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**REPORT FROM THE COMMISSION**

**ANNUAL REPORT ON THE INSTRUMENT FOR STRUCTURAL POLICIES FOR  
PRE-ACCESSION (ISPA) 2009**

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## 1. INTRODUCTION

Following the Brussels European Council in June 2004, which awarded *candidate country* status to Croatia, the country benefited from ISPA as of 1st January 2005. Croatia thus followed the previous ISPA beneficiary countries which received ISPA assistance from when the instrument was launched in 2000. On 1st January 2007 Bulgaria and Romania became members of the European Union and ceased being beneficiaries of pre-accession assistance including ISPA. The accession of these two countries left Croatia as the only recipient of ISPA assistance. This report therefore only covers the ISPA activities carried out by Croatia.

The year 2009 witnessed significant progress in the pace of project implementation in Croatia although unfortunately this was not reflected in a corresponding increase in ISPA payments. The main reason for this was that a number of major tenders launched during the year had not been completed by the end of the year due to complications in the tendering process. Despite this it is worth noting a continual flow of the number of interim payment requests made during the year which is evidence of continued physical implementation.

Despite the lack of visible physical implementation progress in payments and contracting it should be noted that 2009 was not an unsuccessful year for ISPA in Croatia. Several critical tenders were finally launched after resolving a series of significant and difficult technical and legal issues. Furthermore both the Implementing Agency and the final beneficiaries made strenuous efforts to ensure deadlines were met and that technical documentation was of the required standard. The result of these efforts was that the physical implementation of all the 6 ISPA projects in Croatia will be underway by early 2010.

2009 witnessed the successful physical completion of the first of the 6 ISPA projects. Furthermore as a result of lower than expected contract prices, it was possible to modify 2 project Financing Memoranda enabling an increase in the scope of work to be financed by ISPA funds, as well as an increase in the co-financing rate. Further modifications to the remaining 4 Financing Memoranda are expected to be carried out in 2010 with the same aim in mind.

The consequence of the hard work and determination of all the parties involved in ISPA project implementation in 2009 is that all the critical contracts for the 6 ISPA projects will have been signed by early 2010. In turn this means that the work to be carried out in 2010 will concentrate on actual physical implementation, project management, monitoring and payments, rather than the launching of tenders.

The Croatian ISPA Implementing Agency, the Central Finance and Contracting Agency (CFCA), performed much better during 2009 as a result of the gradual accumulation of experience and an increase of staff. Staff retention remains a problem, as does the attraction of suitably experienced engineers. Significant training of staff continued during the year and it is clear that there has been an improvement in the functioning of the Agency.

One final factor needs to be borne in mind regarding the difficulties being encountered in implementing the ISPA projects. This is the fact that real progress was made in 2009 despite the parallel start of implementation of projects funded by the Instrument for Pre-Accession Assistance (IPA). The start of these IPA operations

has required considerable input from the various bodies which deal with ISPA and specifically the two line ministries, the Ministry of Finance and the CFCA.

**2. ISPA PROJECT 2005HR16PPE001 - KARLOVAC WATER & WASTEWATER PROGRAMME**

**State of implementation as of winter 2009**



Construction of foundations



Pouring concrete foundations



Excavation and piling works



Construction site entrance

**3. ISPA PROJECT 2005HR16PPT001 – VINKOVCI TO TOVARNIK TO STATE BORDER RAILWAY REHABILITATION**

**State of implementation as of winter 2009**



Deletovci Station looking West



Deletovci Station looking East



Section of reconstructed railway



Project information signboard

**4. ISPA BUDGET**

In accordance with the Commission's activity based accounting system, the budget for the ISPA was provided for by two budget lines: the functional budget line B13.01.04.02 and the operational budget line B13.05.01.01. The first line contains the means for covering Technical Assistance (TA) administrative expenses mainly for reinforcing the Delegation of the European Union to the Republic of Croatia. This ended in 2006. The second budget line encompasses payment appropriations made available for the effective implementation and operation of ISPA for Croatia.

Budget line B13.05.01.01 covers all expenses for co-financing infrastructure projects (measures). A total of EUR 6,762,276.41 was paid out from this line in 2009.

**Table 1: ISPA budget in 2009 – in Euro**

Budget line	Payments implemented
Functional budget line B13.01.04.02 (closed in 2006)	0
Operational budget line B13.05.01.01	6,762,276.41
<b>Total</b>	<b>6,762,276.41</b>

## Project funding

### 5. NEW ISPA PROJECTS

No new ISPA projects were adopted in 2009.

### 6. NEW COMMITMENTS

No new commitments were made in 2009 for projects either in the environment or transport sectors since the ISPA ended in 2006.

### 7. PROJECTS FUNDED BETWEEN 2005-2009

Between 2005 and 2006, the Commission approved a total of 6 projects on the basis of proposals submitted by Croatia. Of these projects, 3 concern the environment sector, 2 the transport sector, and 1 horizontal TA measure (for the organisation of the statutory monitoring committees and supporting ISPA implementing agencies). The total eligible investment cost of these projects is EUR 107,474,736 with a total of EUR 59,000,000 or 54.8%, being allocated as ISPA grants. By the end of 2006, the Commission had committed 100% of the ISPA funds set aside for Croatia covering the period 2005 to 2006 with the commitments distributed in a balanced manner between the environment and transport sectors.

**Table 2: Projects approved in Croatia in 2005-2006<sup>1</sup> – in Euro**

Sector	Project decisions N°	Eligible cost	ISPA contribution	Average grant rate %	Commitments
Environment	3	46,287,701	29,466,355	63.65	29,466,355
Transport	2	60,924,700	29,271,310	56.5	29,271,310
Horizontal TA	1	262,335	262,335	100	262,335
<b>Total</b>	<b>6</b>	<b>107,474,736</b>	<b>59,000,000</b>	<b>73</b>	<b>59,000,000</b>

<sup>1</sup> No projects have been approved since 2006 due to the ending in that year of the ISPA programme.

## 8. PAYMENTS

Generally, payments for each investment project consist of two advance payments totalling 20% of the ISPA contribution, as well of intermediate payments (i.e. reimbursements) of up to 80% (and in exceptional cases up to 90%) of the contribution, as well as payment of the final balance after closure. A total of EUR 6.76 million in payments were made in 2009 for the ISPA projects approved in Croatia, representing 11.4% of the corresponding ISPA grants.

Progress continued in 2009 in parallel with the implementation of ISPA measures. Most of the payment requests for the year were for interim payments. This is an encouraging development as interim payments are paid on the basis of actual incurred expenditure and therefore reflect actual physical implementation. Total payments worth EUR 6,762,276.41 were made in 2009. The amount represents a slight reduction in amounts paid out in comparison with the figure for 2008 (EUR 7,888,041.30). The reason for the reduction in payments was because of complications and delays connected with two large works tenders which, despite being launched early on in 2009, had not actually been completed by the end of the year.

By the end of the period 2005-2009, a total of EUR 20,846,023.71 had been paid out to Croatia, representing 35.33% of the budgetary commitments implemented in that period (EUR 59 million).

**Table 3: Payments – in Euro**

<b>Sector</b>	<b>2005-2008</b>	<b>2009</b>	<b>Total 2005-2009</b>
Environment	5,486,527.00	2,390,822.62	7,877,349.62
Transport	8,387,352.30	4,371,453.79	12,758,806.09
TA	209,868.00	0	209,868.00
<b>Total</b>	<b>14,083,747.30</b>	<b>6,762,276.41</b>	<b>20,846,023.71</b>



## 9. SUMMARY TABLES

Table 4 presented below provides an overview of the ISPA interventions for both the year 2009 and for the period 2005-2009.

**Table 4: Projects decided in Croatia in 2005-2009 – in Euro**

Sub-sector	N° of projects	Eligible cost	ISPA contribution	2009		2005 – 2009	
				Commitme	Payments	Commitment	Payments
<b>Environment</b>							
Water	0	0	0	0	0	0	0
Water & wastewater	1	36,000,000	22,500,000	0	2,217,698.68	22,500,000	6,717,698.68
Wastewater	0	0	0	0	0	0	
Solid waste	1	8,823,601	6,000,049	0	0	6,000,049	600,005.00
Air quality	0	0	0	0	0	0	
Horizontal	1	1,464,100	966,306	0	173,123.94	966,306	559,645.94
<b>Sector total</b>	<b>3</b>	<b>46,287,701</b>	<b>29,466,355</b>	<b>0</b>	<b>2,390,822.62</b>	<b>29,466,355</b>	<b>7,877,349.62</b>
<b>Transport</b>							
Road	0	0	0	0	0	0	
Rail	1	60,182,962	28,789,180	0	4,275,027.79	28,789,180	12,565,954.0
Road and rail	0	0	0	0	0	0	
Inland waterways	0	0	0	0	0	0	
Airports	0	0	0	0	0	0	
Horizontal	1	741,738	482,130	0	96,426	482,130	192,852.00
<b>Sector total</b>	<b>2</b>	<b>60,924,700</b>	<b>29,271,310</b>	<b>0</b>	<b>4,371,453.79</b>	<b>29,271,310</b>	<b>12,758,806.0</b>
<b>Horizontal</b>							
TA	<b>1</b>	262,335	262,335	0	0	262,335	209,868
<b>TOTAL</b>	<b>6</b>	<b>107,474,736</b>	<b>59,000,000</b>	<b>0</b>	<b>6,762,276.41</b>	<b>59,000,000</b>	<b>20,846,023.7</b>

## Technical assistance

### 10. FORMS AND METHODS OF PROVIDING TECHNICAL ASSISTANCE

The recourse to technical assistance measures constitutes an essential element for ensuring the successful programming and implementation of ISPA projects. These measures focus on project preparation and project implementation alongside the close involvement of the beneficiary thereby applying the "learning by doing" principle. In addition, by accompanying institutional strengthening and the enhancement of administrative capacity, ISPA contributes to the preparation of the beneficiary countries for implementing the instruments of cohesion policy.

Two types of technical assistance measures are utilised:

- technical assistance which is carried out on the initiative of the beneficiary country and which is directly related to project funding, e.g. project preparation/development, technical assistance for implementation, and technical assistance for enhancing administrative capacity;

- technical assistance which is carried out on the initiative of the Commission and which mostly relates to activities performed by the EU Delegation, including project appraisal;

## 11. TECHNICAL ASSISTANCE ON THE INITIATIVE OF THE BENEFICIARY COUNTRY

### *Project preparation and institutional strengthening*

TA measures for project preparation have to ensure that, in terms of project concept, management and operation, beneficiary countries present technically and financially sound projects to the Commission for EU funding. Where required, these measures can include the elaboration of strategic studies concerning the (sub-) sectors eligible for pre-accession assistance. Moreover, they are usually aimed at developing a pipeline of quality projects by providing a sufficient number of suitable projects in time in order to enable the beneficiary country to fully commit and absorb the available funds. The development of a strong project pipeline is also essential for the successful implementation of IPA. In this respect two of the three technical assistance measures being currently implemented are aimed at preparing IPA project pipelines in the environment and transportation sectors. The third measure is aimed at developing the institutional capacity of the CFCA to manage and implement the ISPA projects.

The total number of TA measures for project preparation approved between 2005 and 2006 stands at 2, representing a total eligible cost of EUR 2,205,838 of which EUR 1,448,436 (65.6%) is being financed by ISPA. One technical assistance measure for institutional capacity building was approved in 2006, representing a total eligible cost of EUR 262,335 which is 100% financed by ISPA.

**Table 5: Technical assistance measures on the initiative of Croatia  
2005-2009 – in Euro**

Sub-sector	No of projects	Eligible cost	ISPA contribution	Commitments 2009	Payments 2009	Commitments 2005-9	Payments 2005-9
<b>Environment</b>							
Sector total	1	1,464,100	966,306	0	173,123.94	966,306	559,654.94
<b>Transport</b>							
Sector total	1	741,738	482,130	0	96,426.00	482,130	192,852.00
<b>Horizontal TA</b>							
Sector Total	1	262,335	262,335	0	0	262,335	209,868.00
<b>TOTAL</b>	<b>3</b>	<b>2,468,173</b>	<b>1,710,771</b>	<b>0</b>	<b>269,549.94</b>	<b>1,710,771</b>	<b>962,374.94</b>

## 12. TECHNICAL ASSISTANCE ON THE INITIATIVE OF THE COMMISSION

Since the beginning of ISPA, technical assistance activities carried out on the initiative, or on behalf of the Commission, have been concentrated on enabling the EU Delegation to perform its *ex-ante* control procedures (including project appraisal)

in accordance with the standards required for the management of EU funds. No such technical assistance measures have been funded by ISPA since 2006. All such measures since that time have been financed from IPA.

## **Management and implementation**

### **13. IMPLEMENTATION**

The first two projects in Croatia were approved in December 2005 with a final four being approved in July and September 2006. By the end of 2009, physical implementation had commenced on 5 out of the 6 ISPA projects, including 2 out of the 3 infrastructure projects. The final infrastructure project was also in the process of tendering out with the contracts expected to be signed in early 2010. Three ISPA contracts have now been totally completed and a number of others are at a very advanced stage. Furthermore one of the 3 infrastructure projects has been totally contracted out and is at an advanced stage of implementation with about 65% of the works complete (see project photos on page 6).

By the end of 2009 a total of six contracts still remained to be tendered out, of which 4 were supply contracts. A further two tenders were in the process of evaluation and a further 1 contract was due to be retendered due to the termination of a contract.

Significant problems with tendering and contracting continued to be experienced in 2009 with 3 critical tenders (two works and one service) having to be repeated thereby delaying and complicating the implementation of the affected projects. Furthermore one successful contractor terminated his contract after several months of implementation with the result being that the contract needs to be retendered.

Most of the ISPA projects are now entering the final stages of contracting. As a result attention is being focused more and more on ensuring that the ISPA amount allocated to each project is fully disbursed. As a result adjustments to the projects may be made by modifying the respective financing memorandum during 2010.

Following modification of Guidelines on the Closure of Cohesion Fund and Ex-ISPA projects 2000-2006<sup>2</sup> adopted in order to extend the final date of eligibility of expenditure up to 31 December 2011, for ex-ISPA (and now Cohesion Fund) projects first approved from 1 January 2004 onwards, and up to 31 December 2012 for projects first adopted from 1 January 2004 onwards with an assistance of 100 million EUR or more, similar proposals will be prepared for the infrastructure projects presently under implementation in Croatia. The extension of the final date of eligibility was an initiative of the Commission to assist ex-ISPA (now Cohesion Fund) beneficiary countries during the economic crisis. In the case of Croatia this one year extension would enable all ISPA funds allocated to the beneficiary country to be dispersed successfully.

During 2009 the Croatian ISPA implementing agency's performance continued to be erratic, although an overall improvement was noted. Amongst the reasons for this continuing disappointing performance are the increasing demands on the staff who are now also dealing with implementing IPA projects. Additionally the lengthy and

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<sup>2</sup> SEC(2008) 415 of 28.3.2008

sometimes very bureaucratic internal procedures of the Croatian administration have contributed to the unsatisfactory pace of implementation.

To conclude on a positive note it should be noted that by the end of 2009 almost all of the 6 ISPA projects were under implementation. Every critical contract is now either under implementation, or is expected to be signed shortly. Furthermore the few contracts that still need to be tendered out are either already at the tendering stage, or their launch is imminent. None of them however, are critical in terms of timing. It would be true to say therefore that 2009 was a crucial year for Croatia with regard to the success of ISPA. However, despite severe difficulties, the authorities have finally been able to make real progress as a result of huge efforts made by all concerned.

#### **14. PROJECT MONITORING**

Overall monitoring and evaluation of the progress and effectiveness of ISPA implementation is ensured by regular meetings in the EU Delegation offices, monitoring reports submitted by the implementing bodies, site visits by Commission staff and formal monitoring through the twice yearly ISPA Monitoring Committee meetings held in Croatia, as well as the receipt of annual reports for each ISPA project from the implementing authority.

Two ISPA Monitoring Committees were held in Croatia in 2009; in June and November respectively. Considerable attention was given during both meetings to the resolution of problems connected with two critical works tenders that had to be repeated following unsuccessful attempts to contract out the work. Despite the setback both tenders were re-launched following appropriate adjustments to the tender documents and by the end of the year both tendering procedures were nearing their conclusion.

Additional issues that were the focus of attention during the monitoring committee meetings were the following: the increase in complications in implementing the projects resulting from the increasing proximity of the final date of eligibility date for payment i.e. December 2010; the need to reduce the time required within the Croatian administration for document approvals; the need for the more strict observance of tendering procedures (this was the reason for the failure of one of the main works contracts mentioned above); the need for the modification of 2 Financing Memoranda in order to extend maximally the final date of eligibility for payments, adjusting the co-financing rate and scope of work required following the completion of all tenders; the requirements for preparing final reports; discussions concerning the unsatisfactory performance of contractors and the consequences of the termination of one specific contract; the allocation and use of the interest generated on the individual ISPA accounts; the use of "surplus" ISPA funds following the completion of contracting process for each individual ISPA project; the need to increase staffing levels within the relevant Croatian bodies involved in project implementation; modifications required to be made to the remaining Financing Memoranda, as well as the need to request special permission to extend the final date of eligibility for all 3 infrastructure projects until December 2011 (such an extension has already been granted to some Cohesion Fund ex-ISPA projects approved in 2005 & 2006) to enable full absorption of ISPA funds.

## 15. FINANCIAL MANAGEMENT AND CONTROL, INCLUDING *EDIS*

The principal requirements for both the financial management and control and the treatment of irregularities are governed by the provisions of the ISPA Regulation<sup>3</sup> and of Annex III of the Financing Memorandum, as applicable under the regime of *ex-ante* control by the Commission. These requirements are close to those applicable to the Cohesion Fund and the Structural Funds. The key elements relate to the establishment of internal financial control systems and procedures that can ensure transparent and non-discriminatory procurement procedures, the accuracy of declared expenditure, adequate internal audit capability, sufficient audit trail and appropriate treatment of irregularities.

The audit unit of DG REGIO originally planned to carry out an audit of ISPA projects in Croatia during 2009. The intention was to ensure that the information concerning the execution and financial flows related to ISPA projects provides assurance as regards: 1) the legality and regularity of expenditure declarations to the Commission; 2) compliance with EU policies, in particular as regards publicity requirements; 3) compliance with the principles of a sound financial management. However, due to a variety of reasons the audit had to be put back until early 2010.

The main focus of attention for the audit unit in 2009 was on activities connected with the launch of the IPA<sup>4</sup>. Despite not carrying out any missions to Croatia in 2009 the audit unit (and the EU Delegation) continued to apply pressure on the Croatian authorities to improve their institutional capacity by continuing the recruitment and training of staff.

The EU Delegation in Zagreb continued as the main mechanism for ensuring sound financial management and control. The rejection rate for ISPA documents continues to be high which is a clear sign that still more work needs to be carried out by the Croatian authorities before confidence exists of their ability to correctly manage ISPA funds independently. It should be noted in this context that the EU Delegation remains understaffed following further unsuccessful recruitment attempts and this, combined with the significantly increased workload related to IPA activities, has placed a huge strain and workload on the staff of the Delegation.

### **DIS**

The requirement for the DIS (Decentralised Implementation System) accreditation of the implementing agency in Croatia, the CFCA, follows the provision of Article 164 of the Financial Regulation<sup>5</sup>. DIS accreditation was awarded by the Commission on 13<sup>th</sup> February 2006.

### **EDIS**

Since ISPA ended in 2006 with the introduction of the Instrument for Pre Accession (IPA) the purpose of moving ISPA to EDIS (using the Extended Decentralised management Implementation System – EDIS with only *ex-post* control by the

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<sup>3</sup> Council Regulation (EC) No 1267/1999 of 21 June 1999 establishing an Instrument for Structural Policies for Pre-accession [OJ L 161, 26.6.1999, p. 73].

<sup>4</sup> The main focus of audit unit in 2009 was to seek reasonable assurance that the systems for the management and control of IPA projects continue to comply with the requirements of the applicable regulations and function effectively.

<sup>5</sup> Provision, however, deleted as of 1 May 2007 by Regulation (EC, Euratom) No 1995/2006 [OJ L 390, 30.12.2006, p. 1].

Commission) has become superfluous. Recent efforts by the Croatian authorities have therefore been concentrated on preparing the IPA structures for the move to EDIS as these structures will be in place for the foreseeable future until accession. In the meantime the EU Delegation in Croatia continues to perform its important role in supervising the daily management, implementation and monitoring of the ISPA measures.

## **16. RISK ASSESSMENT**

The audit strategy planned for 2009 was based on the results of an analysis of the state of ISPA implementation and the related objectives of the Audit Directorate of Directorate General for Regional Policy. The audit strategy sets out the objectives which are defined by the senior management of Directorate General for Regional Policy. These objectives are defined on the basis of detailed discussions with the operational directorates during which information on potential risk is shared. The audit strategy then sets out the actions to achieve the objectives, taking account of the risks identified. In general, risk is minimized by implementing this strategy. Despite originally planning to carry out an audit of ISPA in Croatia during 2009, none were carried out. The planned audit has been rescheduled to take place in early 2010.

Under the system of *ex-ante* approval, priority is given to ensuring that sufficient control procedures are put in place regarding project implementation and payments. However, the management of pre-accession funds carries an inherent risk since the funds are delivered by a variety of organisations and systems. Eligibility of expenditure is determined by compliance with rules and conditions fixed at EU and national level which can lead to complexity and risk of misinterpretation.

## **17. EUROPEAN COURT OF AUDITORS FINDINGS**

No missions or audits were carried out in Croatia during 2009.

## **18. CO-FINANCING PARTNERS – EIB AND EBRD**

Given their expertise in project preparation and implementation, the Commission has maintained regular contact with these lending institutions, both at a horizontal level to co-ordinate policy and methodological issues related to programming and implementation, and at country level. The specialist skills of these Banks in structuring grant/loan combinations of funding, including public-private partnership arrangements, is highly useful for improving the quality of projects funded from ISPA. Nevertheless, the European Investment Bank is not involved in any ISPA project in Croatia.

The European Bank of Reconstruction and Development is the only International Financial Institution which is actively involved in an ISPA project in Croatia with the provision of a EUR 10 million loan for an environmental project approved in 2005 – the Karlovac Water and Wastewater Treatment Programme. Representatives of the EBRD therefore took part in both ISPA Monitoring Committees held in Croatia in 2009.

## Contribution to European Union policies

### 19. PUBLIC PROCUREMENT

The fulfilment of the legal requirements for sound, fair and transparent public procurement as enshrined in the PRAG rules has proved to be a major challenge in the implementation of ISPA projects. Difficulties in ensuring compliance with EU procurement principles have led to delays in the implementation of ISPA projects and in several cases, the repeating of tenders. It has therefore continued to be necessary for the Commission services - especially the EU Delegation in Zagreb - to intervene to ensure that procedures were correctly applied and errors rectified. In addition on occasion it has had to assist the Implementing Agency in liaising with dissatisfied bidders. Overall the quality of the tender documents has improved, but this improvement is somewhat erratic.

The *ex-ante* approval by the Commission, which governs the tendering and contracting of ISPA projects, continues to be entirely justified as plans to move to EDIS have now been dropped (see above). Under the current *ex-ante* system of approval and in line with the DIS decision for the conferral of management, only the CFCA plays the role of the contracting authority responsible for project implementation, whereas the Commission endorses each step of the procurement process. It follows that, although the Commission is not a contracting partner, it bears shared responsibility for the procedural correctness of the procurement process (without the Commission's approval, contracts concluded between beneficiaries and contractors are not valid).

### 20. COMPETITION POLICY

As ISPA assistance is directed primarily to cover public expenditure - or equivalent - concerning utility projects, this does not generally raise problems of incompatibility with the EU rules on competition. Unless the rules on public procurement are infringed, and provided free access to such infrastructure is guaranteed for all operators meeting the necessary technical and legal conditions, such assistance does not confer any special advantage to specific firms.

### 21. ENVIRONMENT POLICY

By providing direct assistance to priority projects for the environment, ISPA also contributes to the implementation of environmental policy and to the compliance with EU standards in Croatia. Experience gained through project development and implementation develops administrative capacity and accelerates sector reform in the environment sector. In particular, administrative capacity is being strengthened with regard to environmental investment planning and prioritisation. Steady progress has also been made in the correct implementation of the EIA directive<sup>6</sup>, particularly the aspects related to public consultation. It is hoped that ISPA will in these ways contribute towards progress in environmental protection in Croatia.

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<sup>6</sup> Council Directive 85/337/EEC of 27 June 1985 on the assessment of the effects of certain public and private projects on the environment [OJ L 175, 5.7.1985, p. 40].

It is important to emphasise that, as far as Croatia is concerned, the introduction of IPA, with its greater number of bodies and a stream of additional projects, the provision of sufficient financial and human resources for implementation (including monitoring, inspection, the provision of permits and reporting) needs to be ensured.

## **22. TRANSPORT POLICY**

The transport networks in Croatia, agreed in accordance with TINA (Transport Infrastructure Needs Assessment) and REBIS (Regional Balkans Infrastructure Study) were constructed around the framework of pan-European corridors. Several of them run across the territory of Croatia including Corridors VII (the Danube river), X (Salzburg-Ljubljana-Zagreb-Beograd-Nis-Skopje-Veles-Thessaloniki, including branch Xa) as well as Corridor V, which has two branches in Croatia (Vb - Budapest, Zagreb Rijeka, and Vc - Budapest, Sarajevo, Ploče). These networks were used as the planning basis for the national transport strategy for ISPA purposes. As a consequence the single ISPA transport (railway) project forms part of the TINA and REBIS networks, i.e. it concerns the construction or rehabilitation of a section, nodal point or access relating to the networks. The TEN-T networks for Croatia are based on SEETO (South East Europe Transport Observatory) recommendations.



## Co-ordination among pre-accession instruments

### *Co-ordination with EU Delegations*

Periodic meetings were organised by the Commission services (DGs Enlargement, External Relations and Regional Policy) with the experts in the Delegations responsible for PHARE and ISPA to discuss programming and implementation issues, in particular those related to tendering and contracting.

### *Co-ordination with the IPA instrument*

In order to ensure the efficient coordination of activities and the prevention of any duplication, the two ISPA Monitoring Committees held in Croatia in 2009 were organised taking into consideration issues relating to the Regional Development component of IPA. 2 of the technical assistance measures being funded through ISPA relate to the preparation of project pipelines for implementation using IPA co-finance.

## **23. PUBLICITY ACTIONS**

No significant publicity actions took place in 2009 with regard to the ISPA projects.