarita Maruskic Kulas, the director of the AQUATIKA public institution which operates the freshwater aquarium in Karlovac. They pointed out that the total contracted value of this project amounts to EUR 4 892 258 of which the grant from ERDF was EUR 4 829 637. It allowed to build a freshwater aquarium which has become the main attraction of the City of Karlovac. The project consisted of a pool complex, a multimedia and exhibit room, a conference room, a souvenir shop, an entrance area and an outdoor area designated as recreational.

The Aquarium's target groups and end-users are stakeholders of the integrated tourist offer (hospitality industry, tourist households, hotels, tourist agencies and operators, SMEs), as well as the following types of visitors: families with kids, school children, experts and scientists, aquarists and anglers and tourists. The purpose of the aquarium is developing awareness on the biological diversity of this area to educate on the use of Croatia's natural wealth for tourism, but in a sustainable way.

The aquarium became a local tourist attraction, with 84 000 visitors since opening in October 2016 until the visit of the CONT delegation (mostly schoolchildren and families with kids), compared to 12 000 planned visits in the first year of operating. In addition, aquarium visitors started to explore other interesting locations in the city of Karlovac. It contributed to the improved conditions for local hospitality industry, artisans (souvenirs), family households, other projects, and presented new opportunities for local SME and inhabitants. It improved the “image” of the city of Karlovac as an interesting and successful community able to implement investments and raised awareness on rivers as tourist resource.

2.3.6. Meeting at the Ministry of Labour and Pension System – presentation of projects “Public works programme for activation of women in local communities” and exchange of views



The CONT delegation was welcomed by Mr Marko Pavić, Minister of Labour and Pension System and State Secretary Ms Katarina Ivanković Knežević. Mr Pavić presented an emblematic project managed by the Labour Ministry to support the access to employment and the labour market for women from vulnerable groups and to reduce unemployment. He pointed out that 58% of the unemployed in Croatia are women, and that

through the pilot project, 2583 women were involved at 348 different employers.

Mr Pavić pointed out that the pilot project on the inclusion of women in local communities, implemented through the system of public works for a period of 6 months, lasted from January until December 2016. The total budget for the pilot was 10 million EUR, co-financed by the ESF with 8,5 million EUR (85 %). The women participating in the pilot project were placed by the Labour agency in homes of old people requesting help for cooking and cleaning.

Following the success of the pilot project, it was decided to continue renew it on a bigger scale, with a budget of 52 million



EUR making it the biggest European Social Fund project in Croatia. All the good experiences collected in the pilot project were implemented in the renewed project, with the length of project prolonged to 30 months, and additional allowances for both households where the participants to the programme were appointed to work, as well as for the participants themselves.

2.3.7. Visiting the Centre for Inclusive Work Activities - project titled "Work Activities Services and Support for People with Intellectual Disabilities"



The main objective of this project carried by the NGO CIRA (Center for Inclusive Work Activities) and financed via ESF was to include people with intellectual disabilities into the labour market, namely transition of beneficiaries from the area of social dependency on budget resources into the world of work, proactivity, economic activity and financial independence of the system.

The aim was to maintain and improve the employment opportunities of persons with intellectual disabilities by expanding the capacity of work support activities service providers in the Zagreb area, and by introducing work support activities service in the Pakrac/Lipik area. Expanding the social services network has addressed the main problem - the inability to include persons with intellectual disabilities into the labour market. The project strengthened the capacity of the service providers in Zagreb. Via the transfer of knowledge the work support activities service was established in Pakrac/Lipik as a direct support to the deinstitutionalization process in the Republic of Croatia.

45 people were trained and paid by the NGO to accompany people with disabilities in work positions negotiated in advance, helping them to understand the duties to perform and gain independence. An official vehicle was also procured as part of the project.



Directorate-General for Internal Policies of the Union
Directorate for Budgetary Affairs
Secretariat of the Committee on Budgetary Control

Brussels, 13 June 2017

**Fact-finding mission
of the Budgetary Control Committee (CONT)
to Croatia and Serbia**

17-20 July 2017

FINAL PROGRAMME

Members of the delegation:

1. Mr Derek Vaughan (S&D, Head of Delegation)
2. Martina Dlabajová (ALDE)
3. Ryszard Czarnecki (ECR)
4. Arndt Kohn (S&D)
5. Patricija Šulin (EPP)
6. Younous Omarjee (GUE/NGL)

European Court of Auditors

1. Mr Szabolcs Fazakas (Member of the Court)

CONT Secretariat

1. Mr Hrvoje Svetić (EP mobile: +32-472.580721)
2. Ms Vera Milicević (EP mobile: +32-472.580735)

Advisors of Political Groups

1. Ms Orsolya Balogh (ALDE)
2. Ms Hélène Agnès Beaghe (S&D)

European Commission

1. Ms Nevena Bisevac (Croatia)

Interpreters

1. Susan Ashcroft-Hempsall (Serbia + Croatia)
2. Peter Strauss (Serbia + Croatia)
3. Laura Patricia Geneviève Matveeff (Serbia + Croatia)
4. Chloé Suzette Denise Billon (Serbia + Croatia)
5. Vladimir Marjanovic (Serbia)
6. Ksenija Nikcevic (Serbia)
7. Biljana Obradovic-Vujnovic (Serbia)
8. Andreja Montani (Croatia)
9. Vedran Puljko (Croatia)
10. Mathea Tosenberger (Croatia)
11. Laurent Recchia (Technician)

Languages covered

- English, French, Serbian (Serbia)
- English, French, Croatian (Croatia)

Participants from the EU Delegation to visits and meetings in Serbia

1. Sem FABRIZI, Head of Delegation
2. Oskar BENEDIKT, Deputy Head of Delegation
3. Steffen HUDOLIN, Head of Operations - Section 2 (OPS2)
4. Nikolas BIZEL, Head of Operations - Section 1 (OPS1)
5. Ramunas JANUSAUSKAS, Head of Information, Communication and Press
6. Nadezda DRAMICANIN, Press and Information Adviser
7. Kristel ILLASTE, Programme Manager, Operations
8. Maja VU KOVI KR MAR, Programme Manager, Operations
9. Marija MITIC, Programme Manager, Operations (OPS1)
10. Vladan PETROVI , Project Manager, Operations 2 Section (OPS2)
11. Dejan ŠUVAKOV, Project Manager, Operations 2 Section (OPS2)

Participants from the EP Information Office to visits and meetings in Croatia

1. Violeta Stanicic, Head of EP Office
2. Andrea Covic Vidovic

EU Delegation to the Republic of Serbia

Vladimira Popovica 40/V
11070 Belgrade, Serbia
Tel: +381 11 3083200 (Ext: 263)
Mobile: +381 63 609478
Fax: +381 11 3083201
E-mail: steffen.hudolin@eeas.europa.eu
Web page: <http://www.europa.rs>

European Parliament Information Office in Croatia

Augusta Cesarca 6
10000 Zagreb
Croatia
Tel: +385 1 4880 280
Email: EPZagreb@ep.europa.eu
Internet: <http://www.europarl.hr>

Bus transport in Serbia:

HRG Serbia & Montenegro
BT-Pegrotour
Toplicin venac 19 - 21, 11000 Beograd
Tel: +381 (11) 202 80 80
Fax: +381 (11) 202 80 92
GSM: +381 (60) 376 3000 (Marko Rapaji)
E-mail: office@rs.hrgworldwide.com

Bus description: Mercedes Tourismo, plate n° BG 805 TJ
Driver: Miodrag Sarcevic, mobile phone: +381 64 111 03 36

Bus transport in Croatia:

CBC CharterBusCroatia d.o.o.
Sv. Roka 5a, 10000 Zagreb
Tel: +385 1 660 9827
Fax: +385 1 660 9827
GSM: +385 99 339 3399 (Šime Korpar Lenac)
E-mail: info@cbc.hr

Accommodation/Hotels:

Hotel: Metropol Palace Hotel Belgrade (in Belgrade)
Address: Bulevar Kralja Aleksandra 69, Belgrade, 11000, Serbia
Phone: +381 11 3333100
<http://www.metropolpalace.com/>

Date in: 17/07/2017 & Date out: 18/07/2017

Hotel: The Westin Zagreb (in Zagreb)
Address: Krsnjavoga 1, Zagreb, 10000, Croatia
Phone: +385.1.489.2000
<http://www.westinzagreb.com/>

Date in: 18/07/2017 & Date out: 20/07/2017

Flights:

OUTWARD - From Brussels to Belgrade				
Flight	On	Airport	Departure time	Arrival time
JU301	17 July	Brussels National (BRU)	09:50	12:00
From Belgrade to Zagreb				
Flight	On	Airport	Departure time	Arrival time
JU234	18 July	Belgrade	18:25	19:35
RETURN - From Zagreb to Brussels				
Flight	On	Airport	Departure time	Arrival time
SN3356	20 July	Zagreb	15:40	17:30

Programme:

Monday 17 July 2017 (Belgrade, Serbia)

12:30 *Transfer from Belgrade Airport to Hotel Metropol Palace (Bulevar Kralja Aleksandra 69, Belgrade, Serbia)*

before 14:30 Individual arrival of Members to Belgrade, Serbia

14:00 *Transfer from Hotel Metropol Palace to EU Delegation to Serbia (Vladimira Popovica 40/V, Belgrade, Serbia)*

14:30 - 15:00 Introductory meeting with the EU Delegation to Serbia (EUD)

Venue: EU Delegation to Serbia meeting room 5.20, 5th floor (Vladimira Popovica 40/V, Belgrade, Serbia)

Participants: CONT, EUD representatives

15:00 - 15:30 *Transfer from EUD to National Assembly House of Serbia (Trg Nikole Paši a 13, Belgrade, Serbia)*

15:30 - 16:30 Presentation of Serbian State Audit Institution (SAI) projects

Opportunity for a meeting with Serbian Parliament Budgetary Committee

Venue: National Assembly of Serbia (Trg Nikole Paši a 13, Belgrade, Serbia)

Participants: CONT, SAI representative (Mr Sretenovi tbc), EUD representatives

16:30 - 17:00 *Transfer from National Assembly of Serbia to the EU Info Centre (Kralja Milana 7, Belgrade)*

17:00 - 19:00 Implementation of EU funds in Serbia - presentations and exchange of views

Venue: EU Info Centre (Kralja Milana 7, Belgrade)

Participants: CONT, EUD representatives, Audit authority (Ljubinko Stojanovi / Slobodan Karanovi), Ministry of Finance – Department for Contracting and Financing of EU Funded Programs (CFCU) (Dusan arki), Ministry of Finance (Jelena Stojovi / Dusan Brajkovi), European Integration Office (SEIO) (Tanja Miš evi - Chief Negotiator), Innovation Fund, Ministry of Economy – all tbc

Indicative programme:

Presentations moderator: Steffen Hudolin (EUD)

- 17:00-17:15 Serbian EU integration - state of play (*Tanja Miscevic - Chief Negotiator*)
- 17:15-17:30 Q&A
- 17:30-17:45 EU financial assistance (*Steffen Hudolin EUD & CFCU*)

- 17:45-18:00 Q&A
- 18:00-18:15 "Technical assistance to Serbian authorities for management of Pre-accession assistance" - project presentation (*Ministry of Finance representative*)
- 18:15-18:30 "Support to the Capacity Building of Audit Authority" - project presentation (*Audit Authority representative*)
- 18.30-18.45 *Presentation of a project with Anti-Corruption Agency (Nicolas Bizel & Marija Mitic EUD)*
- 18:45-19:00 Q&A

19:00 - 19:30 Economic situation in Serbia

Participants: CONT, EUD representatives, Audit authority (Ljubinko Stojanovi / Slobodan Karanovi), CFCU (Dusan arki), Ministry of Finance (Jelena Stojovi / Dusan Brajkovi), SEIO (Tanja Miš evi - Chief Negotiator), Innovation Fund, Ministry of Economy – all tbc

Venue: EU Info Centre (Kralja Milana 7, Belgrade)

Indicative programme:

- 19:00-19:10 Economic situation in Serbia and implementation of the Guarantee Facility for loans to micro, small and medium size companies (*Miona Popovic Ministry of Economy*))
- 19:10-19:30 Presentation of EU funded projects with the Innovation Fund (Steffen Hudolin EUD)

19:30 - 20:00 Cocktail

Venue: EU Info Centre (Kralja Milana 7, Belgrade)

20:00 - 20:15 Transfer from EU Info Centre, Kralja Milana 7 to the Restaurant "Dva jelena", Skadarska, Belgrade

20:15 Private dinner

Restaurant "Dva jelena", Skadarska, Belgrade

Night in Belgrade

Tuesday 18 July 2017 (Belgrade, Serbia)

08:00 - 08:45 Transfer from Hotel Metropol to the company "Bexing" (Oslobodjenja 2K, Rusanj)

08:45 - 10:00 Visit to a SME as an example of project "Support to SME development in Serbia

Participants: CONT, EBRD, EUD representatives (all tbc)

Venue: company "Bexing", Rusanj

- Targeted SME as an example of "Support to SME Development in Serbia" project

10:00-11:00 *Transfer from Rusanj to Obrenovac*

11:00- 13:00 Presentation of EU assistance to Obrenovac - "European Union Assistance for Flood Relief in Serbia Programme" - 2 projects visits

Participants: CONT, EUD, National institutions representatives

- Marko Blagojevi - Head of Public Investment Management Office;
- Aleksandar Panteli - Representative of the Municipality Obrenovac

Venue: Obrenovac, Serbia

Programme implemented together with different partner organisations – the UN Office for Project Services (UNOPS), the UN Food and Agriculture Organisation (FAO), organisations Hilfe zur Selbsthilfe (Help), Arbeiter–Samariter–Bund (ASB), the Danish Refugee Council (DRC), Austrian Development Agency (ADA) and the World Bank.

11:00-12:15 Project 1) - Presentation and visit to the Agriculture - Chemistry School reconstructed through IPA funds
Venue: Miloša Obrenovi a 90, Obrenovac

12:15 -12:25 *Transfers from Miloša Obrenovi a 90, Obrenovac to Posavskih Norvežana 3-5, Obrenovac;*

12:25-13:00 Project 2) - Visit to the social housing building constructed through IPA funds

Venue: Posavskih Norvežana 3-5, Obrenovac

13:00 -13:10 *Transfers from Posavskih Norvežana 3-5, Obrenovac to the restaurant uki "Stara pruga";*

13:10-14:15 Private Lunch
Participants: CONT, EUD representatives
Venue: Restaurant uki "Stara pruga", Kralja Aleksandra I br. 50, Obrenovac (+381 11 87 24 156)

14:15 - 15:00 *Transfer from Obrenovac to the Media Center Belgrade (Terazije 3, Belgrade)*

15:00-15:30 Press conference

Venue: Media Center Belgrade (Terazije 3, Belgrade)

16:00 *Transfer from Media Center Belgrade, Terazije 3 to the airport Nikola Tesla, Belgrade*

18:25 **Departure flight to Zagreb (Flight JU234 BEG-ZAG)**

19:35 Arrival to Zagreb and transfer to the hotel

Night in Zagreb

Wednesday 19 July 2017 (Zagreb, Croatia)

08:00 *Departure from hotel*

Transfer to Ministry of Regional Development and EU Funds (MRDEF), Miramarska cesta 22, 10000 Zagreb

08:30 - 11:30 Improving the management of EU funds in Croatia - presentations and exchange of views

Venue: Ministry of Regional Development and EU Funds (MRDEF), Miramarska cesta 22, 10000 Zagreb

- presentation of the “Action plan for improving the management of EU funds” - **Ivana Nagy** (MRDEF, head of Sector for coordination of economic policies and international programmes)
- project selection processes (ex-ante and ex-post verifications) - **Josipa Herceg Zeba** (Deputy Director, Central Finance and Contracting Agency)
- updating the management verification tools to effectively prevent and detect potential irregularities, including red flags and conflict of interests' situations - **Tatjana Perkovic** (MRDEF, head of Service for increasing administrative capacity and horizontal questions) / **Tatjana Borovina** (MRDEF, head of Sector for systems establishment and improvement)
- improvement of administrative capacity of the bodies involved in the management of Cohesion Policy- **Tatjana Perkovic** (MRDEF, head of Service for increasing administrative capacity and horizontal questions) / **Tatjana Borovina** (MRDEF, head of Sector for systems establishment and improvement)

Participants: Ministry of Regional Development (managing authority), Ministry of Finance (certifying authority), ARPA Agency (Agency for the Audit of EU programmes implementation system) (audit authority), SAFU Agency (Central finance and contracting agency)

11:30 - 11:45 *Transfer from Ministry of Regional Development and EU Funds, Miramarska cesta 22, Zagreb to Croatian Parliament, Trg Svetog Marka 6, Zagreb*

12:00 - 12:45 Croatian Parliament - meeting and exchange of views with the European Affairs Committee in the presence of Mr. Domagoj Ivan Milošević, Committee chair

Venue: Croatian Parliament, Trg Svetog Marka 6, Zagreb

12:45 - 14:00 *Private lunch*

Venue: Restaurant “Didov san”, Mletacka ulica 9, Zagreb

14:00 - 14:30 *Transfer from Croatian Parliament, Trg Svetog Marka 6, Zagreb, to Ruđer Bošković Institute, Bijenička cesta 54, Zagreb*

14:30 - 15:15 Visiting projects - Ruđer Bošković Institute

15:15 - 15:45 Transfer from Ruđer Bošković Institute, Bijenička cesta 54, Zagreb to BioCentre, Borongajska cesta 83h, Zagreb

15:45 - 16:30 Visiting projects - BioCentre Biotech Business Incubator

16:30 - 17:45 Transfer from BioCentre, Borongajska cesta 83h, Zagreb to Aquatika, Ulica Branka Ćavlovića 1a, Karlovac

17:45 - 19:00 Visiting projects – “Aquatika” Freshwater Aquarium Karlovac

19:00 - 19:15 Transfer from Aquatika, Ulica Branka Ćavlovića 1a, Karlovac to Restaurant M-90, Zagrebacka bb, Karlovac

19:15 - 20:30 Private dinner

Venue: Restaurant M-90, Zagrebacka bb, Karlovac

20:30 Transfer from Karlovac to Hotel Westin, Zagreb

Night in Zagreb

Thursday 20 July 2017 (Zagreb, Croatia)

- 08:00 *Departure from the hotel*
Transfer to the Ministry of Labour and Pension System, Ulica grada Vukovara 78, Zagreb
- 08:15 - 09:30 Presentation of projects “Public works programme for activation of women in local communities”**
Venue: Ministry of Labour and Pension System, Ulica grada Vukovara 78, Zagreb (6th floor, room A)
- 08:15-08:45 Exchange of views with the Minister of Labour, Mr Marko Pavić on projects managed by the Ministry of Labour and Pension System
- 08:45-09:10 Presentation of projects:
 1) “ZAŽELI” - “Public works programme for activation of women in local communities” by State Secretary “Public works programme for activation of women in local communities”
- 09:10-09:30 Questions and Answers
- 09:30 - 10:00 *Transfer from Ministry of Labour and Pension System, Ulica grada Vukovara 78, Zagreb to EP Information Office, Augusta Cesarca 6, Zagreb*
- 10:00 - 11:00 Press conference**
Participants: CONT Members
Venue: EP Information Office, Augusta Cesarca 6, Zagreb
- 11:00 - 11:30 *Transfer from EP Information Office, Augusta Cesarca 6, Zagreb to CIRA (Center for Inclusive Work Activities), Bleiweisova ulica 15, Zagreb*
- 11:30 - 12:30 Visiting projects - CIRA NGO ((Center for Inclusive Work Activities) - project “Work activities for people with intellectual disabilities”**
Venue: CIRA (Center for Inclusive Work Activities), Bleiweisova ulica 15, Zagreb
- 12:30 - 13:30 *Private lunch*
- 13:30 *Departure for Zagreb Airport*
- 15:00 End of official programme**