**Audit report: *Efficiency of the use of European funds for flood protection***

The Court of Audit audited the efficiency of the use of European funds for flood protection in the period from January 2007 to March 2014 to examine whether the Republic of Slovenia efficiently used the available funds of the OP 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 examined at Ministry of the Environment and Spatial Planning and the Slovenian Environment Agency whether the preparation and the implementation of the projects were carried out efficiently, with respect to their content and given 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.

It has been 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.

Upon including the projects into the OP DETI in 2007 the Ministry did not start working on their specific 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 passive approach of the Ministry in the period from 2007 to 2009 caused serious delay in implementing the priority tasks of the OP. 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 disproportionally 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. However, 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.

In the period covered by the audit, the Court 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 identified in the majority of the flood areas. The Court 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 also in practice.

Thereby 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 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 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