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From: General Secretariat of the Council

On: 8 November 2016

To: Delegations

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Subject: Special Report No 11/2016 "Strengthening administrative capacity in the former Yugoslav Republic of Macedonia: limited progress in a difficult context"

– Council conclusions

Delegations will find attached Council conclusions on the Special Report No 11/2016 by the Court of Auditors "Strengthening administrative capacity in the former Yugoslav Republic of Macedonia: limited progress in a difficult context", as adopted by the Council on 8 November 2016.

Council conclusions on Special Report No 11/2016 "Strengthening administrative capacity in the former Yugoslav Republic of Macedonia: limited progress in a difficult context"

1. The Council thanks the Court of Auditors for its Special Report No 11/2016 and takes good note of the conclusions and recommendations therein. The Council underlines the relevance of the findings of this audit to the management of pre-accession assistance for the beneficiaries, and the wider Enlargement process.
2. The Council notes that the objective of the audit was to assess whether EU pre-accession assistance, including individual projects, decentralised management and non-financial assistance contributed effectively to strengthening administrative capacity in the former Yugoslav Republic of Macedonia. The audit covered projects from the 2007-13 programming period within three major sectors: public administration reform, transport and environment.
3. The Council takes note of the conclusion of the Court that most projects were well managed, but results were often only partially achieved or not adequately followed up by the authorities. Most projects delivered the planned outputs, but these were often not fully exploited. The Council regrets that there was relatively limited progress in strengthening administrative capacity in key areas during the auditing period. The Council takes good note of the Court's specific recommendations to the Commission to take account of significant weaknesses in key areas and to encourage efforts by the authorities to strengthen administrative capacity. In line with the Court's recommendation, the Council highlights the importance for the Commission to continue to use political dialogue to secure firmer commitment to strengthening administrative capacity, in particular to tackle corruption, improve transparency and reverse backsliding on public administration reform. The Council also stresses the importance of the Commission following a holistic approach and prioritising assistance, and that the authorities should follow-up on outputs and transfer good practice from decentralised administration to other parts of the public administration.

4. The Council thanks the Commission for its reply attached to the Special Report No 11/2016 and takes positive note that the Commission accepts the Court's recommendations. In particular, the Council welcomes the ongoing work in aligning further EU assistance with key fundamentals and the introduction of the performance framework, as well as a sector-based approach under IPA II, which should facilitate following up on outputs and sustainability. The Council invites the Commission to inform the IPA Management Committee regularly on the issues raised by the Court of Auditors' Special Report and to ensure that they are addressed systematically, including through Stabilisation and Association meetings, the High Level Accession Dialogue and the Urgent Reform Priorities, as appropriate.
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