

**SPEECH BY THE HEAD OF DELEGATION AT THE ROUND TABLE
"CURRENT POSSIBILITIES OF USING THE EU FUNDS AND
PREPARATION FOR COHESION POLICY"
(SLAVONSKI BROD 23 APRIL 2010)**

Poštovani gospodine Župane, dame i gospodo,

I am pleased to be with you, here in Slavonski Brod, to discuss current and future EU funding opportunities.

Last week, I had the pleasure to attend a similar event with PM Kosor, where I highlighted that Croatian citizens need to be informed and aware of the EU investments and projects.

Croatia is in the final and decisive phase towards EU membership. Hard work remains to be done in fields such as judiciary and fundamental rights, including cooperation with International Criminal Tribunal for the former Yugoslavia (ICTY), public administration reform, fighting corruption, agriculture, competition and environment.

The projects, which the EU supports, are very much in the interests of the Croatian citizens. We have projects, which are directly linked to the negotiation process and to the harmonization of Croatian legislation with the EU legislation. Some projects are set up with the view to building the capacity of the Croatian administration and we have projects, which support local and regional development, enhancing economic and social cohesion. It is this last category of projects, which brings us here today.

Allow me to say a few words about the importance to support regional development. The European Cohesion Policy is based on the principle of solidarity. It is designed to reduce the gap between the development levels of the various regions in the EU. It aims at

sustainable and better balanced development in the EU 27 Member States, because there are wide divergences among our regions. Some regions are highly developed, such as Denmark, Sweden, Luxembourg, Inner-London, some regions are very condense with congestion and pollution, such as Athens and some remote regions areas face low development and high levels of immigration and unemployment, such as East Slovenia, South Italy, Greek islands. With the effects of the recent economic crises, the Cohesion Policy plays an important role in mitigating the difficulties that our economies are faced with. Therefore, in order to maximise the funding resources, our Commissioner for Regional Policy, Johannes Hahn is working on proposing changes to further enhance the benefits of the Cohesion Policy. He argues that the Cohesion Policy is a unique instrument to achieve our goals for Smart, Green and Inclusive growth. Including, jobs and growth of the Strategy 2020.

We are here today to discuss the EU funding opportunities, with the view to enhancing the development and growth of your city, your county, as part of the wider Pannonia region in Croatia.

First, I am pleased that your county had an opportunity to benefit from the CARDS 2004 Sustainable Development of War Affected Areas programme. I am looking forward to see the concrete results at the Agricultural High School this afternoon. In addition, I was informed that CARDS 2004 also partly assisted with project pipeline preparation. Please, use the support gained to prepare project pipeline and revitalise it for current and future EU funding opportunities.

Second, I am pleased to learn that one of the first EU (IPA) funded water supply and sewage system with waste water treatment plant (IPA co-financing 15,4 million EUR) will be constructed here in Slavonski Brod. The project will contribute

towards better quality of life for the citizens and a positive environmental impact.

Third, I would also like to hear about your county's preparations for the Cohesion Policy; namely project preparations and your capacity to manage EU funds. Your Prefect explained some of things this morning.

Why is it that I would also like to hear about your preparations? Assuming Croatia becomes a Member of the EU in 2012, it will have an opportunity to benefit from the Cohesion Policy 2,2 billion EUR financial assistance over 2 years (2012,2013). This is much more than Croatia has been receiving now from the pre-accession funds. Croatia's cities, counties and regions need to prepare quality projects.

So – you may ask yourselves, how will the funds be allocated and managed, in Croatia under the Cohesion Policy (2,2 billion for 2 years)?

Croatia is currently developing its first National Strategic Reference Framework for the period of 2012-2013. It is a document that will set priorities, which will be financed under Croatia's future Cohesion allocations. The document will contribute to the national economic and human resources development. It actually is a type of document, which every Member State prepares at the beginning of a new financial period at EU level (for instance for the period 2014-2020).

The funds will be managed in a similar way as the current pre-accession instrument IPA, whereby the current Operational Programmes will be transformed into future Optional Programmes with more or less similar institutions managing the funds. Therefore, making a transition from pre-accession to membership

smoother, enabling Croatia to benefit from the experience gained under the pre-accession funds.

However, in order to be able to benefit from this Cohesion Policy, timely preparation of projects and sound management of the funds are required. If these are not in place, funds can be frozen or lost. This regrettably has occurred in some Member States. If the necessary efforts are not undertaken at central, regional and local level; this could also happen to Croatia, but we work together for this not to happen.

There are a number of preparations taking place at national level, but

What do you need to do in order to benefit from these funds?

1) once again, let me emphasise the need to prepare quality, timely projects. Here, I particularly refer to the large infrastructure projects.

2) you need to have the capacity to implement and ensure sound management of the projects. Learn from the current waste water infrastructure project to prepare for the future.

3) the private sector will also have to prepare itself in order to successfully bid under the future public tenders, which under the EU aligned public procurement rules set high standards.

Ladies and gentleman,

this week our Commissioner for Regional Policy presented an evaluation of the Cohesion Policy 2000-2006, during which period 10 new Member States joined. The evaluation revealed that the Cohesion Policy made a major contribution to the economic development of regions assisted by Structural Funds. An estimated 1,4 million jobs were created in the companies supported. 20,5 Million inhabitants benefited from EU funding

through waste water projects and 14 million were served by water supply projects. Like in the Member States, the Cohesion policy CAN be the main driving power in socio-economic development of Croatia as the next 28th future Member State.

Opportunities and challenges are in the hands of Croatian Authorities and citizens. Therefore, please allow me to end by once again reiterating that there is a real need to timely prepare at all levels in order to be able to benefit from the future membership. Thank you.