

THE EUROPEAN COURT OF AUDITORS

Procurement in European funded pre-accession projects
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European Court of Auditors

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NOTA BENE



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former Yugoslav Republic of Macedonia, here Macedonia
Kosovo under UNSCR 1244, here Kosovo



Procurement observations in ECA special report No 12/2009:
Audit of Western Balkans Justice and Home Affairs (JHA) sector:



Four JHA areas:

1. Asylum and Migration
2. Integrated Border Management
3. Judiciary
4. Police



Western Balkans justice and home affairs sector: So what? Why worthwhile to audit?



1. Future members;
2. To be a member, one must meet "rule-of-law" criteria;
3. Painful pass. JHA issues most difficult ones in previous enlargements;
4. Commission an important player in the region – politically and financially (56% of grants in 2005-08 vs. EU MS 20%).



Audit objective, scope and limitations



- **Objective:** Effectiveness of the Commission's projects. Successful procurement of goods and services? Focus on results.
- **Scope:** 33 finalised projects in 6 countries covering 26% of 0,5 bn€;
- **Limitation:** JHA sensitive area with vested interests. Reforming judiciary and police sometimes beyond direct Commission control. Procuring technical tools are of limited capacity to address political deficiencies.



Three procurement topics with examples



- Donor-ordination: Vehicles to the Macedonian (border) police (supply);
- Institution-building: Training and staff turnover in WB (service);
- Life cycle costing: Court house in Albania (works).



IBM in Macedonia: In the bushes. Missing to the big picture?
42 types of police vehicles. Uncoordinated multi-donor activity.
Car fleet management ineffective. Partner not setting the agenda.



Institution-building activities



- To increase knowledge and skills;
- Why? "If you think education is expensive - try ignorance"
(Mr. Bok's law, President of Harvard Uni). A lot of project financing but
- Training: More outputs than results. Enhanced operational capacity?
 - Yes, in Human Rights Commission in Bosnia (9/10 key staff stayed)
 - No, in Macedonian police (28/30 managers changed after elections)
- Added-value of procurement sub-optimal.
- Active encouragement for institutional changed. Political de-mining.



„Not everything that can be counted counts,
and not everything that counts can be counted.“ - A. Einstein
The a.m. principle applies also to pre-accession „rule-of-law“ audits.
Court house in Vlora, Albania. Good results but problem with life cycle costing ...



Case Court house Vlora: No electricity (computers off, basement flooding) and annual budget for heavy oil exhausted four months before the year end.

When procuring, better understanding of the total cost of ownership: recurring cost (operating costs, spares, maintenance and repair, withdrawal from use).



Thank you!

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Publications (www.eca.europa.eu)



- **Annual Report:** Statement of Assurance, observations on the implementation of the EU budget
- **Annual Report on the European Development Funds**
- **Special Annual Reports:** on EU bodies, offices and agencies
- **Special Reports:** on specific budgetary areas or management topics
- **Opinions:** on certain draft legislation at the request of another institution; an opinion is mandatory for financial and anti-fraud legislation

