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'I/A' ITEM NOTE

From: Working Party on Enlargement and Countries Negotiating Accession to the EU

To: Permanent Representatives Committee/Council

On: 17 September 2018

Subject: Draft Council conclusions on Special Report No 7/2018 by the Court of Auditors:
"EU pre-accession assistance to Turkey: Only limited results so far"

In accordance with the arrangements defined in the Council conclusions on improving the examination of special reports drawn up by the Court of Auditors¹, the Permanent Representatives' Committee has instructed the Working Party on Enlargement and Countries Negotiating Accession to the EU² to examine the above report by the Court of Auditors.

The Working Party reached agreement on the text of draft Council conclusions on this subject on 17 September 2018.

It is therefore suggested to the Council, subject to confirmation by Coreper, to adopt the draft conclusions as set out in the Annex.

¹ See doc. 7515/00 + COR 1.

² See doc. 10599/18.

Draft Council conclusions on Special Report No 7/2018 by the Court of Auditors:

"EU pre-accession assistance to Turkey: Only limited results so far"

The Council thanks the European Court of Auditors for its Special Report No 7/2018 and takes good note of the conclusions and recommendations therein. The Council notes that the objective of the audit was to assess the design and the effectiveness of the implementation of the EU pre-accession assistance (IPA) to Turkey. The auditors examined the IPA I (2007-2013) and IPA II (2014-2020) programming periods. The auditors focused on the priority sectors of the rule of law, governance and human resources. The Council underlines the relevance of the findings of this audit for the management of IPA, while noting that the auditors only examined the implementation of IPA I due to implementation delays with IPA II.

The Council takes note of the overall conclusion of the Court that, while IPA objectives were well designed, the effectiveness of IPA has been only limited. The Council notes positively that the audited projects generally delivered the intended output, in spite of implementation delays and with the exception of the rule of law projects, and that in general the Commission's sector approach assessments provided relevant information to identify where the sector approach could be implemented. The Council however notes with concern the Court's conclusion that in practice, some fundamental needs in the rule of law and governance sectors were insufficiently addressed, sector assessments were not always comprehensive, little use was made of IPA conditionality to support the reform process in priority sectors, shortcomings were noted in the monitoring of project performance, and sustainability is at risk due to backsliding on reforms and a lack of political will of the Turkish authorities. A further source of concern is that IPA was significantly delayed due to widespread programming and implementation backlogs.

In this regard, the Council invites the Commission to fully implement the Court's specific recommendations to the Commission to improve the design and implementation of IPA in Turkey, by inter alia increasing the use of political and project conditionality, better targeting IPA funds under the objectives set, in particular in the areas of rule of law and fundamental rights, improving the sector approach assessments and improving the monitoring of project performance and reducing backlogs by applying indirect management selectively.

The Council thanks the Commission for its replies attached to Special Report No 7/2018 and takes positive note that the Commission has accepted all, and already addressed some, of the proposed recommendations. The Council appreciates that the Commission will consider the proposed refocussing under the 2018 programming exercise and underscores the Commission's observation that progress in sensitive areas is not only dependent on IPA funding allocated but more importantly on the political will of the Turkish authorities. The Council invites the Commission to regularly inform the IPA Management Committee on the issues raised by the Court of Auditors' Special Report and to ensure that they are addressed systematically, including through meetings under the Association Agreement, as appropriate.

Finally, in line with previous Council conclusions on Enlargement and Stabilisation and Association process, the Council recalls that the general focus of IPA should remain on key priorities, such as rule of law and fundamental rights, and enhanced coherence between the financial assistance and the overall progress made in the implementation of the pre-accession strategy.
