

Summary of the audit report *Efficiency of the use of European funds for flood protection*

The Court of Audit of the Republic of Slovenia (hereinafter referred to as: the Court of Audit) audited the efficiency of the use of European funds for flood protection in the period from 1 January 2007 to 7 March 2014 to examine whether the Republic of Slovenia efficiently used the available funds of the Operational Programme of Environmental and Transport Infrastructure Development 2007-2013 (hereinafter referred to as: OP DETI) for the reduction of harmful effects of waters through flooding. The Court of Audit thus examined whether the preparation and the implementation of the projects were carried out efficiently, with respect to content and time frame. It also examined the efficiency of the preparation of the flood risk reduction projects which are to be supported by EU funding within the 2014-2020 programming period.

The auditees were determined to be the ministry responsible for environment, namely the Ministry of the Environment and Spatial Planning until 10 February 2012, the Ministry of Agriculture and the Environment from 11 February 2012 to 17 September 2014, and from 18 September 2014 onwards the Ministry of the Environment and Spatial Planning (hereinafter referred to as: the Ministry), and the Slovenian Environment Agency (hereinafter referred to as: the Agency).

The Court of Audit established that the programming and scientific bases that would enable the selection of such projects which could substantially contribute to the flood risk reduction were not available to the Ministry in 2007 when preparing the OP DETI. The Ministry only disposed of the framework strategic guidelines and descriptively defined objectives and was familiar with some of the areas with significant flood risk but the flood areas were not systemically defined and assessed in relation to damage potential. After 2007, the Ministry prepared several implementing regulations pertaining to the field of flood safety but failed to harmonise the provisions and terms laid down therein.

In the same year, the Ministry included the majority of river basins in the Republic of Slovenia into the OP DETI without first defining actual investments. It only disposed of the data already approved for those river basins or had spatial plans intended for the implementation of measures ensuring flood safety under preparation. In 2010, based on the foreseen use of available funds by the end of 2015, the Ministry selected three projects to be carried out. One is aimed at the improvement of monitoring of the aquatic environment by building new measuring infrastructure, and the remaining two include local investments for ensuring flood safety in the river basins of the Savinja and the Drava River.

The Ministry selected the areas and investments for the projects applied to the basins of the Savinja and the Drava River by preparing the set of local projects relating to the concerned river basins and then chose those for implementation which had spatial planning and other documents already adopted and which could be carried out by the end of 2015. Since the Ministry has not conducted complete hydrological studies of river basins, some of the measures are being implemented also in the areas the programming documents for ensuring flood safety do not define as the areas with the largest number of vulnerable populations, or are not in all cases applied to the areas with significant flood risk that the Ministry specified later.

Furthermore, the Agency did not provide data on the capacity of the existing (old) system and on the system capacity after the project implementation for the project aimed at the improvement of monitoring of the aquatic environment for the part relating to the flood safety, consequently preventing the Court of Audit to assess the efficiency of the use of funds in terms of content.

Upon including the projects into the OP DETI in 2007, the outline content and the implementation time schedule were defined only for the project aimed at the improvement of monitoring of the aquatic environment, while for the other two projects, the Ministry did not start drawing up the content until 2010. They were finalised and approved in the penultimate and in the final year of the programming period, namely in 2012 and 2013. The Court of Audit established that the passive approach of the Ministry in the period from 2007 to 2009 caused serious delay in implementing the priority tasks. The Ministry failed to draw up an organisational plan and time schedule for the project preparation, it started late with the preparation of the investment documentation and had disproportionately low number of employees responsible for the project preparation. Additionally, the Agency failed to sufficiently prepare itself for managing the environmental factors accompanying the implementation of the project aimed at the improvement of monitoring of the aquatic environment, which is why the project is being carried out at a slower pace than initially planned. In seven out of nine years the Republic of Slovenia thus certified with the European Commission the expenses in the amount of 22.5 percent of the available EU funds for the reduction of harmful effects of waters.

In comparison with the 2007-2014 programming period, the Ministry has several programming and scientific bases at its disposal for the selection of the projects for the new 2014-2020 programming period. Nevertheless, they still do not provide the complete information on the areas most at risk of flooding and especially the measures to be taken to considerably reduce the flood risk with the allocated funds. When selecting the projects, the Ministry is to consider the areas recognised as the areas with significant flood risk, which is important improvement in comparison with the previous programming period. However, the selection of projects will continue to be based mostly on the possibility of implementation of the projects in the concerned programming period. The emphasis remains on rescuing local flood areas, however, the complete studies of river basis have still not been conducted.

In the period covered by the audit, the Ministry and the Agency also carried out regular activities (regular maintenance, major maintenance and minor construction and non-construction measures) for managing the flood risk in the existing flood-risk areas, though the majority of the funds for water regulation were used for rehabilitation after the past flood events and the construction of the state, local and other infrastructure in the area of the Lower Sava River that is required for the construction of new hydroelectric power plants. The Court of Audit assesses that the flood safety could be considerably improved if the government carried out regular maintenance works relating to water infrastructure to a greater extent.

In preventing damage caused by flooding, the restrictions regarding the changes in land use in the flood areas are also of significant importance. In view of the aforementioned measure, the government is thus acting inefficiently as the locations that may be intended for natural or artificial grouping of waters have not been recognised in the majority of the flood areas. The Court of Audit further assesses that the flood safety could be considerably improved if the government recognised

the concept of preventing new damage potential in the flood areas as a crucial preventive measure in practice.

The Ministry and the Agency *failed to efficiently use* the available EU funds for the reduction of harmful effects of waters through flooding. The preparation and the implementation of the projects in the 2007-2013 programming period were not carried out efficiently or efficiently enough in terms of content and time frame, and the efficiency of the preparation of the projects for the new 2014-2020 programming period was not significantly improved compared with the past programming period.

The Court of Audit requested from the Ministry and the Agency to submit *response reports* in which the Ministry, inter alia, has to disclose the plan of activities for amending regulations in order to ensure consistency and clarity of terms and provisions pertaining to flood areas and areas at risk due to flooding, the plan of activities with the defined manner of and deadline for the protection of most significant river basins that may be intended for grouping of waters at the level of individual river basins, as well as draw up a time schedule and organisational plan for the preparation and implementation of the projects that are to be carried out by using the EU funds for the 2014-2020 programming period. The Court of Audit also submitted several *recommendations* for ensuring greater benefits relating to invested funds, improving transparency of the concerned subject filed arrangement, and for taking preventive actions.

Ljubljana, 11 November 2014