



The road to EU membership:  
Instruments for Pre-Accession Assistance (IPA)  
*Ability. Quality. Delivery.*



The EU's IPA is an important tool to address the needs of the candidate countries and potential candidate countries to be prepared for full implementation of the Community acquis at the time of accession.

# Deloitte and the European Union

## Deloitte is one of the world's largest professional services firms

Deloitte provides audit, tax, consulting and financial advisory services to public and private clients in multiple industries. With a global connected network of member firms spanning more than 150 countries, Deloitte brings world-class capabilities and deep local expertise to help clients succeed wherever they operate. With approximately 200,000 professionals and global annual revenues of over €24 billion, Deloitte is committed to becoming the standard of excellence for the professional services industry.

## Deloitte has vast experience with European Union matters

Deloitte has been providing services to the European Commission and other EU Institutions for more than a quarter of a century. With dedicated teams in all 27 EU Member States and in candidate countries, Deloitte meets the EU's need for:

- Strategy and policy advice;
- Audit and risk management services;
- Performance improvement and organisation and process change;
- Technology advice and implementation; and
- Financial management services.

## Deloitte has a long record supporting candidate countries in Central Europe with projects under the IPA

In addition to providing services to EU institutions, Deloitte has been supporting EU candidate countries and potential candidate countries with projects under the auspices of the IPA for several years. These include strengthening institutional capacity, cross border cooperation and regional and rural development.

Deloitte has gained extensive experience in supporting the development of the candidates countries' actions to prepare them for membership of the EU. This was especially the case during the 2004 enlargement of the EU, when previous financial instruments for pre-accession assistance were available; for example Phare, ISPA and SAPARD. Deloitte supported the preparations of eight Central European countries, which joined the European Union in May 2004. Deloitte was also heavily involved in activities to prepare Romania and Bulgaria for their accession to the EU in January 2007.

Since 2007, when the new single IPA was established, Deloitte has been assisting IPA beneficiary countries.

Deloitte has also supported the European Commission Directorate General for Enlargement, responsible for managing the process whereby countries join the European Union. For example, Deloitte Belgium conducted the project on evaluation of CARDS Regional Programme in the Western Balkans.

This brochure summarises some of our most relevant experience of IPA projects.



# Deloitte experience in Pre-Accession Assistance

Deloitte's broad experience in assisting beneficiary countries in using the IPA covers all five IPA components:

1. Transition assistance and institution building;
2. Cross-border cooperation (with EU Member States and other countries eligible for IPA);
3. Regional development (providing support to transport and environment infrastructure, enhancing competitiveness and reducing regional disparities);
4. Human resources development (strengthening human capital and combating exclusion); and
5. Rural development.

## IPA geographical coverage



Source: [http://ec.europa.eu/regional\\_policy/thefunds/ipa/index\\_en.cfm](http://ec.europa.eu/regional_policy/thefunds/ipa/index_en.cfm)

# Deloitte experience in transition assistance and institution building

## 1. IPA component I: Transition assistance and institution building

### 1.1 Strengthening institutional capacity for e-Government

Deloitte Serbia provided strategic guidance on institutional strengthening and capacity building support to the Ministry of Culture, Information and Information Society for the implementation of the recently adopted e-Government Strategy.

The support included sharing of international experience, client training workshops as well as study tours. It also included the development of documents necessary for the establishment of sustainable capacity building and the institutional framework.

### 1.2 Development of a new agency responsible for the management of Central Registry System for the national social insurance system

Deloitte Serbia supported the establishment of the agency governing this system as well as technical implementation assistance to the Central Registry System, which was to improve registration, processing, reporting and controlling of social insurance. The project scope included:

- Defining the functionality, business processes and organisational structure of the new agency;
- Defining the technical and functional specifications for the IT systems and their interface with other key institutions;
- Preparing an implementation cost benefit analysis for the new agency, specifically for the central registry and the centralised database; and
- Preparing the terms of reference, detailed documentation and specifications needed to facilitate the procurement of hardware, services and solutions for the next stage.

### 1.3 Support for major tax reform in the Former Yugoslav Republic of Macedonia (FYROM)

Deloitte Macedonia supported the project to improve the performance of the Ministry of Finance and Public Revenue Office (PRO) in collecting revenue, delivering taxpayer services, reinforcing institutional capacity in tax collection and combating corruption through aligning its legal framework to the EU standard.

Deloitte participated in the drafting of laws and implementing legislation in the area of taxation. In addition, Deloitte supported the management of the PRO and its operational activities by targeting key sectors related to tax collection as well as strengthening the quality of services offered to the business sector, in particular small and medium-sized businesses.

### 1.4 Supporting the implementation of a decentralised implementation system in Serbia under IPA

Deloitte Serbia supported the Government of Serbia in developing its technical and administrative capacities in relation to IPA management under decentralised management by performing compliance assessments of the IPA Components I, II, III and IV. Deloitte performed management and control system audits; including the review of all IPA manuals for the management and implementation of the IPA programme.

### 1.5 IT security testing of e-Government systems

The eGov project in the Former Yugoslav Republic of Macedonia (FYROM) assisted in increasing efficiency and transparency in the country's public sector, by delivering secure e-government solutions. It also enhanced communication within the Government of FYROM and between it and the businesses and citizens it governs. Deloitte Macedonia conducted IT security testing of the following:

- EXIM system (single window system for electronic submission and processing of requests for trading licenses and tariff quotas) hosted by the Custom Administration of FYROM;
- eProcurement system hosted by the General Secretariat of FYROM; and
- eTax system hosted by the Tax Administration of FYROM.

### 1.6 Expenditure verification of projects funded by the European Union's IPA and Phare programmes

Deloitte Croatia performed the expenditure verification of projects funded by the IPA programme. Deloitte acted as an independent auditor for the following projects:

- Enhancement of VIES (VAT information exchange system) and development of VES (VAT on e-services);
- Development of the Excise Movement and Control Systems (EMCS) for the Croatian Customs Administration;
- Upgrade of the National Transit Application project for the Croatian Customs Administration;
- Integration of the Financial Management Informatics System (FMIS) of the State Treasury and budget users for the Ministry of Finance;
- Support to improve the Court Administration and Case Management (CACM) process of the Ministry of Justice; and
- Establishment of a fully operational Paying Agency for Agriculture, Fisheries, and Rural Development.

# Deloitte experience in cross-border cooperation

## 2. IPA Component II: Cross-border cooperation

### 2.1 Programme evaluation of the Hungary-Slovakia Cross-Border-Cooperation programme

Deloitte Hungary, with the support of Deloitte Slovakia and Deloitte Belgium, is currently conducting an evaluation of the Hungary-Slovakia Cross-Border Cooperation programme. The objective of the evaluation is to provide feedback for the next programming period as well as the implementation of 'quick wins' or relatively easy recommendations.

### 2.2 Second Level Audit for the Alpine Space Programme

Deloitte Austria, Deloitte Germany, Deloitte Italy, Deloitte France, and Deloitte Slovenia performed the Second Level Audit of the Alpine Space Programme 2007-2013 for ERDF. The Alpine Space Programme is comprised of five European countries:

- Austria
- Germany (Southern part)
- Italy (Northern part)
- France (Eastern part)
- Slovenia

The Deloitte member firms were involved in the audits of projects with beneficiaries in their countries.

### 2.3 Second Level Control Service for the CADSES Programme

An international Deloitte team involving consultants from Italy, Poland, Czech Republic, Slovenia, Slovakia, Hungary, Germany, Austria and Greece performed the following services for the Managing Authority of the Programme Interreg IIIB CADSES 2000-2006 covering Central, Adriatic, Danubian, and South-Eastern European Space:

- System Audit of the Programme;
- Sampling of projects to be verified;
- Preparation of Audit Missions;
- On-the-spot checks;
- Production of Audit Reports of different projects;
- Periodical Report of Activities;
- Coordinate with Managing Authority, Paying Authority and Joint Technical Secretariat; and
- Coordination with the Financial Control Group of the Programme.

### 2.4 Preparation of a management and control system for the Certifying Authority of cross-border programmes

Deloitte Slovenia assisted in designing the management and control system as well as the preparation of manuals for the certifying authority of several cross-border cooperation programmes (SLO-ITA, SLO-HU, SLO-AUT and SLO-CRO) which included:

- Certifying authority structure and its main functions;
- Organisation of the certifying authority;
- Certification of statements of expenditure;
- Accounting system;
- Fund recoveries;
- Risk assessment;
- Reporting to relevant authorities; and
- Preparation of specifications for supporting the ISARR information system.

### 2.5 Second Level Control Service for the Authority of the Programme Interreg IIIA Italy-Albania 2000-2006

Deloitte Italy and Deloitte Albania were appointed to provide the following services:

- System Audit of the Programme;
- Sampling of projects to be verified;
- Preparation of Audit Missions;
- On-the-spot checks;
- Production of Audit Reports of different projects;
- Periodical Report of Activities; and
- Coordination with Managing Authority, Paying Authority and Joint Technical Secretariat.

# Deloitte experience in regional development

## 3. IPA Component III: Regional development

### 3.1 Increase SMEs' Cluster Competitiveness Activity

Deloitte Bosnia & Herzegovina (BiH) supported the strengthening of its national Tourism, Wood Processing, Forestry and Agribusiness sectors. The support included the following activities:

- Assisting firms to become more competitive using a demand-driven approach designed based on feedback from working groups;
- Establishing effective public-private partnerships, organised around a common set of challenges and opportunities through existing trade associations; and
- Developing cross-border supplier and client links specifically for the agribusiness and wood processing industries, facilitating cooperation between Croatian and the national tourism industry clusters and promoting regional and global trade in competitive industries.

### 3.2 Ex post cost benefit analysis for railway infrastructure development projects

Deloitte Hungary prepared the ex post cost benefit analyses for four ISPA projects and, subsequently, an EU Cohesion Fund financed railway infrastructure development project. These were major and complex projects; including railroad and station development, to increase the speed and safety of the existing infrastructure (bridges, by-passes, platforms, and underpasses), European Train Control System (ETCS) and European Rail Traffic Management System (ERTMS) connections. According to the European Commission's requirements, in case of modification of the key indicators of the project, the calculated co-financing rate had to be verified ex post. Deloitte developed a financial model and conducted sensitivity analysis to test that the actual rate of finance was below the rate possible under ISPA and Cohesion Fund financing.

### 3.3 Quality control of the application forms for projects in the area of municipal wastewater treatment

Deloitte Hungary completed the quality assessment of the ISPA application forms and its annexes for the projects of the Budapest Central Municipal Wastewater Treatment Works and the development of Wastewater Collection and Treatment in the two other agglomerations: Zalaegerszeg and Veszprem. The Deloitte team examined the cost-benefit analysis, the feasibility and the environmental impact assessment study for each project.

The projects were delivered for the Managing Authority of the Cohesion Fund based on the contract with the National Development Office of the Prime Minister's

Office.

### 3.4 Audit of an environment project

Deloitte Serbia was engaged by the Ministry of Science and Environmental Protection to conduct the financial audit of the Serbia Danube River Enterprise Pollution Reduction Preparation Project.

### 3.5 Review of project applications and assistance in public procurement procedures of environmental projects

Deloitte Hungary supported the national Hungarian Intermediary Body and Managing Authority with the following tasks:

- Quality assurance of feasibility studies, environmental impact assessments and cost-benefit analyses of major investment projects funded by the Cohesion Fund;
- Quality assessment of public procurement documents including conceptual designs of ISPA and Cohesion Fund projects. Deloitte experts also assisted in public procurement procedures by providing technical and procurement expertise;
- Definition of methodological guidance for the Intermediary Body and Managing Authority on feasibility studies and eligibility rules; and
- At the beginning of the 2007-2013 programming period, Deloitte experts performed project evaluations according to the criteria approved by the Monitoring Committee and advised on the general process assessment.

All tasks were performed on ISPA/Cohesion Fund projects in the areas of:

- Environment: sewage treatment, drinking water, solid waste management, clean-up of abandoned landfills, remediation, nature conservation, and flood management; and
- Transportation: railway and road development.

### 3.6 Improvement of Croatia's business and investment environment

Deloitte Croatia supported business development and investment in Croatia on this project, which included the following:

- Assisting the Ministry of Economy, the Trade and Investment Promotion Agency and other government offices with investment promotion;
- Supporting the government to address administrative and regulatory barriers to develop the business environment in Croatia; and
- Supporting three regions in a pilot project.

# Deloitte experience in human resources development

## 4. IPA Component IV: Human resources development

### 4.1 Efficient management of Human Resources of the Office of the Government

Deloitte Czech Republic was engaged by the Office of the Government of the Czech Republic to design job descriptions and competency profiles for the HR department's operational and management processes.

### 4.2 Creation of a competency model for employees involved in project management

Deloitte Czech Republic supported the Ministry of the Interior with the creation of an overall competency model for specific roles within its project management office.

The competency model's aim was to enable the client to identify suitable employees for specific roles within various projects and enable advanced human resources development.

### 4.3 Audit of an employment promotion project

Deloitte Serbia was engaged by the Ministry of Labour, Employment and Social Policy of the Republic of Serbia to audit the financial reports of the "Employment Promotion Project."

### 4.4 Audit services for a vocational education and training reform programme

Deloitte Serbia was engaged by the Ministry of Education and Sports of the Republic of Serbia to perform an audit of the project "Vocational Education and Training Reform Programme", funded by the European Agency for Reconstruction.

### 4.5 Improvement of HR policy in delivering better public administration

Deloitte Bulgaria supported the Ministry of Public Administration and Administrative Reform (MPAAR) in improving the efficiency of HR management in public administration by conducting a structured review, optimisation and unification of its HR processes. Deloitte recommended the use of established best practices, tools and instruments. The project's scope included:

- Optimisation and implementation of HR management standards for the public administration through the development of the following:
  - Competency model for the public administration's HR Departments;
  - HR process procedures, process maps and roles and responsibilities matrices;
  - Guidebook on the application of labour legislation
  - An HR e-calendar for the major deadlines, events and HR related activities;
  - HR Service delivery and staffing model;
  - Training needs assessment tool; and
  - Induction and coaching methodologies.
- Conducting employee opinion surveys about HR management policies in the public administration; and
- Promotion of the level of information among young people about job opportunities in the public administration.

### 4.6 Audit of a project on the professional development for education personnel

Deloitte Serbia was involved in conducting an audit of the "Professional Development for Education Personnel" implemented by the Regional Centre for Professional Development.



# Deloitte experience in rural development

## 5. IPA Component V: Rural development

### 5.1 Many national Deloitte member firms serve as Certifying Bodies to the National Paying Agencies of EU agricultural funds

Since 2007, Deloitte has been the Certifying Body for the Agricultural Paying Agency in the Slovak Republic. Deloitte Bulgaria was reappointed as the Certifying Body of the Paying Agency of the Republic of Bulgaria for the financial years 2011, 2012, and 2013 having fulfilled this function from 2008–2010. Deloitte Lithuania served as the Certifying Body to the National Paying Agency within the Ministry of Agriculture for the financial years 2007–2011.

### 5.2 On-the-spot checks of over 2000 agriculture parcels

Deloitte Bulgaria was the first Deloitte member firm to serve as the certifying body for the implementation of the new European Commission's Reinforcement Guidelines assuring the legality and regularity of payments to final beneficiaries. The engagement included the following tasks:

- Assessment of the control environment of the Paying Agency;
- Selections of items for on-the-spot checks to be re-performed;
- On-the-spot checks and land measurements of 2250 agricultural parcels; and
- Detailed testing of the beneficiaries' dossiers including administrative checks as well as the recalculation of the financial aid.

### 5.3 Technical assistance for the internal audit and internal IT audit department of the Payment Agency for Rural Development and Fisheries

Deloitte Romania assisted the internal audit team and the internal IT audit team in all the phases (planning, execution, and reporting) of engagements included in the internal audit plans for 2010 and 2011 and also a number of ad hoc engagements. The audit engagements primarily focused on compliance with internal procedures, national legislation and EU Regulations, substantive testing of transactions, test of controls, on-the-spot inspections and assessment of compliance with accreditation criteria.

### 5.4 Assisting the SAPARD Agency with system audits and advisory services

Deloitte Slovakia was engaged by the Ministry of Agriculture of the Slovak Republic to provide technical and audit assistance to the SAPARD Agency in Slovakia for the preparation of accreditations and implementation of the programme. This included the following:

- Assessment of the preparedness of the SAPARD Agency to fulfil its function; and
- Provision of support to the Internal Audit Unit of SAPARD Agency in the application of its internal audit procedures, ensuring proper implementation of the prescribed systems and procedures.

### 5.5 Legal analysis for the SAPARD Agency

Deloitte Bulgaria provided legal analysis for the admissibility of newly registered private and individual bodies, which previously had not performed any agricultural activities to qualify as beneficiaries under SAPARD. The engagement included a review of the national and European legislation to ensure compliance with all requirements regulating the admissibility of different types of beneficiaries under SAPARD and the interpretation of the term "related parties."

### 5.6 Forensic services to the SAPARD Agency

Deloitte Bulgaria's forensic services team performed a review of certain projects specified by the European Commission and projects selected on a random basis, which it financed from January 2004 to July 2008. The project scope included a specific review which was to identify whether relationships existed among the following parties: beneficiaries of SAPARD; beneficiaries and assignees; and beneficiaries and staff of the State Fund Agriculture, responsible for the approval of projects and authorisations of the payments.

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