European Parliament
2014-2019

TEXTS ADOPTED
Provisional edition

P8_TA-PROV(2016)0148

Discharge 2014: Court of Auditors' special reports in the context of the 2014 Commission discharge

European Parliament resolution of 28 April 2016 on the Court of Auditors' special reports in the context of the 2014 Commission discharge (2015/2206(DEC))

The European Parliament,

– having regard to the special reports of the Court of Auditors drawn up pursuant to second subparagraph of Article 287(4) of the Treaty on the Functioning of the European Union,

– having regard to the general budget of the European Union for the financial year 2014[1],

– having regard to the consolidated annual accounts of the European Union for the financial year 2014 (COM(2015)0377 – C8-0267/2015)[2],

– having regard to the Court of Auditors' annual report on the implementation of the budget for the financial year 2014, together with the institutions' replies[3],

– having regard to the statement of assurance[4] as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

– having regard to its decision of 28 April 2016 on discharge in respect of the implementation of the general budget of the European Union for the financial year 2014, Section III –Commission[5] and to its resolution with observations that forms an integral part of that decision,

– having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Commission in respect of the implementation of the budget for the financial year 2014 (05583/2016 – C8-0042/2016),

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1 OJ L 51, 20.2.2014.
2 OJ C 377, 13.11.2015, p. 1.
3 OJ C 373, 10.11.2015, p. 1.
4 OJ C 377, 13.11.2015, p. 146.
5 Texts adopted, P8_TA-PROV(2016)0147.

– having regard to Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,

– having regard to Article 106a of the Treaty establishing the European Atomic Energy Community,

– having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002[1], and in particular Articles 62, 164, 165 and 166 thereof,

– having regard to Rule 93 of and Annex V to its Rules of Procedure,

– having regard to the report of the Committee on Budgetary Control (A8-0127/2016),

A. whereas, under Article 17(1) of the Treaty on European Union, the Commission is to execute the budget and manage programmes and is to do so, pursuant to Article 317 of the Treaty on the Functioning of the European Union, in cooperation with the Member States, on its own responsibility, having regard to the principles of sound financial management;

B. whereas the special reports of the Court of Auditors provide information on issues of concern related to the implementation of funds, which are thus useful for Parliament in exercising its role of discharge authority;

C. whereas its observations on the special reports of the Court of Auditors form an integral part of Parliament's abovementioned decision of 28 April 2016 on discharge in respect of the implementation of the general budget of the European Union for the financial year 2014, Section III – Commission;

Part I – Special Report No 18/2014 of the Court of Auditors entitled "EuropeAid's evaluation and results-oriented monitoring systems"

1. Welcomes the special report dedicated to the evaluation of EuropeAid's evaluation and results-oriented monitoring (ROM) systems and sets out its observations and recommendations below;

General comments

2. Is seriously concerned by the insufficient reliability of EuropeAid's evaluation and ROM systems, by the inadequate level of supervision and monitoring of programme evaluation and also by the fact that EuropeAid cannot ensure that staff and financial resources are appropriate and efficiently allocated to the various evaluation activities;

3. Points out that it is indispensable to provide Parliament as the budgetary control authority with a clear view of the real extent to which the Union's main objectives have been achieved;

4. Believes that hearings not only with Commission and EEAS officials but also with beneficiaries and independent experts will provide a more comprehensive assessment of EuropeAid's contribution to Union goals;

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[1] OJ L 298, 26.10.2012, p. 1.

5. Recalls that external, objective and impartial feedback on the performance of the Commission's aid projects and programmes should be provided as part of the Commission’s commitment to quality assurance;

6. Considers that the outcomes of the evaluations are key elements to be fed into the policy and political review process to adjust strategic political objectives and enhance the overall coherence with other Union policies; in this respect, believes that it is crucial that evaluations be independent, transparent and available to the public;

7. Believes that investing in the analysis and aggregation of results from different kinds of evaluation not only builds an overall picture of trends but allows lessons to be learned that strengthen the ultimate effectiveness of the evaluation process, while also yielding a better evidential basis for the decision-making, policy-making and continuation of existing projects in relation to specific aid instruments;

8. Considers that the sharing of knowledge by all means and tools is crucial for developing not only a culture of evaluation but above all for fostering a culture of effective performance;

9. Encourages the Court to look into all EuropeAid's funding mechanisms in order to ensure that value for money is achieved and that Union funding is efficient in advancing Union goals and values; believes that Union-funded projects should be aligned with Union policy goals in neighbouring countries, taking into consideration grantees' accountability, and that EU money is fungible;

10. Supports the Court's recommendations with regard to EuropeAid’s evaluation and results-oriented monitoring systems;

The Court' recommendations

11. Takes note that the Court provides recommendations on the efficient use of evaluation and ROM resources, the prioritisation and monitoring of evaluations, the implementation of quality control procedures, the demonstration of results achieved and the follow-up and dissemination of evaluation and ROM findings;

12. Considers that EuropeAid should maintain adequate information management practices and assess its needs on a regular basis to ensure an informed allocation of financial and human resources following programme evaluations and ROM exercises;

13. Considers that EuropeAid should, to ensure that the evaluations that are carried out reflect the priorities of the organisation:

– define clear selection criteria to prioritise programme evaluations and document how they were applied in establishing the evaluation plans, taking into account the complementarity with ROM;

– significantly improve its system of monitoring and reporting on the implementation of evaluation plans, including by providing an analysis of the reasons for delays and a description of measures adopted to address them;

– strengthen the overall supervision of programme evaluation activities by EuropeAid;

14. Considers that EuropeAid should, to ensure the quality of programme evaluations and ROMs:

    – insist that operational units and delegations apply quality control requirements, including, for programme evaluations, the use of a reference group and documentation of the quality controls that have been performed;

    – check, on a regular basis, the application of these controls;

15. Considers that EuropeAid should, to enhance the evaluation system's capability to provide adequate information on results achieved:

    – apply more rigorously the regulatory provisions requiring the use of SMART (specific, measurable, achievable, relevant and time-related) objectives and verifiable indicators;

    – modify the monitoring system so that it continues to provide data on programmes until at least 3 years after their completion; and

    – increase significantly the proportion of *ex post* programme evaluations;

Part II – Special Report No 22/2014 of the Court of Auditors entitled "Achieving economy: keeping the costs of EU-financed rural development project grants under control"

16. Welcomes the Court's Special Report entitled "Achieving economy: keeping the costs of EU-financed rural development project grants under control" and endorses its conclusions and recommendations;

17. Notes that Union rural development policy is the key to fostering the competitiveness of agriculture, to ensuring the sustainable management of natural resources and to furthering climate action; highlights the importance of territorial development of rural economies and communities including the creation and maintenance of employment;

18. Regrets that the Commission did not offer guidance or spread good practice at the start of the 2007–2013 programming period and did not ensure that Member States' control systems were effective before they started approving grants; underlines that since 2012, the Commission has adopted a more active and coordinated approach;

19. Notes that many weaknesses were found in the Member States' control of the costs of rural development grants; notes that the Commission agrees that savings could be made by better control of costs in rural development project grants while still obtaining the same outcomes and results and achieving the same objectives; welcomes the fact that workable, cost-effective approaches have been identified and could be more widely applied, that the Commission accepts the Court's findings and that it has expressed its intention to work with the Member States to improve control of rural development costs in the 2014–2020 programming period;

20. Shares the Court's view that the Commission and Member States should check early in the new programming period that the control systems operate efficiently and are effective in light of the risks;

21. Stresses that the Commission should encourage Member States to use the checklist and the criteria developed by the Court and contained in Annex I[1];

22. Stresses that the Commission and Member States should cooperate to ensure that the approaches followed for all rural development programmes meet the criteria determined by the Court for assessing whether control systems address the risks of over-specification, uncompetitive prices and project changes and target the areas of greatest risk; considers that an *ex ante* assessment of the control systems by Member State authorities' internal audit services (or by other inspection or audit bodies) should be part of this process;

23. Believes that Member States should: apply more widely cost-effective approaches that have already been identified; assess costs against the expected outputs or results; check whether standard costs result in overpayments; use real market prices as reference prices for equipment and machinery etc. and not suppliers' list prices; check that the costs are reasonable including when public procurement procedures have been followed; implement higher requirements and/or checks for measures with high aid rates etc.;

24. Welcomes the fact that the Commission has undertaken to provide guidance on controls and penalties in the context of rural development, including a specific section on the reasonableness of costs and a checklist for managing authorities annexed to the special report; notes that training and sharing of experiences will be part of the European Network for Rural Development activities in the 2014–2020 period;

Part III – Special Report No 23/2014 of the Court of Auditors entitled "Errors in rural development spending: what are the causes and how are they being addressed?"

25. Is concerned at the high error rate detected by the Court in rural development policy; notes, however, the slight downward development in the last three years;

26. Recognises the effort made by Member States and the Commission with a view to reducing errors in rural development spending, especially in this time of economic difficulties and fiscal austerity;

27. Notes that on the basis of Member States´ and its own audit findings, the Commission has implemented or is in the process of implementing corrective measures in many fields identified in the Court's special report;

28. Recalls that the Court has stated in its annual reports that in numerous cases the national authorities would have had sufficient information to prevent or detect and correct the errors before declaring the expenditure to the Commission, which would have lowered the error rate significantly;

29. Observes that the easier the rules are to implement, the fewer errors will occur; is concerned that the error rate could again rise in forthcoming years given the complexity of the new rules of the reformed CAP; therefore calls for a real simplification of the CAP, together with clearer guidance for national authorities and farmers;

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[1] See in annex 1 of the special report the checklist developed by the Court to assess the design of control systems in light of the risks associated with rural development costs.

30. Considers that the cost of management and controls (EUR 4 billion) for the whole CAP is substantial and that the emphasis should be put on improving the efficiency of the controls and not increasing their number; in this context appeals to the Commission and Member States to focus on the root causes of errors in rural development spending; considers that the following preventive and corrective actions should be taken by the Member States, where relevant:

(a) Public procurement

In the application of the concept of *ex ante* conditionality Member States should develop and provide detailed guidance to beneficiaries on how to apply public procurement rules;

The national authorities specialising in monitoring compliance with public procurement rules should be involved in this process; focus should be put on the three main breaches of rules: unjustified direct awards without a proper competitive procedure; misapplications of selection and award criteria and a lack of equal treatment of tenderers;

(b) Intentional circumvention of rules

Based on the specific eligibility and selection criteria from their rural development programmes, Member States should establish guidelines to help their inspectors to identify indicators of potentially fraudulent actions;

(c) Agri-environment payments

Member States should increase the scope of their administrative controls to include checks on commitments based on documentary evidence, which are currently carried out only in the 5 % of cases where on-the-spot checks are performed; in addition, the system of reductions and sanctions should be designed to have a meaningful dissuasive effect on potential rule breakers;

31. Requests that the Commission closely monitor the implementation of the rural development programmes and take account in its conformity audits of the applicable rules including those adopted at national level where relevant, in order to reduce the risk of repeating weaknesses and errors encountered during the 2007-2013 programming period;

32. Believes that there are still many inconsistencies in methodologies of error-rate calculation not only between those used by the Commission and Member States but also between those used within the Commission services, which makes the introduction of appropriate national legislation in Member States more difficult; calls on the Commission to apply a uniform error-rate calculation methodology that could be fully reflected in the methodologies of Member States;

33. Supports a more intensive use of simplified cost methods where relevant and in compliance with legislative rules, and requests that the Commission and the Member States analyse to what extent the characteristics of a more focused scope, limited eligibility criteria and the use of simplified cost options can be replicated in the design and implementation of an increased number of support measures, without jeopardising the overall objectives of those measures;

34. Requests that the Commission and Member States analyse how to improve the scheme for supporting investments in the processing of agricultural products and also analyse the agri-environment payments measure so that, as far as possible, commitments can be controlled via Member States' administrative checks;

35. Appeals to the Commission to perform a detailed causal analysis of negative correlations between the financial execution rate and the error rate;

Part IV – Special Report No 24/2014 of the Court of Auditors entitled "Is EU support for preventing and restoring damage to forests caused by fire and natural disasters well managed?"

36. Calls on the Commission to establish common criteria to identify the scale of fire risk in European forests, in order to end the arbitrary and inconsistent definition of high fire risk areas and therewith the deficient evaluation and selection process by Member States;

37. Urges the Member States to select their preventive actions according to the actual needs of fire risk and in line with the requirements of measure 226 instead of other environmental or economic objectives; insists in this regard on the necessity for beneficiaries to prove unconditionally and document accurately their need for support under this measure; endorses the Court´s recommendation of prioritising actions in the environmentally most valuable forests such as Natura 2000 forest areas;

38. In view of the alarming findings of the Court regarding average costs for similar actions in different regions, demands a reasonable and verifiable ceiling for support and a thoroughly grounded justification in case of any change to it;

39. Invites Member States better to coordinate and structure their forest-fires policies; supports the creation of a European platform for beneficiaries to share and promote best practices;

40. Deplores especially the Court´s finding of continued severe deficiencies in the period 2014-2020 due to the consistently poor monitoring framework; urges the Commission to take immediate action to improve its monitoring and control system;

41. Calls on the Commission to support the delivery of harmonised data on the multifunctional role of forests and forest resources, by encouraging the establishment of an European forest information system based on national data and its integration into an European data platform;

42. Insists in addition that Member States establish a sound control system that includes retention of relevant documents and information; calls in this regard on the Commission to ensure that support is only granted where Member States have established such an appropriate and reviewable control system;

43. Calls on Member States to report regularly on the effects of the actions carried out and reductions in the number of fires or natural disasters and damaged areas;

Part V – Special Report No 1/2015 of the Court of Auditors entitled "Inland Waterway Transport in Europe: No significant improvements in modal share and navigability conditions since 2001"

44. Welcomes the Court's special report entitled "Inland Waterway Transport in Europe: No significant improvements in modal share and navigability conditions since 2001" and endorses its findings, conclusions and recommendations;

45. Notes that the Union transport sector is crucial to the completion of the single market, SME competitiveness and overall economic growth in Europe;

46. Concludes that development of the inland waterways mode of transport lags behind the pace of road and rail transport despite a decade of investment; urges a significant increase in the efforts of the Commission and the Member States;

47. Encourages the Commission and Member States to make use of roadmaps for research, development and innovation in the inland waterway sector as they do in others and to include port infrastructure and equipment in this effort, to ensure that the technical developments are compatible with other transport modes' requirements, thereby ensuring multi-modal transport;

48. Considers that implementation of the objectives set out in the 2001 white paper, its 2006 mid-term review and the 2006 and 2013 NAIADES (Integrated European Action Programme for inland waterway transport) programmes was ineffective in part due to a lack of commitment by Member States;

49. Notes that Member States' interest in investing in a community transport policy has decreased, that they give preference to financing national, regional and local projects and that project selection processes are decentralised, which prevents the Commission from prioritising eligible projects;

50. Underlines that Member States have legally committed to providing national funding for the implementation of the core network so that strategically important waterways in Europe are transformed into high-capacity transport corridors;

51. Observes that the strategic coordination role of the Commission has been weakened, which has led to a mismatch between implemented projects and Union-level priorities;

52. Draws attention to the fact that through research based on the Court's special reports[1], similar conclusions to the ones concerning inland waterways can be drawn regarding other transport areas funded by the Union budget; notes that in such areas of public urban transport and airport infrastructure, projects often suffer from:

    (a) low added value following implementation;

    (b) poor measurement of outcomes;

    (c) insufficient emphasis on cost-efficiency;

    (d) lack of impact assessment;

    (e) incoherent regional, national and supranational plans;

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[1] Special Report No 1/2014 entitled "Effectiveness of EU-supported public urban transport projects" and Special Report No 21/2014 entitled "EU-funded airport infrastructures: poor value for money".

(f) under-utilisation of infrastructure lowering the overall effect;

(g) lack of sustainability;

(h) weaknesses in project design and mobility policy;

(i) absence of a sound mobility policy;

(j) difficult cooperation between the Commission and Member States' authorities;

53. Considers that the above-mentioned conclusions, along with the observations concerning inland waterways transport, indicate common Union-wide horizontal issues; considers that the outcomes of Union funding for transport in general are weakened by the unsatisfactory state of strategic planning and a lack of coherence, sustainable outcomes, efficiency and effectiveness;

54. Believes that sustainable policy outcomes are possible through intensive cooperation between the Member States on the one hand and between the Member States and the Commission on the other to safeguard the development of inland waterway transport;

55. Recommends that both the Commission and the Member States pay common commitments the utmost attention because the Union's transport sector operates in a complex environment of economic, political and legal variables where the establishment of multimodal networks meets obstacles and constraints related to diverging priorities and inconsistent engagement;

56. Recommends that the Member States focus on inland waterway projects that are directly related to the core network corridors in order to provide the greatest impact and most immediate benefits for improving inland waterway transport;

57. Recommends that the principle of “less is more” be applied when Member States invest in waterway transport: limited Union resources should be focussed on the highest priority projects in order to effectively remove bottlenecks and establish an integrated Union-wide waterway network;

58. Recommends that the Member States regard Regulation (EU) No 1315/2013 of the European Parliament and of the Council[1] (the TEN-T Regulation) and Regulation (EU) No 1316/2013 of the European Parliament and of the Council[2] (the Connecting Europe Facility Regulation) as essential tools in streamlining projects so as to achieve the objectives laid out by the Commission since 2001;

59. Recommends that the TEN-T instrument and the Connecting Europe Facility be intensively utilised as an opportunity for investment with a focus on strategically important Union corridors (a core and comprehensive network) with specific

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1 Regulation (EU) No 1315/2013 of the European Parliament and of the Council of 11 December 2013 on Union guidelines for the development of the trans-European transport network and repealing Decision No 661/2010/EU (OJ L 348, 20.12.2013, p. 1).

2 Regulation (EU) No 1316/2013 of the European Parliament and of the Council of 11 December 2013 establishing the Connecting Europe Facility, amending Regulation (EU) No 913/2010 and repealing Regulations (EC) No 680/2007 and (EC) No 67/2010 (OJ L 348, 20.12.2013, p. 129).

standardised infrastructure requirements for the entire network length, with legally binding deadlines for project implementation;

60. Recommends that in-depth strategic approaches and planning be used in synchronising the funding from ESIF, TEN-T and the Connecting Europe Facility to effectively and efficiently achieve inland waterway transport objectives;

61. Recommends that establishing intermodal transport centres along the Core Network be considered a key enabling factor on the path to shifting transport of goods and cargo from roads to inland waterways;

62. Recommends that the Member States take into consideration the Commission's coordination role when it comes to long-term strategic projects such as the core network corridors;

63. Recommends that the Commission identify and analyse all horizontal issues, focusing extensively on strategic planning, cooperation with and between the Member States and project selection and implementation, in order to allow the conclusions to be taken into consideration in the current programming period;

64. Considers that the Commission needs to provide intensive technical assistance and guidance to the Member States prior to submitting project proposals and throughout the implementation phase so as to eliminate obstacles it has identified to waterway transport;

65. Recommends that the Commission focus its funding on those projects that are most relevant for inland waterway transport and offer comprehensive plans to eliminate bottlenecks;

66. Recommends that the Commission prioritise funding of projects and initiatives in Member States aiming to improve waterway transport through innovative solutions such as high-tech navigation, alternative fuels and efficient vessels; considers that the Commission should also encourage multilateral European knowhow and knowledge exchange programmes between different Union ports;

67. Recommends that the Commission improve awareness among the Member States and their regions on available funding instruments for supporting inland waterway transport in view of eliminating existing bottlenecks along the key corridors;

68. Considers that coordination among Member States for the development of inland waterways transport should be significantly improved through facilitation and more binding commitments and conditions, which will frame work on the multimodal core network corridors set up by the Connecting Europe Facility and the TEN-T Regulation;

69. Considers that specific and achievable actions to eliminate bottlenecks should be negotiated by the Commission and agreed upon by the Member States in the form of an implementation schedule;

70. Calls on the Commission to update its strategic goals and recommendations for the Inland waterway and to propose a Union inland waterways strategy and action plan for 2020 onwards;

71. Recommends that the *ex ante* evaluation of operations by the Commission concerning the inland water transport assess outcomes in the context of the overall objectives set since 2001 and the realisation of the Core Network;

Part VI – Special Report No 2/2015 of the Court of Auditors entitled "EU-funding of Urban Waste Water Treatment plants in Danube river basin: further efforts needed in helping Member States to achieve EU waste water policy objectives"

72. Believes that reporting on the appropriateness of waste water treatment should be required for agglomerations with a population equivalent (p.e.) below 2 000 which have collection systems in place given the requirements of Article 7 of Council Directive 91/271/EEC[1] (the urban waste water treatment Directive, UWWTD); notes that, for the agglomerations where the collection systems don't exist, reporting should include information on whether adequate measures have been included in river basin management plans;

73. Agrees with the Court that the Commission should audit Member States' reporting on the number of agglomerations with a p.e. above and below 2 000 where there have been significant changes, in particular from one category to another;

74. Highlights the need to encourage the Member States to establish clear legal obligations for households to connect to existing sewage networks where such obligations do not yet exist or are linked to vague deadlines;

75. Notes that the time needed to assess compliance with the UWWTD should be shortened by requiring Member States to report data within six months of the Commission's reference date; notes, moreover, that the Commission should screen for issues of lengthy reporting periods under other environment-related directives;

76. Insists on the necessity to expedite the absorption of Union funds for investments in the field of waste water by Member States, as delays were noted for Member States covered by this report and the absorption of Union funds has been slow; asks the Commission to provide technical, legal and administrative help to beneficiaries in order to ensure the completion of the ongoing projects in due time;

77. Notes that the Commission recognises that the absorption rate at the end of 2013 in all Member States concerned was quite low, hence the existence of a de-commitment risk at programme level (Article 93 of Council Regulation (EC) No 1083/2006[2]); stresses, however, that there are objective reasons for this, such as a need to strengthen the technical, legal and administrative capacity in the Members States concerned; notes, moreover, that the Commission points out that payments for most of the projects usually occur during the last years of implementation (i.e. 2014 and 2015 for the 2007-2013 programming period);

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1 Council Directive 91/271/EEC of 21 May 1991 concerning urban waste water treatment (OJ L 135 30.5.1991, p. 40).

2 Council Regulation (EC) No 1083/2006 of 11 July 2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) No 1260/1999 (OJ L 210, 31.7.2006, p. 25).

78. Believes that Member States should be requested to provide updated information on the amount of additional funds they will need to ensure that the implementation deadlines set out in the UWWTD can be achieved, both for agglomerations with a p.e. above 2 000 and agglomerations with a p.e. below 2 000 which have collection systems in place; welcomes the introduction of the Structured Implementation and Information Framework (SIIF) reporting tool which should improve the reporting process at national level;

79. Highlights the need to carry out the necessary projects in the Member States to ensure compliance of non-compliant agglomerations with the UWWTD;

80. Stresses the need to improve the environmental performance of Union-funded water utilities and for the Commission to make bigger efforts to monitor the implementation of the related legislation and enforce the deadlines for achievement of the objectives of the UWWTD; considers that equivalent protection of the environment should be ensured throughout the Union;

81. Believes that Member States should be encouraged to explore and disseminate information on the possibilities of cost savings such as by using the energy-production potential of sewage sludge or by using sewage sludge as valuable raw material for phosphorus recovery;

82. Notes that the final payments for ‘major projects’ approved under an operational programme should be made conditional upon the existence of an appropriate solution for reusing sewage sludge; encourages Member States to follow the same approach for projects approved at national level;

83. Encourages Member States to implement a responsible waste water tariff policy and to adapt, where necessary, the legal provisions in the area of water pricing to avoid tariffs lower than the commonly-accepted affordability ratio of 4 %;

84. Encourages Member States to ensure that public owners of waste water treatment plants, such as municipalities, make available sufficient funding in the long term for necessary maintenance and renewal of waste-water infrastructure;

Part VII – Special Report No 3/2015 of the Court of Auditors entitled "EU Youth Guarantee: first steps taken but implementation risks ahead"

85. Welcomes the Court's special report entitled "EU Youth Guarantee: first steps taken but implementation risks ahead" and endorses its recommendations;

86. Notes that the Court is assessing the initiative in the middle of its implementation and welcomes the Court’s ambition to start evaluating the use of Union funds at an earlier stage;

87. Highlights that the Youth Guarantee is a key aspect of the response to youth unemployment; welcomes the fact that Union heads of state and government have decided to allocate EUR 6,4 billion in Union funds (EUR 3,2 billion from the European Social Fund and EUR 3,2 billion from a new budget line) to the Youth Guarantee; points out that this is a good start, but not enough for a successful Youth Guarantee; therefore asks the Commission to make sure that further funds can be found to support the Youth Guarantee over the seven-year period;

88. Notes that funding for youth employment comprises the European Structural and Investment Funds (ESIF) as well as instruments like Erasmus+, Erasmus for Young Entrepreneurs and other programmes; underlines that better synergy must be achieved between all available sources;

89. Finds the financing of the Youth Guarantee scheme very complex given the various funding options available through the European Social Fund (ESF) and the Youth Employment Initiative (YEI); asks the Commission to provide guidance to Member States' authorities taking into due consideration that local, regional and national authorities face different challenges when implementing the scheme and therefore require specific guidelines;

90. Is of the opinion that the Commission has devoted many resources to ensuring that this measure will be effective in tackling youth unemployment; regrets, however, that much less energy has been put into ensuring the coordination of its implementation by Member States;

91. Points out that not only the availability of funding, but also the successful absorption of funds is a necessary condition for an effective implementation of the Youth Guarantee; regrets, therefore, that in several regions across Europe, the absorption capacity of the ESF fund is very low; calls on Member States to provide the necessary administrative and human resources to use the funds provided to properly realise the Youth Guarantee;

92. Is of the opinion that despite the need to improve absorption capacity, Member States should also be focusing on outcomes when implementing the scheme, as should be the Commission in its monitoring role, so as to ensure long-term effects from invested funds;

93. Asks the Commission to develop a comprehensive monitoring system including a set of standards to assess the implementation of the Youth Guarantee measures and to evaluate their success in Member States; invites also the Commission to consider the inclusion of compulsory targets for fighting youth unemployment within the framework of the European semester;

94. Considers that it is fundamental to combine effective implementation of the available funds by Member States with extensive assistance from the Commission to close the implementation gaps;

95. Notes that the Union has no hard-law competences on active labour market policies, but emphasises the need for the Commission to provide the Member States with best-practice examples on how to implement the Youth Guarantee, in particular those practices identified by the European network of public employment services;

96. Urges Member States to use Union funding and to commit to reforms aiming to overcome gaps in education, in skills training, in establishing public-private partnerships and in enhancing employment services and its accessibility;

97. In order to ensure adequate implementation and a positive long-term impact, asks Member States to initiate institutional change where needed and to foster cooperation between local communities, education authorities, public employment offices, local industries and business, trade unions and youth associations; believes this is crucial to

achieving better capacity-planning and a strategic results-oriented use of the various available sources funding;

98. Reminds Member States that they should commit to extending national funding as a complement to the ESF and YEI appropriations to ensure the necessary boost to youth employment;

99. Welcomes the Commission's proposal to amend Regulation (EU) No 1304/2013 of the European Parliament and of the Council[1] on the European Social Fund to increase the initial pre-financing amount paid to operational programmes supported by the YEI, thereby increasing the initial pre-financing in 2015 from around 1 % to 30 % for the allocation of the YEI; points out that the Commission should itself commit to paying the pre-financing amount to Member States immediately after the entry into force of the amending Regulation, to enable a prompt implementation of the operational programmes supported by the YEI;

100. Asks the Commission to deploy a comprehensive monitoring scheme which includes the Indicator Framework for Monitoring the Youth Guarantee in combination with the planned result indicators, focusing on outcomes and assessing the employment status of individuals benefiting from the youth employment measures;

101. Is of the opinion that supply-side labour market policies need to be considered in conjunction with education, youth, and welfare policies and the bigger macro-economic context;

102. Notes that the Commission's 2016 annual implementation report on the Youth Guarantee and the upcoming special reports of the Court concerning youth employment are major opportunities to address the existing weaknesses, both at Commission level and at national, regional and local levels;

Part VIII – Special Report No 4/2015 of the Court of Auditors entitled "Technical assistance: what contribution has it made to agriculture and rural development?"

103. Asks the Commission to clarify the scope and application of technical assistance to Member States in the area of rural development; considers that, in particular, the Commission should clarify the distinction between operational/‘capacity-building’ expenditure and eligible administrative/‘budget support’ costs, notably in the case of payroll;

104. Asks the Commission to monitor closely Member States' implementation of technical assistance;

105. Asks the Commission to take appropriate measures to ensure that general administrative expenditure such as regular IT maintenance is not charged to technical assistance budget lines;

106. Asks the Commission to require, in future, Member States to report administrative/‘budget support’ costs for rural development separately so as to make it more transparent that part of technical-assistance funding is spent on such support;

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[1] Regulation (EU) No 1304/2013 of the European Parliament and of the Council of 17 December 2013 on the European Social Fund and repealing Council Regulation (EC) No 1081/2006 (OJ L 347, 20.12.2013, p. 470).

107. Asks the Commission to establish with Member States a suitable performance framework for technical-assistance funding; considers that, in particular, the technical assistance needs of the Commission and of the Member States should be properly assessed and there should be a mechanism in place to set objectives and measure progress towards them;

Part IX – Special Report No 5/2015 of the Court of Auditors entitled "Are financial instruments a successful and promising tool in the rural development area?"

108. Requests that the Commission identify the challenges, specific characteristics and obstacles faced in rural development in order to encourage Member States to better set up and assess the budgetary demand for financial instruments and to avoid over-capitalisation, which commits funds without contributing to the implementation of Union policies; requests also that access for final beneficiaries be facilitated to allow for a more active implementation of financial instruments at regional level, in particular in comparison to grants;

109. Requests that Member States provide reliable quantifiable information to enable determination of the appropriate type of funds and allocation of financial resources in accordance with this; request also that the Commission and Member States implement monitoring systems that allow evaluation of the effectiveness of the financial instruments;

110. Requests that the Commission provide guidance and actively promote a higher quality of mandatory *ex ante* assessments for financial instruments, as introduced for the 2014-2020 programming period, so as to identify specific weaknesses and to avoid over-capitalisation; requests, in addition, that Member States establish the risk exposure ratio through appropriate technical analysis;

111. Requests that the Commission set appropriate standards and targets for leverage and revolving effects in order to increase the effectiveness of the financial instruments for the 2014-2020 programming period; requests also that the Commission and the Member States perform a thorough assessment prior to the future use and development of financial instruments in the area of rural development on the basis of their contribution to the implementation of Union policies and effectiveness for beneficiaries;

112. Requests that the Commission and the Member States decide on clear transitional rules between programming periods to promote the long-term effects and sustainability of financial instruments;

113. Requests that the Commission encourage Member States to establish a single financial instrument which is able to provide both loans and guarantees, thus increasing its activity and critical mass;

114. Requests that Member States find ways to overcome selection weaknesses in the management of grants for investment measures, which could result in deadweight or displacement effects; requests, for this reason, that Member States apply appropriate and clearly defined indicators, such as return on investment and projected cash-flow statements in order to ensure the viability of projects;

115. Requests that Member States examine how grants and financial instruments can be combined in the operational programme to provide the best value for money, by optimising leverage and revolving effects;

116. Requests that the Commission provide clearly defined operational implementing rules, including the exit policy, in due time and before the closure of the 2007-2013 programming period;

Part X – Special Report No 6/2015 of the Court of Auditors entitled "The integrity and implementation of the EU ETS"

117. Is disappointed that it was not possible to obtain a complete analysis of the efficiency of the various implemented allocation systems by the Member States during phase II of the EU Emissions Trading Scheme (ETS) (2008-2012), which would have been of the utmost importance in informing political recommendations on the basis of the Court's audit results;

118. Notes that the Court's assessment focused on the implementation of phase II of the EU ETS (2008-2012), while for phase III of the EU ETS (2013-2020) significant reforms, including Union harmonisation measures, were decided and implemented;

119. Welcomes the fact that significant improvements to the framework for protecting the integrity of the ETS have been implemented, including most of the spot market for allowances in the Financial Instruments Directive[1] and market abuse directive[2] and regulation[3]; calls on the Commission to consider complementary measures in line with the Court's recommendations, including measures covering compliance traders;

120. Urges the Commission and the Member States to ensure transparency and effective Union level oversight of the emissions market and procedures for cooperation involving national regulators and the Commission;

121. Considers that the Commission, as the guardian of the Treaties should monitor closely implementation in Member States and assist more thoroughly throughout the process; believes that the right balance between robust monitoring, reporting and verification and administrative burden is necessary; considers that the Commission has to ensure predictability of legal decisions and legal certainty, thereby taking into account the guidance of the European Council;

122. Notes that the Court assessed the integrity and implementation of the EU ETS, but also that an analysis of the efficiency of the ETS system and its achievements is necessary, including an evaluation of the interaction between European and national legislation

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1 Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EEC (OJ L 145, 30.4.2004, p. 1).

2 Directive 2014/57/EU of the European Parliament and of the Council of 16 April 2014 on criminal sanctions for market abuse (market abuse directive) (OJ L 173, 12.6.2014, p. 179).

3 Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC (OJ L 173, 12.6.2014, p. 1).

such as in the development of renewable energies and energy efficiency measures, which likewise have a profound effect on CO_2 emissions and thus the carbon market;

123. Asks that the Court include affected industrial sectors in its analysis, especially with regard to legal certainty and predictability, and in how far a reliable legal framework is ensured and how recent adjustments of the ETS framework have possibly impacted on the effectiveness of the system;

124. Is concerned that at the time of the audit, the risk of VAT fraud in the ETS was still not fully addressed, since a third of the Member States did not yet implement legislation on the reverse charge mechanism; calls on all Member States to do so without further delay;

125. Believes that it is crucial to take all necessary measures to avoid carbon leakage and to ensure the fair international competitiveness of existing measures for free allocation of emissions allowances; requests an assessment by the Commission of industrial sectors and companies vulnerable to carbon leakage to clearly identify areas where loss of business for the European industry to countries without strict climate legislation have occurred;

Part XI – Special Report No 7/2015 of the Court of Auditors entitled "The EU police mission in Afghanistan: mixed results"

126. Requests that the Commission and the European External Action Service (EEAS) apply the lessons learnt not only from the EUPOL mission in Afghanistan but also from other Common Security and Defence Policy (CSDP) missions with the aim of facilitating knowledge transfer and synergy effects among different missions; calls for clearer horizontal guidance by the EEAS for CSDP missions where appropriate; points out that the coordination among all Union actors involved including Member States as well as with other international actors is key to the success of current and future missions;

127. Requests that the EEAS increase the accountability of its main financial instrument in Afghanistan, the Law and Order Trust Fund Afghanistan (LOTFA) managed by the UNDP, which is criticised for mismanagement and the lack of transparency; reiterates furthermore the need to use all suitable funding channels for future CSDP missions, including EU Trust Funds, in an efficient way to ensure the achievement of the mission's policy goals and sound financial management;

128. Requests that the Commission and the EEAS create synergies and cross-references among project activities as well as a strong and efficient linkage between the mission objectives and the milestones laid down in the Mission Implementation Plan (MIP);

129. Considers that subjects such as gender, women's empowerment and education need to play an important role in the training curricula of EUPOL and other CSDP missions; notes in this context that EUPOL has been largely successful in training related activities but less so in mentoring and advising;

130. Requests that the Commission and the EEAS coordinate CSDP missions more thoroughly in advance with other Union bilateral missions and international efforts with similar objectives; calls in this respect for more cooperation and coordination between the Union and Member States to promote synergies under a European framework;

requests that the mandate for ongoing and future CSDP missions determine clearly the responsibilities for coordination with other Union actors including Member States;

131. Requests that the Commission and the EEAS pay particular attention to procurement procedures to ensure that they are responsive to the CSDP's operational needs; points out that the implementation of projects has suffered from cumbersome procurement procedures leading to under-performance and that the use of simplified or flexible procedures has led to an increase in procedures brought to contract finalisation;

132. Requests that the Commission and the EEAS further increase the effectiveness of their CSDP missions by improving the long-term sustainability of the outcomes achieved; acknowledges, however, that support from the Union and the international community is a decisive factor for the achievement of these long-term goals;

133. Requests that the Commission and the EEAS observe the Union's achievements after the phasing out of EUPOL by the end of 2016, including the possibility of a further commitment beyond 2016;

134. Requests that the Commission and the EEAS develop detailed guidelines well in advance with regard to the downsizing and closure of missions as well as the liquidation of mission assets;

Part XII – Special Report No 8/2015 of the Court of Auditors entitled "Is EU financial support adequately addressing the needs of micro-entrepreneurs?"

135. Welcomes the Court's special report entitled "Is the EU financial support adequately addressing the needs of micro-entrepreneurs?", and endorses in principle its recommendations;

136. Notes that microcredit, even if still considered immature, is steadily growing in the Union and has an impact on job creation of above 250 000 jobs (data from 2013);

137. Is of the opinion that there are substantial differences between the European Social Fund (ESF) grants and the European Progress Microfinance Facility (EPMF) financial instruments, which tend to serve different purposes; considers that different support mechanisms may be appropriate for different market conditions;

138. Notes that the Court in this audit compares two dissimilar financial mechanisms that have different approaches and objectives; stresses that ESF and EPMF differ in many aspects, namely structure, rules and target groups, with the latter being exclusively devoted to micro-financing whereas the former covers a much broader range of aspects;

139. Highlights the fact that these two financial facilities are complementary and bring great benefits for micro-borrowers through the three financial instruments grants, loans and guarantees; considers that grants - which are only provided through the ESF - are as essential to microcredit as the other two instruments and their performance should be assessed taking into account their complementary role;

140. Stresses the importance of the microfinance objectives in improving social inclusion, combating unemployment and increasing access to finance for unemployed, other disadvantaged people and microenterprises; considers, in this regard, that the grants and the financial instruments must have the primary responsibility of helping people and micro-entrepreneurs to overcome the difficulties in reaching those objectives;

141. Is of the opinion that the grants are fundamental to accomplishing the objectives of growth, inclusion and employment set out in the Commission's communication entitled "Promoting decent work for all – The EU contribution to the implementation of the decent work agenda in the world" (COM(2006)0249) and Commission's communication entitled "A shared Commitment for Employment" (COM(2009)0257) and in Regulation (EU) No 1296/2013 of the European Parliament and of the Council[1] on the European Union Programme for Employment and Social Innovation (EaSI);

142. Underlines the need for a reinforced microfinance system that is an economic and social development tool supporting the needs of those in real need;

143. Finds that the relatively little focus on financial instruments in improving the conditions of vulnerable groups needs to be overcome in the EaSI for the 2014-2020 programming period;

144. Takes the view that there was not enough complementarity between the EPMF and the ESF, in order to respect the requirement to all microcredit providers to work with entities, particularly supported by the ESF, providing training and mentoring services;

145. Welcomes the fact that most of the weaknesses detected and recommendations made by the Court have already been addressed by the Commission in the new regulatory framework (2014-2020);

Part XIII – Special Report No 9/2015 of the Court of Auditors entitled "EU support for the fight against torture and the abolition of the death penalty"

146. Welcomes the special report dedicated to Union support for the fight against torture and the abolition of the death penalty and sets out its observations and recommendations below;

147. Recalls that human rights are a cornerstone of the Union's external action and its bilateral and multilateral relations; believes that as a key priority of the Union they should receive continuous attention;

148. Emphasises that the Union is strongly committed to preventing and eradicating all forms of torture and other ill-treatment and abolishing the death penalty; notes that the main instrument used for this purpose is the European Instrument for Democracy and Human Rights (EIDHR) providing grants to civil society organisations for implementing projects;

149. Notes that in the 2007-2013 programming period, EUR 100,9 million within the EIDHR framework was earmarked for projects relating to the fight against torture and the death penalty; points out, however, that this amount of money is relatively small when the ambitious objectives of the instrument and the global area it applies to are taken into consideration;

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[1] Regulation (EU) No 1296/2013 of the European Parliament and of the Council of 11 December 2013 on a European Union Programme for Employment and Social Innovation ("EaSI") and amending Decision No 283/2010/EU establishing a European Progress Microfinance Facility for employment and social inclusion (OJ L 347, 20.12.2013, p. 238).

150. Stresses that thinly-spread financing - applied in more than 120 countries worldwide - dilutes the impact of the EIDHR; urges the Commission to prioritise better and to narrow its focus to improve outcomes; highlights that resources should focus on countries with substantial needs and issues with actual potential for improvement; welcomes that the Commission has already started working towards a more targeted focus in its call for proposals for 2015;

151. Notes the Court's observation that funded projects are often not well-coordinated with other Union action, such as traditional development support and dialogue with partner countries, have not been part of a coherent and strategic approach and have not complemented each other well; encourages the Commission to develop a global strategy to complement the activities sharing the same objectives and avoid double funding;

152. Encourages the EEAS and the Commission to put the focus and political momentum on the areas where they are most needed, while improving Union delegations' capacity on the ground, so as to deepen effectiveness, results and impact culture in human rights and democracy policies;

153. Calls on the EEAS and the Commission to increase and mainstream the effectiveness of human rights dialogues, country strategies and specific guidelines by ensuring that key human rights like the abolition of the death penalty and combating torture are systematically raised at all levels of policymaking with third countries;

154. Believes that more joint programming and monitoring between EEAS and the Commission on human rights issues should be pursued to make them more in line with local political and human rights strategies;

155. Requests the implementation of a more qualitative and strategic approach in the overall selection process with respect to the applications received under calls for proposals; encourages the Commission to apply this instrument in accordance with a long-term vision based on concrete, measurable objectives;

156. Urges the EEAS and the Union delegations to pay regular attention to the developments or setbacks in all countries and to use all means of influence; supports the role of Union delegations in political analysis and shaping, coordinating role and reporting functions;

157. Highlights that the instrument is a good mapping exercise to analyse the state and development of human rights in the world; points out that the constant presence and interest of the Union can lead to change where torture and the death penalty are concerned; stresses, however, that the Commission needs to develop a strategic approach to this issue;

158. Notes that the Commission obtains detailed information about the human rights situation in other countries through various channels and that it uses the information to define priorities; notes with concern that although the Commission has at its disposal specific country strategies for human rights containing a thorough analysis of the situation in the countries concerned and providing key priorities in the area, they have not been properly taken into consideration when allocating funding and coordinating other Union actions; points out that the added value of the country strategies is limited due to their strictly confidential nature; calls on the Commission to give access to the strategies to project assessors to secure maximum added value;

159. Welcomes the demand-driven approach to financing projects and considers it to be a good way of engaging experienced, motivated organisations proposing high-quality projects; notes with satisfaction that this bottom-up approach encourages civil society organisations to design their projects in line with their administrative, operational and geographical capacities and their own strategy;

160. Regrets that smaller local civil-society organisations might be disadvantaged when requesting grants due to lengthy and complicated application procedures, language requirements and/or experience requirements; calls on the Commission to speed up and simplify the application process to encourage quality projects to apply;

161. Welcomes the fact that the Commission organises seminars and training sessions for local civil-society organisations, promotes partnerships and allows sub-granting, and has for the past four years organised a civil society seminar before the launch of the global calls for proposals to provide the opportunity to introduce the EIDHR;

162. Is worried that a lack of self-sustainable organisations jeopardises the continuity of their activities, risking a loss of expertise; welcomes the fact that the Commission is trying to mitigate the financial dependence of such organisations by allowing them to hire fundraising officers within the framework of the EIDHR;

163. Points out that according to the Court´s assessment, the project outcomes were generally difficult to measure as the impact sought is frequently intangible, no targets are set for performance indicators and reporting by civil society organisations to the Commission concentrates on activities;

164. Takes into account that the fight against torture and the abolition of the death penalty are long-term processes, the impact and the results are difficult to quantify, the EIDHR is tackling sensitive issues in difficult political contexts and its implementation requires thorough and time-consuming management;

165. Points out in this regard that the systems for measuring impacts are also rather weak because of unclear logical frameworks for projects, which lack well-defined benchmarks and targets; calls on the Commission to clarify the requirements in the logical frameworks for projects to improve results and added value;

166. Invites the Commission to prepare an in-depth impact assessment of the EIDHR financing and to draw conclusions from such analysis; encourages the Commission to take into account the impact and results of different forms of projects during the selection procedure; welcomes the fact that the Commission is already working on the improved impact assessment of human rights projects and invites the Commission to share the results with the discharge authority;

167. Notes that project assessments are based on a scoring system and standardised evaluation grids with criteria concerning project design, relevance, capacity, feasibility, effectiveness, sustainability and cost-effectiveness and that grants are awarded to the projects with the highest score; notes from the Court that the standardised evaluation grids have number of shortcomings in terms of the guidance available on scoring against these criteria; calls on the Commission to clarify the guidance and invites the Commission to reconsider improving the standardised evaluation grids;

168. Requests that the Commission mitigate the shortcomings in its assessment highlighted by the Court; welcomes nevertheless the existence of a certain flexibility in assessing projects in the field of human rights, which cannot be considered purely as a box-ticking exercise; highlights that there is a need to use common sense, as previously noted by the discharge authority;

169. Notes from the Court that the objectives of most calls for proposals were described in a general way; notes the Commission's observation that a holistic approach to the calls for proposals is its preferred strategy; calls however on the Commission to ensure that the EIDHR funds are used in an effective manner by securing the feasibility, viability and added value of the projects, which could be done by setting minimum requirements for the results of the project in the calls for proposals;

170. Welcomes the fact that civil-society organisations interested in receiving the grant first need to submit a concept note describing the main features of the project they propose; considers the concept note to be a time- and cost-effective solution for pre-selection of the projects;

171. Notes the Court's observation that project selection was well-documented but lacked rigour and that weaknesses in the projects were not remedied after their identification; notes with satisfaction that the overall conclusions of the evaluation boards were reported with sufficient detail; welcomes the fact that project activities were generally carried out as planned and cost-effective; calls on the Commission to improve the consistency of project evaluations;

172. Notes the Court's observation that beneficiary organisations have different interpretations of what is covered by the flat-rate amount to cover indirect costs, which may result in undervaluing the organisation´s work or covering ineligible expenses; invites the Commission to clarify the rules regarding the flat-rate amount;

173. Welcomes the new Union action plan on human rights and democracy for the period 2015-2019 as a renewed political commitment developing greater coherence and consistency within the full range of Union external policies and financial instruments;

174. Welcomes the fact that the Commission has already started to implement a rights-based approach and will continue to do so by mainstreaming this approach into procedures and templates, drafting roadmaps and organising training sessions;

Part XIV – Special Report No 10/2015 of the Court of Auditors entitled "Efforts to address problems with public procurement in EU cohesion expenditure should be intensified"

175. Welcomes the findings and recommendations of the Court's special report entitled "Efforts to address problems with public procurement in EU cohesion expenditure should be intensified";

176. Notes that with a total of EUR 349 billion allocations between 2007-2013, the cohesion policy is the key policy to reducing economic and social disparities between regions in Europe; highlights therefore the importance of proper public procurement processes when it is the procurement process that is identified by the Court as a major source of the errors within Union cohesion expenditure;

177. Emphasises that 40 % of the projects implemented between 2007-2013 contained errors in public procurement procedures and that unjustified direct awards, misapplication of selection criteria and selection bias were the main errors;

178. Notes that the main sources of errors were a lack of administrative capacity, the incorrect transposition of Union Directives by Member States, inconsistent interpretation of legislation and insufficient planning;

179. Draws attention to the fact that the complexity of the legal and administrative public procurement framework is viewed as one of the causes of errors; notes that 90 % of 69 audit authorities claimed that the current level of complexity is higher than it needs to be; notes that nearly 50 % pointed out that the main area for improvement in public procurement practices could be simplification of the procedures;

180. Calls therefore on Member States to avoid rules that go beyond Union Directives; believes that this would also encourage and facilitate the participation of SMEs in public procurement procedures;

181. Notes that the main finding of the Court was that there is an insufficient effort made by the Commission and Member States to conduct regular and systematic analysis of public procurement and that the lack of coherent, detailed data made it impossible to analyse, address and prevent these errors;

182. Shares the Court's view that the Commission should develop a database to analyse the frequency, seriousness and causes of public procurement errors; considers that the Commission should ensure that it obtains consistent and reliable information from the Member States on irregularities;

183. Welcomes the proactive approach taken by the Commission in the 2014-2020 programming period, which aims to support national action plans to be implemented by 2016 through guidance, monitoring and technical assistance; acknowledges that by this proactive approach, the Commission intends to reduce the risk of a possible suspension of payments to operational programs after 2016;

184. Expects the Commission to suspend payments and impose financial corrections on those Member States which have failed to achieve these targets only as a last resort, when all other means of prevention, correction and assistance have been exhausted;

185. Welcomes the fact that while the Commission has long addressed the problems of public procurement errors which were evident in the area of cohesion policy, it is now doing so in a more coordinated way under the umbrella of the public procurement action plan; calls in this context on the Commission to push forward the implementation of this plan and report on its progress annually;

186. Expects the Commission to set up a high-level group to provide leadership in tackling problems in public procurement and promote its simplification;

187. Encourages the Commission and Member States to exploit the opportunities provided by e-procurement, which has high potential for improving transparency and broader access to tenders, including for SMEs, and for preventing irregularities and fraud;

188. Encourages the Commission and Member States to continue their efforts in the field of exchange of experience and best practice;

189. Welcomes the IT-based fraud alert tool ARACHNE and calls on all Member States to encode comprehensive and good-quality data to help this programme work properly;

Part XV – Special Report No 11/2015 of the Court of Auditors entitled "Are the Fisheries Partnership Agreements well managed by the Commission?"

190. Welcomes the more stable legal framework offered by fisheries partnership agreements (FPAs) compared to the private agreements; notes that European ship owners have expressed a preference for FPAs and asked the Commission to extend the network of agreements;

191. Asks the Commission to better respect the exclusivity clause; notes that, although some factors do not depend on the Commission, it should start the process of negotiating a new protocol well in advance of the expiry of the current one; urges the Commission to shorten negotiation periods wherever possible;

192. Urges the Commission to improve consistency between the FPAs and other Union initiatives and funding sources in the fisheries sector within the same region, to define regional strategies for the development of fisheries governance and to ensure that protocols negotiated within the same region are consistent with the relevant regional strategy and with other Union funding;

193. Requests that the Commission focus more on restrictive technical conditions, such as the narrow definition of fishing areas; highlights the fact that this could affect the profitability of the Union external fleet;

194. Asks the Commission to consider the utilisation of previous protocols and to endeavour better to link payments for access rights to actual catches, while ensuring that fishing activities are not adversely affected;

195. Notes with concern that the cost of the FPAs negotiated by the Commission has been relatively high compared to the rates in the past; requests that the Commission take into account the principles of economy, efficiency and effectiveness when preparing the FPA negotiations to guarantee value for money and compliance with sound financial management;

196. Notes that *ex post* evaluations should focus on obtaining a consistent and comparable analysis of the return on public money spent under the protocols as well as a comprehensive and critical analysis of their effectiveness for the Union and the partner country concerned;

197. Encourages the Commission to strengthen its negotiating power; underlines the importance of the total Union financial contribution to partner countries;

198. Urges the Commission to use the most up-to-date data for its *ex post* report; asks the Commission to make this available to stakeholders in a timely manner;

199. Calls on the Commission to promote the acceptance of electronic licences or of a list of authorised vessels in partner countries for the whole period of validity of the licences; highlights the need to reduce delays in the licence application process; calls on the Commission to identify and reduce procedural bottlenecks;

200. Invites the Commission to ensure that the new catch database is fully used by flag Member States and provides reliable catch data that can be consolidated, monitored and kept up-to-date;

201. Notes that the Commission has put in place a database for catch-data management; notes furthermore that this database should contain weekly catch data from Member States broken down by fishing area; notes with concern that this database was still not operational at the time of the Court's audit and that Member States had not complied with their reporting requirements; invites the Commission to remedy this issue in partnership with Member States and to include clear and consistent data regarding actual final catches, in order to avoid possible negative financial consequences when the final catch is higher than the reference tonnage;

202. Urges the Commission to monitor more closely the implementation of sectoral support to ensure its effectiveness and cost-effectiveness; asks the Commission to ensure effective coordination of the actions implemented by partner countries; invites the Commission to include in the protocols formal eligibility conditions for the funded actions;

203. Calls on the Commission to ensure that sectoral support disbursements are consistent with other budget support payments and based on the results achieved by partner countries in the implementation of the matrix of commonly agreed actions;

204. Notes with concern that, even though the sectoral support payments should be paid once the partner countries are able to demonstrate the results achieved, the protocols currently in force still do not provide for the possibility of partial payments when the results are only partially achieved; acknowledges the Commission's observation that, when there have been no or limited results achieved, the payment of sectoral support for the following year is to be suspended until the targets have been met; nevertheless, calls on the Commission, where possible, to include in the new protocols the possibility of partial payments of sectoral support;

Part XVI – Special Report No 12/2015 of the Court of Auditors entitled "The EU priority of promoting a knowledge-based rural economy has been affected by poor management of knowledge-transfer and advisory measures"

205. Requests that the Member States put in place procedures to analyse the knowledge and skills needs of rural operators that go beyond the setting of broad themes, in particular for calls for proposals or tender periods, and that the Commission provide additional guidance on how Member States should carry out such recurrent analyses, formulating this in specific rather than general terms;

206. Calls on Member States to ensure that support for the establishment of new advisory services is granted only where there is a demonstrated deficit in relevant services in the area concerned and where the need for financing new staff, facilities and/or equipment exists;

207. Calls on the Member States to select the service providers that receive public funds through fair and transparent competition, regardless of whether they use calls for proposals or formal public procurement procedures;

208. Recommends that Member States take into consideration the public procurement guidance for practitioners on the avoidance of the most common errors in projects funded by the European structural and investment funds;

209. Requests that the Commission provide additional specific guidance on in-house delivery, subcontracting and the assessment of service delivery by consortiums and adequately monitor Member States' procedures to ensure that the selection of knowledge-transfer and advisory activities is competitive, fair and transparent;

210. Calls on Member States to assess the need to support knowledge-transfer and advisory activities that are readily available on the market at a reasonable price and, if this need is justified, to ensure that the costs of the supported activities do not exceed the costs of similar activities offered by the market;

211. Requests that the Commission build on the first steps taken to ensure complementarity between Union funds to mitigate the risk of double-funding and duplication of administration;

212. Calls on Member States to establish feedback systems that use monitoring and evaluation information to improve upcoming calls for proposals or tendering procedures and requests that the Commission provide guidance to Member States as to how they may execute such recurrent feedback procedures and that it monitor whether Member States have put them in place;

213. Requests that the Commission increase without delay the risk profile of knowledge-transfer and advisory measures and enhance its supervision and management accordingly;

214. Calls on the Member States to share their best practices and continue their project evaluations so as to have a good basis for the 2014-2020 implementation period;

215. Calls on the Commission to communicate comprehensive assessment of consultancy services with a focus on outcomes and net effects in order to avoid a purely quantitative evaluation of investment;

216. Requests that the Commission promote the exchange of good practices on methodological approaches through networking activities;

Part XVII – Special Report No 13/2015 of the Court of Auditors entitled "EU Support to timber-producing countries under the FLEGT Action Plan"

217. Welcomes the special report dedicated to Union support to timber-producing countries under the Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan and sets out its observations and recommendations below;

218. Considers the FLEGT initiative to be essential to improving forest governance, to keeping forests standing and to ensuring law enforcement, in particular by deploying all possible means *inter alia* voluntary partnership agreements or financial due diligence, in order to address the global issue of illegal logging and help to secure timber exports to the Union;

219. Deplores, however, the cumulative shortcomings identified in the implementation phase of the FLEGT action plan and projects, which now require a rapid and thorough evaluation;

220. Strongly believes that it is time, after allocating EUR 300 million over 2003-2013 for FLEGT-related support, to undertake a serious cost-benefits analysis of the FLEGT process for reducing illegal logging and related trade but also to streamline the design of existing mechanisms to make them more effective in terms of outcomes and impacts;

221. Deplores the slow implementation of the FLEGT Action Plan, the late adoption of Regulation (EU) No 995/2010 of the European Parliament and of the Council[1] (the Union timber regulation) and the Commission's slowness to learn lessons from the overall funding for FLEGT;

222. Calls on the Commission to prioritise its aid efforts through clear objectives and criteria; invites the Commission therefore to move away from structuring Union funding from different budgets and consider using one single, clearly defined budget;

223. Calls on the Commission to reinforce swiftly transparency and accountability frameworks through monitoring and regular reporting, including appropriate progress assessment; urges the Commission furthermore to monitor and report on the implementation of the Union timber regulation in Member States and to take the necessary legal action to ensure its application;

224. Calls on the Commission to streamline and better coordinate its efforts to fight illegal logging across different Union policies and the services involved;

225. Recalls that the traceability of timber products through an operational and legally established licensing system between the Union and timber exporting countries should be considered as a continuous core objective, particularly in light of factors identified by the Court such as widespread corruption, poor law enforcement and insufficient assessment of risk and constraints in projects;

226. Calls on the Commission to negotiate timber import standards in future bilateral or multilateral trade related agreements, in order not to undermine the successes achieved through the FLEGT Action Plan with timber-producing countries;

227. Considers that the governance gaps in the FLEGT system should be addressed either in an external evaluation of FLEGT action or on an *ad hoc* basis by the Commission;

Part XVIII – Special Report No 14/2015 of the Court of Auditors entitled "The ACP Investment Facility: does it provide added-value?"

228. Welcomes the special report dedicated to the added value of the African, Caribbean and Pacific States (ACP) Investment Facility as a concrete and positive example of follow-up by the Court of the 2012 and 2013 discharge procedure wherein Parliament asked for a special report to be prepared on the performance and alignment with Union development policies and objectives of the European Investment Bank's (EIB) external

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[1] Regulation (EU) No 995/2010 of the European Parliament and of the Council of 20 October 2010 laying down the obligations of operators who place timber and timber products on the market (OJ L 295, 12.11.2010, p. 2).

lending activities before the mid-term review of the EIB’s external mandate and the mid-term review of the Investment Facility;

229. Considers the inclusion in the Court's work plan of such an audit on the ACP Investment Facility as a good practice in terms of cooperation between Parliament and the Court and their work of collaborative scrutiny;

230. Believes that this audit report is a stepping stone as it is the first audit carried out by the Court in this specific area; deplores the fact that the ACP Investment Facility does not fall within the scope of the Court’s annual statement of assurance audit;

231. Notes the positive conclusions regarding the coherence of the ACP Investment Facility with Union development policy objectives and its catalytic effect; welcomes the good cooperation between the EIB and the Commission, in particular in the project prospection and selection;

232. Regrets, however, that the Court could not identify more precisely the added value delivered by the ACP Investment Facility; invites the Court therefore, in future special reports, to give more concrete examples and to single out some projects to better illustrate its conclusions and recommendations; invites the Court to benefit from this first experience in further refining the means to assess leveraging, the catalytic effect and the added value of such facilities; invites the Court also to consider added value not only through the lens of the classic Tryptic (Economy, Efficiency, Effectiveness) but in a broader sense including a second Tryptic (Ecology, Equality and Ethics);

233. Agrees with the Court's recommendations; calls therefore on the Commission to take into account the Court's recommendations in its future legislative proposals and negotiations such as in the revision of the EIB's external mandate or the post-Cotonou agreement;

234. Recommends a swift adaptation of the Investment Facility and EIB's policy according to the outcome of the COP21 and the possible post-2015 Millennium Development Goal as a matter of political consistency from the Union; believes that the fight against climate change and all its direct and indirect consequences, especially in the world's poorest countries, should be given greater priority;

235. Believes that it is crucial for the EIB to invest time continuously in due diligence combined with results assessment tools in order to get a better knowledge of the profile of financial intermediaries and beneficiaries and also better to evaluate the impact of projects on final beneficiaries; calls on the EIB to take the Court's recommendations into account seriously and to improve current practices in order to strengthen the added value of the ACP Investment Facility;

236. Believes that there should be no Union taxpayers money that is not subject to Parliament's discharge; therefore reiterates and strongly believes that the ACP Investment Facility managed by the EIB on behalf of the Union should be subject to Parliament's discharge procedure given that the Investment Facility is financed by Union taxpayers' money;

237. Notes that the tripartite agreement referred to in Article 287(3) of the Treaty on the Functioning of the European Union governing cooperation between the EIB, the Commission and the Court of Auditors with respect to the modes for controls exercised

by the Court on the EIB's activity in managing Union funds and Member States' funds is up for renewal in 2015; reiterates Parliament's stance that the remit of the Court should be updated in this context by including any new EIB financial instruments involving public funds from the Union or the European Develoment Fund;

Part XIX – Special Report No 15/2015 of the Court of Auditors entitled "EU Energy Facility support for renewable energy in East Africa"

238. Welcomes the special report dedicated to the ACP-EU Energy Facility support for renewable energy in East Africa (EF) and sets out its observations and recommendations below;

239. Welcomes the fact that from the second call for proposals under the EF, it has become compulsory to include a preliminary feasibility analysis; emphasises that such feasibility analyses should be based on accurate and realistic scenarios; emphasis also that the scenarios should already include estimates of how local communities can be included in the implementation of the project to improve local ownership and project promotion;

240. Takes the view that the link between feasibility of a project and its social, economic and environmental sustainability should be better established to ensure not just the efficiency, coherence and visibility of the EF's investment projects but also their effectiveness and broader results in the regions concerned;

241. Considers that the monitoring of projects and associated risks should be regularly performed and accompanied by rapid mitigation measures in view of adjusting if need be the procurement strategy, selection and implementation process; considers that the findings in the monitoring reports should be used in the implementation of the subsequent calls for proposals;

242. Calls on the EF to ensure that local stakeholders such as NGOs or local communities are involved over the whole life-span of projects, from launch to post-completion, taking into consideration the requirements of specific projects; calls for continued support to local capacity-building with a proper training offer throughout a project's life, the main aim being to further improve local ownership and promote coordination so that the project is viable and sustainable after the funding period expires;

243. Calls on the Commission's Directorate-General for International Cooperation and Development (DG DEVCO) to make sure that the implementing partners answer all requests for additional information concerning the implementation of the project(s); calls on DG DEVCO to focus especially on potential corruption and/or fraud-related activities by the implementing partners, while avoiding unnecessary additional administrative burdens; and in the case of corruption and/or fraud, calls on DG DEVCO to duly terminate contracts and look for new partners in the region;

244. Calls on the Commission to ensure policy coherence and close cooperation with the other actors in the field, especially UN bodies and the SE4ALL (Sustainable Energy for All), but not only in the field of energy, in view of achieving the best possible results for people living in the region and the environment; considers that synergies with other projects on the ground, including projects in the planning phase whenever possible, should be exploited by all projects as much as possible;

Part XX – Special Report No 16/2015 of the Court of Auditors entitled "Improving the security of energy supply by developing the internal energy market: more efforts needed"

245. In order to achieve a proper and continuous functioning of the internal energy market, calls on Member States to co-ordinate their investments in energy infrastructure and the way they regulate their energy markets, to ensure optimum value for Union money;

246. Considers that energy market reforms start at a Member State level; considers that implementation of the jointly agreed energy packages, especially the Third Energy Package, would create the conditions for realisation of the internal energy market;

247. Considering the future regional approach towards the energy security, stresses the importance of individual Member States being able to ensure the necessary infrastructure to export and import energy but also to act as a transit country for electricity and gas;

248. Stresses that all future Union energy projects must comply with Union legislation and with the energy union's principles: diversification, security of supply, accessibility, competitiveness and sustainability;

249. Considers that strengthening and improving interconnections with neighbouring Member States should be seen as a priority; encourages the development of bi-directional capacity (bi-directional flows) at each border interconnection by involving Member States through which corridors pass;

250. Considers that implementation of strategic infrastructure projects contributes to medium and long-term aspects of energy security;

251. Calls on the Commission to allocate increased financial resources and powers necessary to the Agency for the Cooperation of Energy Regulators and considers that the agency should be allowed to recruit additional staff in order to enable the full and effective implementation of the monitoring of energy markets;

Part XXI – Special Report No 17/2015 of the Court of Auditors entitled "Commission's support of youth action teams: redirection of ESF funding achieved, but insufficient focus on results"

252. Welcomes the Court's report, endorses its recommendations and is pleased that the Commission accepts these and will take them into account in the future; welcomes the fact that the Commission has implemented these recommendations in its 2014-2020 European structural and investment funds (ESIF) legal framework, thus ensuring better value for money, i.e. via a performance framework and reserve, *ex ante* conditions and common output and result indicators;

253. Notes that youth unemployment is a serious issue across the Union and appropriate resources at Union and national level should be dedicated to tackling it; strongly encourages Member States to utilise the available Union support;

254. Notes that the youth action teams were mainly a political exercise and announced as such from the outset, aimed at persuading national governments to redirect unused funds to tackle youth unemployment, while at the same time not imposing additional administrative or/and legal procedures or allocating new funds;

255. Notes the politically difficult nature of this task and acknowledges the good work of the youth action teams in raising awareness at the highest political level, bringing different political and administrative authorities together and convincing them to prioritise youth employment over other initiatives;

256. Stresses that a focus on performance and results is needed and is pleased that the new regulatory framework for the 2014-2020 programming period includes provisions for reporting on results from Member States;

257. Notes that often, Member States that need funding the most also suffer from weak administrative capacity which leads to a focus on managing the project, instead of managing the investment goals;

258. Notes that investment effects are still largely monitored through quantitative indicators, which does not reflect all aspects of good assessment practice; notes that output does not equal outcome;

259. Calls on the Commission to set up an early warning mechanism against unutilised ESIF appropriations so that Member States have sufficient time to reallocate funds to youth employment measures;

260. Looks forward to the Court's report on the 'EU Youth Guarantee - Implementation in Member States', due to be completed at the beginning of 2017 and suggests that the outcome should be taken into account for the mid-term review of the multiannual financial framework;

Part XXII – Special Report No 20/2015 of the Court of Auditors entitled "The cost-effectiveness of EU Rural Development support for non-productive investments in agriculture"

261. Recommends that the Commission encourage Member States to implement non-productive investments (NPIs) more in synergy with other rural development measures and environmental schemes and that the Commission monitor the relevant Member States' implementation through their annual implementation reports from 2017;

262. Recommends that the Commission provide guidance to Member States on NPIs' selection criteria for the 2014-2020 programming period and check that they apply appropriate procedures for the selection of projects; in this context also recommends that Member States ensure that the NPIs' selection procedures are transparent, made public and effectively implemented, and that they verify effectively the compliance with these criteria;

263. Recommends that the Commission ensure that the contribution of NPIs to achieving the Union agri-environmental objectives is monitored, or at least specifically assessed during the evaluations of the 2014-2020 programming period;

264. Recommends that the Commission encourage and assist those Member States where NPI support is significant to define specific result indicators for the NPIs most frequently funded in order to ensure better monitoring and assessment of the NPIs' contribution to achieving the Union agri-environmental objectives; in this regard, requests that Member States report on these indicators in their annual implementation reports starting from June 2016 and include an assessment of the results of NPIs in their evaluation plans;

265. Recommends that the Commission provide further guidance on the definition of criteria which determine the remunerative characteristics of NPIs benefiting from the highest aid rates and that Member States establish such criteria without any delay and use them to modulate the intensity of support;

266. Requests that Member States implement, without delay, procedures to ensure that the costs of the supported NPIs do not exceed the costs of similar types of goods, service or works offered by the market; considers that in this regard Member States should define appropriate benchmarks and/or reference costs against which the costs of NPIs are systematically verified as part of their administrative checks;

267. Recommends that the Commission use the information provided by the Member States regarding the controllability and verifiability of the measures for the approval of their RDPs for 2014-2020 to ensure that Member States define and implement adequate procedures regarding the reasonableness of costs, and to verify Member States' effective application of the controls foreseen in this regard; recommends also that the Commission facilitates exchange of good practices between Member States concerning establishment of procedures for cost-reasonableness checks;

268. Recommends that Member States define, before the first on-the-spot controls for the 2014-2020 programming period are performed, a method for the timely consolidation and analysis of the cause of the errors found during these controls, and undertake the necessary measures for improvement of their management and control systems of the NPIs schemes;

269. Recommends that the Commission take into consideration the weaknesses identified by the Court in the area of NPI expenditures and take appropriate measures together with Member States to ensure proper financial management for these kind of investments;

Part XXIII – Special Report No 22/2015 of the Court of Auditors entitled "EU supervision of credit rating agencies - well established but not yet fully effective"

270. Stresses that the objective of Regulation (EC) No 1060/2009 of the European Parliament and of the Council[1] (CRAR) is to introduce "(...) a common regulatory approach in order to enhance the integrity, transparency, responsibility, good governance and independence of credit rating activities, contributing to the quality of credit ratings issued in the Union and to the smooth functioning of the internal market, while achieving a high level of consumer and investor protection" (Article 1 of the CRAR);

271. Recognises that the Court and the European Securities and Markets Authority (ESMA) agreed on many aspects of the audit and recommendations;

272. Welcomes the fact that ESMA laid down good foundations for effective supervision of the credit rating agencies in the Union in a short period of time; notes, however, that the Court considers the procedure to be cumbersome, due to the split into completeness and compliance phases required by the regulation;

273. Shares the Court's opinion that during the registration process, ESMA should adequately document its assessment of all the regulatory requirements regarding the

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[1] Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (OJ L 302, 17.11.2009, p. 1).

credit rating methodologies, and evidence of the approval process should not only be stored in internal correspondence but in dedicated case files;

274. Welcomes the fact that the Court and ESMA agree on ESMA's risk-based approach; considers that the risk identification process should be transparent, comprehensible and traceable;

275. Is of the opinion that all investigations should be properly documented so as to demonstrate and ensure that all conclusions are supported by adequate analyses of the evidence; notes, to this end, that the Court recommends putting in place a dedicated supervisory IT tool; notes ESMA's position that its current monitoring tools have been effective; however, remains convinced that a dedicated IT tool would be the best way to manage information in a transparent, comprehensible and traceable manner bearing in mind normal rates of staff turn-over; requests, therefore, that ESMA foresee the introduction of such an IT tool in its budgetary planning;

276. Recalls that one of the purposes and responsibilities of the CRAR is to ensure independence and to avoid conflicts of interest (see annex 1 of the CRAR); believes therefore that credit rating agencies should also verify rating analysts' trading activities; considers, nevertheless, that ESMA should supervise, in a structured manner, the systems put in place by the credit rating agencies for dealing with conflicts of interest;

277. Points to Article 23 of the CRAR which provides: "In carrying out their duties under this Regulation, ESMA, the Commission or any public authorities of a Member State shall not interfere with the content of credit ratings or methodologies"; considers that the implementation of credit rating agencies' methodologies can therefore only be monitored, once the registration is completed, by on-going supervisory procedures;

278. Agrees that ESMA should examine all important aspects of the design and implementation of credit-rating-agency methodologies which have not yet been covered; is concerned that this task cannot be fully performed due to a lack of resources;

279. Regrets that the current system does not guarantee an effective protection of the markets in the event of a leak and calls on ESMA to improve its control system to prevent and counter those actions that can lead to distortions in the markets;

280. Regrets that the current rules governing the euro do not ensure that all ESMA-registered credit rating agencies are on an equal footing; calls on the European Central Bank and the European legislator to remedy the situation as soon as possible;

281. Acknowledges that the central repository will be integrated in the European rating platform (Article 11a of the CRAR) created in 2013 and for which the work is ongoing; asks ESMA to ensure the soundness of data reported by credit rating agencies;

282. Calls on ESMA to further improve and harmonise disclosure practices across credit rating agencies;

283. Welcomes ESMA's intention to further improve its website and publish, in particular, all applicable legislation and relevant documents and make the website more user-friendly;

284. Notes that some terminology used in the CRAR methodology may leave room for interpretation and could therefore have a negative bearing on the implementation of the

regulation; calls therefore on ESMA and the Court to transmit to Parliament and the Commission a list of legislative provisions which could benefit from further clarification;

Part XXIV – Special Report No 2/2016 of the Court of Auditors entitled "2014 report on the follow-up of the European Court of Auditors' Special Reports"

285. Welcomes the fact that 23 of 44 recommendations were fully implemented;

286. Welcomes also that the Commission, by and large, accepted the Court's additional recommendations in the current special report;

287. Notes, however, that the Court considered that 18 of 44 recommendations were either partially implemented, not implemented at all or could not be verified:

    (a) in the agricultural policy area (10 recommendations), follow-up of recommendations often concerned the Commission and Member States and the former was of the opinion that it had fulfilled its responsibility;

    (b) in the social policy area (2 recommendations), coming under shared management, the Court considered that performance and effectiveness were not measured sufficiently;

    (c) in the area of external relations (3 recommendations), the Court considered that the Commission should directly assess the reasonableness of projects costs and rely less on the market knowledge of international organisations; and that the Commission should have upgraded the quality and security of the Common External Relation Information System (CRIS); and

    (d) in the area of competition (3 recommendations), the Court was of the opinion that preliminary investigations should be better managed, the number of unfounded complaints reduced and the state aid reporting interface (SARI) improved;

288. Stresses that from the point of view of the discharge authority, it is unsatisfactory when adversarial procedures end with the Commission and the Court reaching different conclusions; calls therefore on both institutions to avoid such an outcome;

289. Calls on the Court to clearly indicate in its recommendations which kind of action is expected from the Commission and which kind of action is expected from the Member States;

290. Calls on the Court to develop a system, together with national audit authorities, which will allow the Court to evaluate the follow-up Member States have given to its recommendations;

291. Emphasises that it never received a satisfactory explanation of why the Commission for several years considered it very important that Directorates-General dispose of their own internal audit capabilities, only to regroup the internal audit capabilities under the Internal Audit Service again as of April 2015;

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292. Instructs its President to forward this resolution to the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).