



TEXTS ADOPTED

Provisional edition

P8_TA-PROV(2018)0122

Discharge 2016: Court of Auditors' special reports in the context of the 2016 Commission discharge

European Parliament resolution of 18 April 2018 on the Court of Auditors' special reports in the context of the 2016 Commission discharge (2017/2188(DEC))

The European Parliament,

- having regard to the special reports of the Court of Auditors drawn up pursuant to the 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 2016¹,
- having regard to the consolidated annual accounts of the European Union for the financial year 2016 (COM(2017)0365 – C8-0299/2017)²,
- having regard to the Court of Auditors' annual report on the implementation of the budget for the financial year 2016, together with the institutions' replies³,
- having regard to the statement of assurance⁴ 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 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to its decision of 18 April 2018 on discharge in respect of the implementation of the general budget of the European Union for the financial year 2016, Section III – Commission⁵ and to its resolution with observations that forms an integral part of that decision,
- having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Commission in respect of the implementation of the budget for the financial

¹ OJ L 48, 24.2.2016.

² OJ C 323, 28.9.2017, p. 1.

³ OJ C 322, 28.9.2017, p. 1.

⁴ OJ C 322, 28.9.2017, p. 10.

⁵ Texts adopted, P8_TA-PROV(2018)0121.

year 2016 (05940/2018 – C8-0042/2018),

- 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 1605/2002¹, and in particular Articles 62, 164, 165 and 166 thereof,
 - having regard to Rule 93 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0130/2018),
- A. whereas, under Article 17(1) of the Treaty on European Union, the Commission is to execute the budget and manage programmes and, pursuant to Article 317 of the Treaty on the Functioning of the European Union, is to implement the budget 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, and are thus useful for Parliament in its role as discharge authority;
- C. whereas its observations on the special reports of the Court of Auditors form an integral part of Parliament's aforementioned decision of 18 April 2018 on discharge in respect of the implementation of the general budget of the European Union for the financial year 2016, Section III – Commission;

Part I – Special Report No 21/2016 of the Court of Auditors entitled "EU pre-accession assistance for strengthening administrative capacity in the Western Balkans: A meta-audit"

1. Welcomes the Court's special report, which is in the form of a meta-audit presenting an overview of the Commission's management of pre-accession assistance in Albania, Bosnia and Herzegovina, Kosovo, the former Yugoslav Republic of Macedonia, Montenegro and Serbia, and sets out its observations and recommendations below;
2. Acknowledges that the Commission has to operate in a difficult political context and encounters many weaknesses within beneficiaries' public institutions such as excessive bureaucracy, a high staff turnover, low efficiency, lack of accountability and corruption;
3. Calls on all stakeholders both to pay particular attention to the definition of qualitative national strategies and national and regional programmes that would include clear, realistic and measurable objectives and to better link the design of programmes in the beneficiary country to these strategies and respective needs assessments;

¹ OJ L 298, 26.10.2012, p. 1.

4. Supports the efforts of the Western Balkans countries' authorities to pursue efforts in key areas of good governance and towards reform of their public administration, including in the area of financial control in the context of public finance management; invites all actors to intensify efforts for developing or consolidating strategies to coordinate the implementation of public finance management reform;
5. Considers it crucial to reinforce the application of the principle of conditionality, particularly by verifying in advance the beneficiary's capacity to do what is required for a high-quality project and in specific measurable terms;
6. Regrets that about half of the Union funded projects for strengthening public administration reform and the rule of law were not sustainable; stresses the importance of developing sustainability, especially for projects dedicated to the reinforcement of administrative capacity; regrets that sustainability was not ensured in many cases due to inherent factors such as a lack of budgetary means, staffing and above all the beneficiary's lack of political will to reform institutions; calls on the Commission to build on the achievements of successful projects with quantifiable added value and to secure the sustainability and viability of the projects by setting it as a pre-condition of the projects when implementing IPA II;
7. Believes that there is still room for improvement to bring certain key sectors up to Union standards such as adherence to the rule of law, public administration reform and good governance; is of the opinion that the assistance provided in these areas should be increased, more effective and sustainable due to the close link with the enlargement strategy and political criteria;
8. Calls on the Commission to focus on the fight against corruption and organised crime and to encourage public prosecution and the development of transparency and integrity requirements within public administration as a matter of priority; reiterates the need for a more continuous and stringent strategy and greater political commitment by national authorities in order to ensure sustainable results in this respect;

Part II – Special Report No 24/2016 of the Court of Auditors entitled "More efforts needed to raise awareness of and enforce compliance with State aid rules in cohesion policy"

9. Welcomes the Court's special report and endorses its recommendations;
10. Notes with satisfaction that the Commission will implement the vast majority of the recommendations;
11. Underlines that all directorates-general concerned, and in particular DG COMP and DG REGIO, must have access to all databases held by Commission services to enable them to effectively assume their responsibilities;
12. Calls on the Commission to review its refusal to implement recommendation 4(b), as this may endanger the protection of the Union's financial interests;
13. Can accept the Commission's reticence to put in practice recommendation 4(d), for as long as alternative methods chosen by Member States are as effective as a central register for monitoring "de minimis" aid; calls on the Commission to ensure that this is the case;

14. Is convinced that it is of prime importance for Member States to have legal certainty of applicable State aid rules before undertaking major projects as clear and coherent rules can contribute to bring down the error rate in this area;
15. Calls on the Commission to ensure that national audit authorities are familiar with and verify applicable state-aid rules before filing their annual control report;
16. In that context welcomes DG COMP's and DG REGIO's agreement on a common state aid action plan in March 2015; notes that the action plan originally comprised six actions intended to raise awareness and improve knowhow in the field of state aid in all Member States: identification and dissemination of good practice, training courses for state aid specialists, country-specific workshops, seminars for specialists, the further development of a question-and-answer database (the ECN-ET network⁸⁶) and the development of a state aid information database; as of 2016 the Commission also offered a dedicated training module;
17. Welcomes also that, by January 2016, DG COMP had organised training courses on state aid and infrastructure in Bulgaria, Croatia, the Czech Republic, Romania and Slovakia;
18. Supports the Court in its call for a central Union-wide database in which relevant Member State authorities can consult the identity of undertakings subject to state aid recovery orders as well as the status of recovery proceedings; considers that such a data base could be important for future risk analyses;

Part III – Special Report No 29/2016 of the Court of Auditors entitled "Single Supervisory Mechanism - Good start but further improvements needed"

19. Recalls the following legal bases:
 - (a) Article 287 (1) of the Treaty on the Functioning of the European Union (TFEU):
“1. The Court of Auditors (the “Court”) shall examine the accounts of all revenue and expenditure of the Union. It shall also examine the accounts of all revenue and expenditure of all bodies, offices or agencies set up by the Union in so far as the relevant constituent instrument does not preclude such examination.

The Court shall provide Parliament and the Council with a statement of assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions which shall be published in the Official Journal of the European Union. This statement may be supplemented by specific assessments for each major area of Union activity.”
 - (b) Article 27 of the Statute of the European System of Central Banks (ESCB) and of the European Central Bank (Protocol No 4 annexed to the TEU and the TFEU):
“27.1. The accounts of the ECB and national central banks shall be audited by independent external auditors recommended by the Governing Council and approved by the Council. The auditors shall have full power to examine all books and accounts of the ECB and national central banks and obtain full information about their transactions.

27.2. The provisions of Article 287 of the TFEU shall only apply to an

examination of the operational efficiency of the management of the ECB.”

- (c) Articles 20(1) and (7) of Council Regulation (EU) No 1024/2013¹ conferring specific tasks on the ECB concerning policies relating to the prudential supervision of credit institutions: “1. The ECB shall be accountable to Parliament and to the Council for the implementation of this Regulation, in accordance with this Chapter. 7. When the Court examines the operational efficiency of the management of the ECB under Article 27.2 of the Statute of the ESCB and of the ECB, it shall also take into account the supervisory tasks conferred on the ECB by this Regulation.”
20. Supports the Court’s conclusions and welcomes the ECB’s acceptance of the Court’s recommendations²;
21. Is, however, concerned by a report by the Contact Committee of the Supreme Audit Institutions of the European Union (SAI) comparing the audit rights of 27 of the 28 national SAIs across the Union over banking supervisors; regrets that the resulting statement pointed out that an audit gap has emerged in those countries where previous

¹ OJ L 287, 29.10.2013, p. 63.

² The ECB should:

1. Further streamline the decision-making process and delegate certain decisions to lower levels in order to enable the Supervisory Board to focus on more demanding issues;
2. Assess the risks entailed and implement the necessary safeguards, including managing possible conflicting requests and dedicated compliance monitoring to overcome concerns about the use of shared services;
3. Assign sufficient internal audit skills and resources to ensure that high and medium risk areas are covered as and when appropriate;
4. Fully cooperate with the Court in order to enable it to exercise its mandate and thereby enhance accountability;
5. Formalise its current arrangements for measuring and publicly disclosing information on supervisory performance to enhance its external accountability;
6. Amend the SSM Framework Regulation in order to formalise commitments by participating NCAs and ensure that all participate fully and proportionately in the work of the JSTs;
7. Develop, in collaboration with the NCAs, role/team profiles and methods for assessing both the suitability of the staff that the NCAs intend to assign to the JSTs and their subsequent performance;
8. Establish and maintain a centralised, standardised and comprehensive database of the skills, experience and qualifications of JST employees, both ECB and NCA staff;
9. Implement a formal training curriculum for both new and existing supervisory staff in JSTs;
10. Develop and implement a risk-based methodology to determine the target number of staff and the composition of skills for JSTs;
11. Review periodically the clustering mode in the important supervisory planning process and update it as necessary;
12. Supplement or redeploy its staff to allow it to substantially strengthen its presence in on-site inspections of significant banks based on a clear prioritisation of risks;
13. Closely follow up on the weaknesses in the IT system for on-site inspections and pursue its efforts to increase the qualifications and skills of on-site inspectors from NCAs.

audit mandates of national SAIs over banking supervisors are not being replaced by a similar level of audit by the Court over the ECB's supervisory activities¹;

22. Underlines that it already expressed this concern in its resolution of 10 March 2016 on the Banking Union - Annual Report 2015²;
23. Regrets the limited transparency of information for the supervised entities as the result of the approach adopted by the ECB with regard to disclosure, which had the result that supervised entities were not able to fully understand the outcome of the review process and prudential assessment; stresses that the Court has expressed concern about the lack of transparency, which in its opinion could increase "the risk of arbitrariness in supervision";
24. Points out that the lack of any supervisory scrutiny on a bank's exposure to illiquid "level 3 activities", including toxic assets and derivatives, resulted in an asymmetric exercise of the supervisory function; considers that the strong bias against credit risks relative to market and operational risks stemming from speculative financial activities had the result of penalising commercial banks in favour of big investment banks, putting into question the validity and reliability of the comprehensive assessments conducted so far; is concerned at the recent statements by the Chair of the Supervisory Board Danièle Nouy concerning the difficulties and inability of the ECB to proceed with a proper valuation of positions related to these complex and risky products;
25. Notes with concern the findings of the Court on the lack of an effective organisational separation between the ECB's monetary policy and supervisory functions as well as of clear and stringent governance rules to prevent conflicts of interest, which reinforces concerns over the inherent conflict of interest between the ECB's role in preserving the stability of the euro and its prudential supervision of big European credit institutions;
26. Supports the finding of the Court on the necessity to provide a risk analysis concerning the use of shared services on tasks related to the ECB's monetary policy and supervisory functions;
27. Is worried, in this context, by the Court's observation that the level of information provided by the ECB was only partly sufficient to assess the efficiency of operations linked to the SSM's governance structure, the work of its joint supervisory teams and its on-site inspections; stresses that important areas were therefore left unaudited;
28. Finds it unacceptable, from a point of view of accountability, that the auditee, i.e. the ECB, wants to decide single-handedly to which documents the external auditors may have access³; calls therefore on the ECB to fully cooperate with the Court as external auditor and to provide full access to information to the Court in order to comply with the abovementioned rules;
29. Calls on the Court to inform Parliament's competent committee whether a solution to

¹ Statement 'Ensuring fully auditable, accountable and effective banking supervision arrangements following the introduction of the Single Supervisory Mechanism' of the Contact Committee of the Heads of the Supreme Audit Institutions of the EU Member States and the European Court of Auditors.

² OJ C 50, 9.2.2018, p. 80.

³ For limits on access to information see annex II of the special report.

the problem of access to information is found before November 2018;

30. Acknowledges the existing reporting arrangements between the ECB and Parliament¹; considers that these arrangement cannot, however, replace the Court's audit;
31. Recalls that the Commission should have published, by 31 December 2015, a review of the application of Council Regulation (EU) No 1024/2013 conferring specific tasks on the ECB concerning policies relating to the prudential supervision of credit institutions; regrets that this did not happen;
32. Calls therefore on the Commission to finalise this report as swiftly as possible;

Part IV – Special Report No 30/2016 of the Court of Auditors entitled "The effectiveness of EU support to priority sectors in Honduras"

33. Welcomes the Court's special report, endorses its recommendations and sets out its observations and recommendations below; also takes note of the Commission's replies;
34. Notes with satisfaction that the Court's report has been very well received, both by the government of Honduras and by the Commission, and that the challenges identified by the Court, as well as its conclusions, have been very useful in strengthening political dialogue between Honduras and the Union;
35. Points out that at present, relations between Honduras – as part of Central America – and the Union are principally based on the Association Agreement signed in 2012, which is a strong, long-term link forged on the basis of mutual trust and the protection of shared values and principles; points out that the agreement lays down three central pillars for action: political dialogue, cooperation and trade; points out, in particular, that, in the agreement, both parties undertook to implement measures to foster economic development, taking into account mutual interests such as poverty eradication, job creation, and fair and sustainable development;
36. Emphasises that, to date, 21 Member States have ratified the agreement; hopes that those countries that have not yet signed it will do so as soon as possible, as the full implementation of the three pillars will strengthen the development of political dialogue, allow for the efficient allocation of funding, and ensure, once and for all, that Union assistance will be effective in rebuilding and transforming Honduras;
37. Points out that Honduras is the Central American country that receives the most development assistance from the Union, and that the Union's contribution is the fourth largest among the 12 main donors to Honduras, representing 11 % of the total amount of official development assistance that the country receives; emphasises that the total figure has increased from EUR 223 million in the period from 2007-2013, to EUR 235 million in the period from 2014-2020;
38. Notes with concern, however, that the Union's financial contribution over the period under consideration represented just 0,2 % of the country's GDP, a proportion far lower than that of other donors, particularly the USA;

¹ For the existing reporting arrangements between the ECB and the European Parliament see annex IX of the special report.

39. Notes, in a similar vein, that according to data from the World Bank, in the wake of the global economic crisis, Honduras has experienced a moderate recovery, economically speaking, driven by public investment, exports and high levels of income from remittances, paving the way for growth figures of 3,7 % in 2016 and 3,5 % in 2017;
40. Emphasises, nevertheless, that although the economic prospects are encouraging, and despite efforts on the part of the government and donors, Honduras still has the highest levels of poverty and economic inequality in Latin America, with around 66 % of the population living in poverty in 2016, according to official data, and with persistent, widespread violence, corruption and impunity; notes that, although the murder rate has fallen in recent years, it is still among the highest in the world, and is the highest in Latin America; emphasises, furthermore, that there are still major problems and challenges as regards access to basic needs, job opportunities, natural resources such as land and means of survival, and that women, indigenous people and people of African descent are the sections of the population that are most vulnerable to human rights violations as a result of inequality;
41. Emphasises, with particular concern, that Honduras is still one of the most dangerous countries in the world for human rights defenders and environmental rights activists, two areas that are often closely linked; points out that, according to data from Global Witness, at least 123 land and environmental defenders have been murdered in Honduras since 2009, many of whom were members of indigenous and rural communities opposing megaprojects on their land, as was Berta Cáceres, whose murder remains unsolved; calls on the Commission to ensure that Union cooperation in Honduras does not in any way undermine the human rights of the Honduran people, and to conduct rigorous monitoring on a regular basis to ensure that remains the case; with that in mind, reiterates the importance of the European Instrument for Democracy and Human Rights (EIDHR) in providing urgent direct financial and material support for human rights defenders who are at risk, and of the emergency fund that enables Union delegations to award them direct ad-hoc grants; calls on the Commission, furthermore, to promote the effective implementation of Union guidelines on human rights defenders via the adoption of local strategies to ensure the guidelines are fully put into practice, in cooperation with civil society organisations which already have experience in this area;
42. Notes with great concern the serious incidents that occurred in Honduras following the elections held on 26 November 2017; points out that European and international human rights and media networks have condemned the disproportionate and sometimes deadly use of force by the state security forces against demonstrators, as well as other attacks on human rights defenders in the post-election crisis, with human rights organisations registering 30 killings (21 at the hands of the military police (PMOP)), 232 people injured and 1 085 detained; points out that the Office of the UN High Commissioner in Honduras has documented more than 50 cases of intimidation and harassment against human rights defenders, community leaders and journalists; notes that in response to the situation the Honduran government has announced the establishment of a Ministry for Human Rights, to operate independently of the current Ministry for Human Rights, Justice, Governance and Decentralisation, which became operational on 27 January 2018; calls on the EEAS to step up Union support for human rights defenders and promotion of political dialogue, and to insist that the Honduran government fulfil its responsibilities and obligation to keep the peace and guarantee the security of its citizens;

43. Points out how important it is that the private sector in Union countries also undertake to uphold human rights and the very highest social and environmental standards, with European standards in those areas being met as a minimum; calls on the Union and its Member States to continue playing an active role in the UN's ongoing efforts to draw up an international treaty on holding corporations to account for any involvement in human rights violations;
44. Recalls that the 2009 coup had disastrous consequences for the country: there was a marked slowdown in social and economic growth, international assistance no longer got through, and Honduras was suspended from the Organization of American States; notes that Union activities in Honduras could nevertheless be continued during that period, although implementation delays did occur in all priority sectors, and some, such as harmonisation of the legal framework, could not be completed; emphasises that if the Union had not provided and maintained support for priority sectors for cooperation, conditions in those areas would have been even more difficult;
45. Notes that the government of Honduras has stated that it is willing to accept international scrutiny and to cooperate with international organisations (establishment of the Office of the UN High Commissioner for Human Rights, the recent opening of the Mission to Support the Fight against Corruption and Impunity in Honduras, auditing of State accounts by Transparency International, etc.); points out, nevertheless, how important it is to take on board and apply lessons and best practices that have been learned, and not to depend indefinitely on those organisations in order to exercise the key responsibilities of state; notes with grave concern the fact that, on 18 February 2018, the head of the Mission to Support the Fight against Corruption and Impunity in Honduras (MACCIH) resigned because the Organization of American States (OAS) had not given him sufficient backing to pursue the task it conferred on him two years ago to combat corruption in Honduras (lack of resources, wastage on the organisational side, failure to provide suitable facilities, etc.); notes that despite this lack of support the MACCIH has achieved significant results in the fight against corruption since 2017, with major cases against government officials involved in serious corruption and investigations involving Honduras' political class; is concerned that these circumstances will thwart the first major regional efforts to combat corruption and impunity in one of the countries most in need of such action, calls on the Honduran government and the OAS to provide unconditional support and facilitation for MACCIH's work, and calls on the EEAS to continue working with the MACCIH with a view to achieving shared goals;
46. Notes that the audits carried out by the Court focused on the period between 2007 and 2015, when Union payments amounted to EUR 119 million, and that the priority sectors under consideration were poverty reduction, forestry, security and justice, which received 89 % of the bilateral support paid out; takes the view, nevertheless, that the period covered by the Court in its report is too long, in that it is longer than the Commission's term of office and also includes extremely difficult and disparate political and economic situations; takes the view that in order to make them more effective, the audit periods ought to be shortened, or that interim assessments should be carried out, given the fact that there are too many instances in which the report identifies issues or shortcomings which have been rectified in the meantime, meaning that some of the report's conclusions and recommendations are no longer relevant; emphasises, furthermore, that in its report, the Court does not give an account of the interviews it conducted in Honduras, in particular those with beneficiaries, other donors

and civil society organisations;

47. Notes that in its report the Court concludes that, although some progress was made, Union assistance to the priority sectors had only been partially effective, mainly owing to the country's circumstances, as well as a series of management problems that reduced the impact of the assistance, and notes that although the Commission's strategy was relevant and coordinated, it was not specific enough, and funding was spread over too many areas, meaning that despite the Honduran government's requests, it was not possible to meet the significant needs of the priority sectors, which did not receive support from other donors either;
48. Although it shares the concern expressed by the Court, agrees with the Commission that, in many cases, a certain degree of flexibility was necessary in order to adapt in the face of the crisis caused by the coup, and that there was a need to respond to extremely urgent situations and meet the basic needs of the people; calls on the Commission to press ahead with its efforts to achieve an effective balance between the flexibility required to adapt to the country's changing circumstances, needs and requirements, the need to address the most pressing challenges, including human rights, the right to life and the right to a decent life, and the need to respond and enhance the potential impact of Union assistance;
49. Notes that in the past, Union cooperation was focused on social cohesion and economic growth, while the new programming exercise responds to needs arising from the principal development challenges the country is facing: reducing poverty and inequality, food security, education and health, security and human rights, tax reform, combating impunity and corruption, creating jobs with social protection, competitiveness, managing natural resources, and vulnerability owing to climate change;
50. Emphasises that, given the specific situation the country is in, it is vital to strengthen and launch comprehensive anti-poverty programmes (specifically targeting the most vulnerable groups such as women, children and indigenous peoples, as the government of Honduras has requested) and comprehensive education, training and vocational programmes aimed at children and young people from the most disadvantaged backgrounds, to ensure they are offered opportunities to develop their skills and abilities and protect them against the risks of getting caught up in violence and organised crime;
51. Highlights, in addition, the critical role played by women and women's rights organisations in social progress, including youth-led movements; calls for the Union to insist on the need to support women's empowerment and the creation of a safe and enabling environment for women's civil society organisations and women's rights defenders, and to address specific gender-based forms of repression, particularly in conflict-affected regions; highlights the importance of actively helping to support policies and actions relating to women's rights, including sexual and reproductive health and rights;
52. Takes the view that the Union must continue to make a special effort with regard to cooperation, in order to enhance the transparency, credibility and accountability of state institutions, and with regard to dismantling the edifice of corruption and impunity that undermines citizens' trust and represents one of the chief obstacles to the country's development;

53. Expresses its concern at the lack of policy dialogue identified by the Court in certain critical areas receiving assistance under the Support to the National Plan (objectives in the areas of education, national statistics and civil service reform); given that the Commission's policy dialogue facilitates the implementation of Union action and is leading to tangible improvements; calls on the Commission to step up policy dialogue, particularly in strategic and priority sectors, and to remain firm in those areas in which the government does not show much interest or responsiveness, as was the case with the national security and justice policy and the Judiciary Observatory;
54. Calls on the Commission to continue improving joint programming with the government of Honduras, and with the Union Member States, and, alongside the other donors, to make a special effort with regard to internal coordination in order to ensure that the division of labour is as efficient as possible, to achieve complementarity where possible, and especially to prevent the problems identified by the Court: the proliferation of identical or similar projects (same sectors, same beneficiaries), contradictory or overlapping action or lack of action, particularly in the priority sectors; points out that the Commission should also, alongside the other donors, come up with a quick and effective operational approach in order to reduce time frames, make things more dynamic, and improve efficiency and results;
55. Notes that approximately half of the Union's bilateral assistance in Honduras is channelled through budget, general and sector-specific support; emphasises with concern the substantial risks relating to providing budget support, which are principally the result of the significant macroeconomic instability in the country, technical shortcomings and problems with fraud and corruption in the management of public finances;
56. Notes with concern that although the Court's report points out that budget support was allocated to relevant and credible national strategies, in some priority sectors the government's strategies were unclear or fragmented and were not given specific budgets, and the institutions concerned were unable to develop policies and reforms;
57. Acknowledges that the Commission identified these risks and tried to mitigate them; however points out once again to the Commission that budget support is not a blank cheque and that government promises that reforms will be forthcoming are not necessarily a sufficient guarantee; with that in mind, calls on the Commission, in order to mitigate any risks, to continue to make every effort to ensure that the budget support guidelines are followed and complied with at all stages of the procedure; calls on the Commission, furthermore, to avoid budget support in sectors in which a credible and relevant response from the government cannot be assured;
58. Agrees with the Commission that suspending various budget support payments over a certain period – as was the case in 2012 owing to the general macroeconomic situation and the fact that no agreement had been reached between Honduras and the IMF – need not be a contradictory message to send that might be detrimental to aid effectiveness, as the Court suggests, but might, on the contrary, be a way of making it crystal clear that the government needs to resolve the problems encountered swiftly and effectively;
59. Notes with great interest that Honduras is the first country in which results-oriented budget support has been used; expresses concern, however, at the fact that the Court concluded that weaknesses in the monitoring tools hindered the assessment of the

results achieved, that there were many shortcomings in the monitoring of those results, and that the recommendations made had not been consistently followed; calls on the Commission to draw up a detailed report, including the objectives, indicators and benchmarks that were used, the calculation and verification methods, etc., and to assess their effectiveness and impact for the purposes of measuring the results achieved and, at the same time, improving communication, visibility and the impact of Union action; calls on the Commission, furthermore, to place more emphasis on the results as regards the objectives set in its policy dialogue strategies with the Honduran government and in dialogue with civil society and other donors;

60. Given that the sound management of public finances is an essential prerequisite for disbursements of budget support to be made, and that it is one of the most significant shortcomings in Honduras, despite the successive plans drawn up by the government and the support from the Commission, takes the view that the Commission should place particular emphasis on continued improvement in that area; with that in mind and taking into account the role that the Honduran Court of Auditors ought to play in managing state resources, calls on the Commission to come up with specific programmes for cooperation with the Court with a view to providing technical assistance and training in the area concerned;
61. Calls on the Honduran government to provide all the necessary means and funding to ensure that the Honduran Court of Auditors can carry out its duties independently, effectively and in accordance with international auditing, transparency and accountability standards;
62. Notes with concern the Court's observation that the Union office in Honduras has a shortage of staff specialised in managing public finances and macroeconomic issues surrounding budget support transactions, and points out that this is particularly risky given the chronic economic instability of a country which, despite those serious circumstances, is still being granted budget support; in the light of the risks pointed out by the Court, calls on the Commission to take urgent action to shore up staffing at the Union office in Honduras;
63. Notes that Union cooperation in Honduras is providing support to civil society organisations in order to promote food security, human rights and gender equality, and that some 35 thematic projects are ongoing, involving funds of over EUR 9 million; notes, furthermore, that as regards engagement with civil society in Honduras, the Union delegation drew up a roadmap, which was approved in 2014 and includes political dialogue and support activities specifically designed for Honduras; considers it paramount that civil society organisations be involved not only in the consultation process leading to the drafting of roadmaps, but also in their implementation, monitoring and review;
64. Is gravely concerned by the fact that there is less and less room for civil society in developing countries; notes with grave concern that, in the first three months of 2014 alone, the department responsible for the registration and monitoring of civil society associations revoked the licences of more than 10 000 NGOs for failing to submit reports on their finances and programmes to the government, and that despite some positive developments in recent years, some of the legislation and administrative measures that have recently been adopted in Honduras are impeding associations' activities, and restricting the space within which they are able to operate, meaning that

many are being forced to close down;

65. Welcomes the support and commitment that the Union has been providing to civil society in developing countries for some time now; takes the view that, in the context of policy dialogue and the development of cooperation programmes, the Commission must focus on the development of strategies to establish the legal, administrative and political environment required to enable civil society organisations to carry out their roles and operate effectively, advise the associations, provide them with regular information about funds and financing opportunities, and encourage them to sign up to international civil society organisations and networks;
66. Takes the view that the Court ought to have devoted a chapter of its report to Union cooperation with civil society organisations in Honduras, given the key role they play in society in general and in local development in particular, and especially since the Union is the largest donor to those organisations in the developing countries and has taken a leading role in protecting civil society representatives and human rights defenders through the use and implementation of a raft of instruments and policies; hopes that the Court will bear that in mind for future reports;

Part V – Special Report No 31/2016 of the Court of Auditors entitled " Spending at least one euro in every five from the EU budget on climate action: ambitious work underway, but at serious risk of falling short"

67. Welcomes the Court's special report and sets out its observations and recommendations below;
68. Welcomes the ambitious commitments of the Union to cut its emissions by at least 20 % compared to 1990 levels by 2020 and by 40 % by 2030, and to spend at least 20 % of its budget on climate related action for the 2014-2020 budgeting period; welcomes the overall progress made; however regrets that according to the Court, there is a serious risk of falling short of the 20 % budget target;
69. Considers it of high importance for the Commission to continuously demonstrate sufficient leadership and commitment to climate change issues through an effective implementation of the Paris Agreement as well as to consolidate its international credibility and tools for shaping conditions for the Union's climate policy and green diplomacy in future years;
70. Welcomes the implementation of the pledge into already existing policies in place of establishing new financial instruments; considers that this should contribute to greater coherence between various Union policy areas; invites the Commission and the Member States to draft a coordinated plan on sustaining a maximum cohesiveness and continuity of the various programmes;
71. Calls on the Commission to develop a concrete overall strategy on reaching the set target that will entail area-specific action plans pointing out detailed measures and instruments, methodology of measurement and reporting, and performance indicators employed in the climate-related actions of specific policy areas; calls on the Commission and Member States to further develop common, unified standards for the implementation of adequate monitoring, evaluation and verification systems, notably

with respect to the application of the Rio Markers and reporting on the disbursement of climate related spending;

72. Regrets that weaknesses in the Union's tracking system were identified by the Court, which substantially increases the risk of overestimating climate action related spending; calls on the Commission to systematically respect the conservativeness principle in order to avoid overestimates; calls on the Commission to review the estimates and correct the climate coefficients where a risk of overestimation applies;
73. Calls on the Commission to prioritise development of an action plan in certain areas with a massive potential, namely the Horizon 2020 programme, agriculture and fisheries, in cooperation with the Member States; furthermore calls on the Commission to coordinate closely activities concerning the development of new technologies and innovations on environmental protection together with the European Institute of Innovation and Technology (EIT);
74. Points out the particular need for the Commission to deliver on the climate-related benchmarks by mainstreaming its various programming instruments in order to favour a high level of coherence and possibly enhanced coordination among Member States to be able to reach the overall objective of addressing at least 20 % of the Union budget to low carbon and climate resilient society;
75. Regrets the absence of specific targets in substantial parts of the Union budget; calls on the Commission to draft an overall plan outlining which funding instruments could contribute, and to what extent, to reaching the 20 % budget target; notes with concern that the missing plan is a sign of the low compatibility of different budget areas;
76. Notes with concern that there is little information on how much is spent on climate mitigation and adaptation and on the extent to which the Union climate-related action will contribute to CO₂ emissions reduction, while the available data may not be comparable across the Member States; asks the Commission to further develop reporting on the extent to which the target of spending 20 % of the Union budget over 2014 to 2020 on climate related action is implemented in all policies, by specifying in addition to what has been committed and disbursed, what relates to mitigation or adaptation areas while also identifying the areas where climate deliverables need to be improved;
77. Believes that mainstreaming of the funding programmes needs to be further refined by defining clear adaptation or mitigation strategies and related action plans, including adequate tools of quantification of investment and climate incentives needed and, better estimates tracking methods for getting right projections on the progress achieved across Union programmes and Member States' actions;
78. Calls on the Commission to develop swiftly an environment conducive to the transition to a low carbon economy by adapting its investment conditions, spending frameworks and instruments for innovation and modernisation in all key relevant sectors;
79. Notes with regret that there is no tool for providing a multiannual consolidated update on the situation across the Union budget; considers that there is a need for ex post evaluation and recalculation of projected climate funding contributions;

80. Regrets that there is no specific reporting framework conducted by the Commission on detecting and measuring the counter-implications of Union policies that negatively contribute to climate change and on measuring how big a share of the Union budget is spent in this opposite direction; is concerned that without this data the Commission does not fully portray to what extent the Union contributes to the mitigation of climate change; calls on the Commission to identify systematically potentially counter-productive actions and project them into the final calculations on climate action mitigation;

Part VI – Special Report No 32/2016 of the Court of Auditors entitled "EU assistance to Ukraine"

81. Notes that Union financial and expert assistance to reforming Ukraine was necessary; emphasises nevertheless that implementation of the reforms lags far behind what was expected;
82. Regrets that old structures which are resistant to reform, modernisation and democratisation persist, while forces willing to reform face severe difficulties to prevail;
83. Welcomes the Union assistance to Ukraine; is however of the opinion, that it should be tied with tangible efforts by the Ukrainian government aiming to improve the situation in its own country; namely to improve the own resources system through an efficient and transparent tax scheme, which does not only account for the income of citizens but also the assets of oligarchs;
84. Calls for an efficient fight against the still widespread corruption and for effective support of the organisations committed to combatting it;
85. Calls for a strengthening of judicial power in the country as an independent instrument committed to the rule of law;
86. Demands a stricter control of the banking sector, in order to avoid capital drains to third countries causing insolvencies of banking institutions; points out the necessity in this regard of granting budget support only under the condition that financial assistance is disbursed in a transparent and comprehensive way;
87. Is of the opinion that any financial aid should generally be preceded by a prior assessment of its prospects of success;
88. Is convinced that more attention needs to be paid to the creation and education of competent, decentralised administrative structures;

Part VII – Special Report No 33/2016 of the Court of Auditors entitled " Union Civil Protection Mechanism: the coordination of responses to disasters outside the EU has been broadly effective"

89. Welcomes the Court's special report; endorses its recommendations and approves of the Commission's readiness to take them into account;
90. Stresses the high significance of a prompt and coherent reaction to natural and man-

made disasters in order to minimise their human, environmental and economic impact;

91. Takes note of the Court's overall satisfaction with the Commission's way of handling the process of disaster response;
92. Encourages the Commission to build on its resources, including budgetary, mobilisation and expert selection procedures so that the affected countries are provided with an immediate, needs-based delivery of Union assistance; stresses the importance for 'civil protection focal points' to be designated within the ECHO Field Network national and regional offices and among staff in the Union's delegations in at-risk countries;
93. Welcomes the launch of the "European Medical Corps" in February 2016 that substantially expanded the EU Civil Protection Mechanism's "voluntary pool" with a "reserve" of medical and public health teams available to deploy lessons learnt from the Ebola crisis; considers that this approach, of having a reserve of medical teams and other specialised assessment and support teams, must be continued and further improved;
94. Suggests removing all unnecessary administrative burdens that hinder both the participating states and the Emergency Response Coordination Centre (ERCC) from replying more instantaneously, notably at the outset of a crisis;
95. Asks the participating states to register more assets in the voluntary pool in order to enhance preparedness to react to disasters;
96. Highlights the importance of information exchange and cooperation between the Commission, other Union bodies and the United Nations in facilitating a structured response in the case of emergency; welcomes the cooperation agreements signed with the UN Office for the Coordination of Humanitarian Affairs (OCHA) and the World Food Programme (WFP), and urges the Commission to sign further cooperation agreements with the World Health Organisation (WHO), the International Organisation for Migration (IOM) and other involved actors;
97. Recalls that quality and interoperability requirements are defined and expanded in accordance with the new WHO standards for medical modules and as well as with other strategic partners and their framework conditions to ensure early action associated with a more thorough coordination in international missions; considers that to guarantee the immediate availability or mobilisation of capacities from the outset of an emergency and to avoid financing errors, provisioning processes need to be optimised and largely standardised;
98. Urges the continued exploitation of potential synergies with the other involved actors and instruments, in particular with humanitarian and development aid, and avoidance of duplication of actions that have already been undertaken;
99. Calls on the Commission to improve the functionality of ERCC's communication platform, CECIS, so that the information can be retrieved more easily by stakeholders, including a mobile access for the EUCP teams deployed in the field;
100. Is of opinion that humanitarian aid and civil protection should be followed by other activities aimed at fostering a culture of prevention as well as building the capacity and resilience of vulnerable or disaster affected communities;

Part VIII – Special Report No 34/2016 of the Court of Auditors entitled "Combating Food Waste: an opportunity for the EU to improve the resource-efficiency of the food supply chain"

101. Welcomes the Court's special report scrutinising the efficacy of the Union in combating food waste; endorses the Court's recommendations and calls on the Commission to take these recommendations into account;
102. Notes with deep concern that according to estimates, around one third of the food produced for human consumption is wasted or lost globally; deplores the fact that the Union does not combat food waste effectively and that so far it has provided only incoherent and fragmented action;
103. Stresses that the Union has great potential to address the problem of food waste by adjusting its existing policies without incurring additional costs and should aspire to do so; however notes with regret that despite the hopeful rhetoric, there has been a lack of political will to translate commitments into policy measures;
104. Deeply regrets that the ambitions of the Commission in combating food waste have demonstrably decreased over time; deplores the lack of a targeted policy action in the area of food waste and that positive effects arising in policy areas are rather coincidental; looks forward to assessing the results of the Circular Economy Package in the area of combating food waste;
105. Considers it to be a sign of the inconsistent approach of the Commission firstly, that while the Union is regarded as a leader in combating climate change, it is insufficiently committed to combating food waste that directly contributes to negative climate effects, and secondly, that while the Union invests hundreds of millions of euros annually in development aid, the fight against hunger and compliance with fair trade, it does not sufficiently address the issue of combating food waste that is one of the direct driving forces behind those very problems;
106. Reiterates its call on the Commission to take immediate action against food waste; calls on the Commission to deliver on its commitments with regard to relevant policy documents related to combating food waste;
107. Calls on the Commission to provide close coordination at the Union and national level in order to unify the different approaches of various Member States with regard to food waste prevention, food donation, food safety and good hygiene practices; calls on the Commission to establish a platform for sharing best practices in combating food waste that would better align its work with the activities of the Member States;
108. Regrets that the Commission's action at a technical level has been limited to establishing working and expert groups, which have nevertheless not delivered any applicable input; calls on the Commission to improve its action at a technical level and to deliver concrete results; invites the Commission to establish closer cooperation with the European Environment Agency and EIT, which are able to provide solid expert and technical assistance;
109. Regrets that the Commission does not consider it necessary to create a common definition of food waste and does not consider it necessary to lay down a specific food

waste hierarchy; calls on the Commission to prepare a common definition of food waste, a common methodology for measuring and monitoring food waste, and guidelines on waste hierarchy in the case of food waste in cooperation with the Member States;

110. Calls on the Commission to draft an action plan that would identify policy areas with potential to address food waste, with an emphasis on prevention and donation, and to define the opportunities that could be exploited within the framework of these policies; calls on the Commission to draft action plans that would include measurable targets and performance indicators and to draft impact assessments in specific policy areas;
111. Regrets that although food donation represents the second most preferred option in preventing food waste, there have been many obstacles on various levels that mean it is underutilised; draws attention to the difficulties faced by Member States' authorities, particularly in making food donation comply with the current legal framework; calls on the Commission to create a specific platform for exchange of good practices among the Member States in order to facilitate food donation; invites the Commission to take into account local and regional authorities' contributions in revising the relevant legal provisions;
112. Invites the Commission to finalise and publish guidelines on food redistribution and donation, including tax arrangements for donors, that would be based on best practices shared between the Member States that currently take active action in combating food waste; encourages the Commission to draw up guidelines on overcoming various obstacles in food donation and on tax concessions for chains and companies that donate food;
113. Regrets that the concepts 'best before' and 'use by' are generally unclear to participants at all levels of the food supply chain; calls on the Commission to clarify these concepts and make the guidelines on its usage binding in order to avoid any misconception;
114. Encourages the Member States to educate the general public in the areas of food management and food waste;
115. Deplores the fact that, despite individual and limited initiatives in some of the Union institutions, the European bodies have neither the legislative framework nor common guidelines that would regulate the handling of unconsumed food provided by the institutions' catering services; calls on the Commission to draft common provisions addressing the issue of food waste within the European institutions, including guidelines on food waste prevention and rules on food waste donation, in order to minimise the food waste caused by the European institutions;

Part IX – Special Report No 35/2016 of the Court of Auditors entitled "The use of budget support to improve domestic revenue mobilisation in sub-Saharan Africa"

116. Welcomes the Court's special report; endorses its recommendations; expresses satisfaction with the Commission's willingness to put them into practice; regrets that the Commission's answers are quite vague and lack ambition;
117. Stresses the importance of domestic revenue mobilisation (DRM) in the less-developed countries as it reduces dependence on development aid, leads to improvements in public

governance and plays a central role in state-building;

118. Stresses that, according to the Court, the Commission has not yet effectively used budget support contracts to support DRM in low- and lower-middle-income countries in sub-Saharan Africa; however notes that the Commission's new approach increased the potential of this form of aid to support DRM effectively;
119. Points out that strengthening tax systems contributes not only to raising more predictable revenue, but also to accountability of governments by creating a direct link between taxpayers and their government; supports the explicit inclusion of DRM improvement on the Commission's list of key development challenges addressed through budget support;
120. Regrets that the Commission gave insufficient consideration to DRM when designing its budget support operations; stresses that key risks related to tax exemptions and to the collection and transfer of taxes and non-tax revenues from natural resources were not evaluated;
121. Recalls the importance of revenue mobilisation in developing countries while pointing to challenges related to tax avoidance, tax evasion and illicit financial flows; encourages the strengthening of financial and technical assistance for developing countries and regional tax administration frameworks, and the adoption of principles for the negotiation of tax treaties;
122. Points out that the audit revealed a lack of appropriate monitoring tools to assess the extent to which budget support contributed to overall improvements in DRM;
123. Believes that it is crucial to continue promoting fair and transparent domestic tax systems in the tax policy field, to scale up support for oversight processes and bodies in the area of natural resources, and to continue to back governance reforms promoting sustainable exploitation of natural resources and transparency; stresses that free-trade agreements reduce the tax revenue for the low- and lower-middle-income countries and might be counter-productive for those countries; demands that the Commission ensure that the fiscal consequences of free-trade agreements with low- and lower-middle-income countries are taken into account in risk assessments when negotiating free-trade agreements;
124. Calls on the Commission to stick to its guidelines when conducting macroeconomic and public financial management assessments of DRM aspects in order to obtain a better overview of the most problematic issues e.g. the scale of tax incentives, transfer pricing, tax evasion;
125. Underlines that in order to improve the design of budget support operations, the procedure of identifying risks threatening the achievement of the set objectives should be more comprehensive and make use of the Tax Administration Diagnostic Assessment Tool wherever available;
126. Emphasises the necessity of applying DRM-specific conditions more often as they clearly associate the disbursement of budget support payments with the partner country's progress in DRM reforms; asks the Commission to choose the conditions that are relevant and will have the broadest impact on DRM;

127. Acknowledges that the Commission has to operate in a complicated political and institutional context; recalls the significance of a structured policy dialogue, involving interlocutors from the national government and other donors, in order to determine crucial areas of interest and to conceive a tailored aid strategy;
128. Encourages the Commission to extend the capacity-building component of budget support as it lays firm foundations for a long-term economic and social transformation, and addresses major obstacles to the efficient collection of public revenues;
129. Points out that confirming a direct influence of budget support efforts on the mobilisation of domestic resources requires a more detailed evaluation of specific areas of a tax system that would allow attribution of the advances made to individual parts of the provided assistance;

Part X – Special Report No 36/2016 of the Court of Auditors entitled "An assessment of the arrangements for closure of the 2007-2013 cohesion and rural development programmes"

130. Welcomes the Court's special report and endorses its recommendations;
131. Notes with satisfaction that the Commission provided adequate and timely support to help Member States prepare for the closure of 2007-2013 programmes;
132. Welcomes the Commission's readiness to seek further harmonisation of regulatory provisions between the funds, including on terminology, assurance and closure processes, whenever it improves the management of Union funds and contributes to a simpler and more effective implementation in Member States and regions;
133. Notes that six major project decisions for the 2007-2013 period are still outstanding;
134. Notes with astonishment the Commission's refusal to consider specific commitments in relation to legislative proposals for the post 2020 period, knowing that they can already build on the experience of two complete financial periods (2000-2006 and 2007-2013); is however reassured by the fact that this refusal was induced rather by the Commission's concerns about their legal prerogatives than by disagreement on the content;
135. Supports the Court's call for further alignment of the regulatory provisions for closure between cohesion and for the investment-related measures under rural development;
136. Considers that calculated residual risk rates remain an unknown quantity based on experience and can at best be used as pointers;
137. Notes the Court's demand that eligibility periods should no longer overlap with the subsequent programme period after 2020 and its concern that extended eligibility periods (i.e. n+2, n+3) are one of the reasons for financial backlogs and the late start of the subsequent programming period along with delays in finalisation of revised programming and funding legislation and associated implementation rules, particularly in 2014-2015; emphasises in this regard the importance of ensuring maximum absorption and the smooth running of multiannual projects;
138. Notes that the final closure of the financial period only occurs every seven years; shares

therefore the Court's opinion that the Commission should inform the budgetary authority and Parliament's Committee on Budgetary Control of the final outcome of the closure procedure in a separate document; considers that such a document should not only confirm the legality and regularity of the expenditures but also measure the result and impact of the programmes (performance approach);

Part XI – Special Report No 1/2017 of the Court of Auditors entitled "More efforts needed to implement the Natura 2000 network to its full potential"

139. Welcomes the Court's special report and endorses its recommendations;
140. Underlines the importance of biodiversity for mankind; notes that the Natura 2000 network established under the Birds¹ and Habitats² Directives (the Nature Directives) is the centrepiece of the Union's biodiversity strategy; however notes with concern that its full potential has not been exhausted;
141. Notes that the Commission's general role is to provide guidance to the Member States; regrets that the Member States did not take the Commission's advice into account sufficiently;
142. Regrets that the Court concluded that the Member States did not manage the Natura 2000 appropriately and that the coordination between national authorities and stakeholders in the Member States was not adequate;
143. Recalls that due to its cross-border character, implementing Natura 2000 requires strong coordination among Member States; calls on the Member States to establish a strong structure at a national level to promote cross-border cooperation; invites the Commission to provide improved guidance to the Member States for building up a cooperation platform;
144. Notes with deep concern that the conservation objectives were often not specific enough and not quantified, while management plans were not precisely defined and lacked milestones for their completion; reiterates that this might hinder the added value of Natura 2000; calls on the Commission to harmonise the rules on an effective approach towards setting up conservation objectives and management plans in the next programming period; further calls on the Commission to follow up on whether the Member States follow the guidance and to provide them with further advisory support where needed;
145. Calls on Member States to conduct the necessary conservation measures in a timely manner in order to ensure their added value and to update the management plans accordingly; calls on the Commission to check on potentially delayed conservation projects thoroughly;
146. Notes that in order to make the Natura 2000 network effective, involvement of key stakeholders such as land users and owners is essential; regrets that in most Member

¹ Directive 2009/147/EC of the European Parliament and of the Council of 30 November 2009 on the conservation of wild birds (OJ L 20, 26.1.2010, p. 7).

² Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora (OJ L 206, 22.7.1992, p. 7).

States effective communication channels are missing; calls on the Member States to improve the coordination between national authorities and various stakeholders;

147. Is concerned that the Member States failed to adequately assess projects negatively impacting on Natura 2000 sites, that the compensatory measures were not utilised sufficiently and that the approach among the Member States varies widely; calls on the Commission to provide the Member States with a more structured guidance on how and when to apply compensatory measures in practice and to supervise their utilisation;
148. Regrets that the 2014-2020 programming documents did not fully reflect funding needs and the Commission did not address the shortcomings in a structured manner; calls on the Commission to prepare for the next programming period more thoroughly;
149. Regrets that the monitoring and reporting systems for Natura 2000 were not adequate to provide comprehensive information on the effectiveness of the network; is concerned that no specific performance indicator system for the use of Union funds was developed to reflect on the performance of Natura 2000 network; is of the opinion that this hinders the efficacy of Natura 2000 network; welcomes the Commission's introduction of a set of compulsory comprehensive indicators for all projects for the 2014-2020 programming period under LIFE; invites the Commission to apply the same approach to other programmes in the next programming period;
150. Notes with concern that at site level the monitoring plans were often not included in the site management documents and that they were not detailed or time-bound; is further concerned that the standard data forms were not updated and the data provided by the Member States for the State of Nature report were incomplete, inaccurate and incomparable; calls on the Member State and Commission to remedy this issue in the intended action plan;
151. Welcomes the Commission's development of a central registry for recording complaints and enquiries related to Natura 2000; notes that a majority of the cases were closed without further procedural steps; invites the Commission to follow up all complaints and enquiries rigorously;
152. Welcomes the establishment of the Biogeographical Process providing a mechanism for cooperation among stakeholders on management of Natura 2000 and a corresponding networking opportunity; however invites the Commission to resolve a language barrier issue that hinders its reach;
153. Deeply regrets that the Prioritised Action Framework (PAF) presented an unreliable picture of the costs of the Natura 2000 network and that the data presented by the Member States were inaccurate and limited; notes with concern that funding estimates were not reliable and comparable, thus hindering precise monitoring of the amount of the Union funds devoted to Natura 2000; regrets that this had the result that the PAFs had a limited usefulness in ensuring the consistency of Union funding for biodiversity protection under Natura 2000; encourages the Commission to provide the Member States with more structured guidelines on reporting and monitoring and on PAF completion; calls on the Member States to ensure that the data provided are accurate;
154. Is of the opinion that financial allocations for Natura 2000 must be identifiable and its use traceable, otherwise the impact of investments cannot be measured; to the extent

Natura 2000 is co-financed by ERDF/CF and EAFRD, calls on the respective Commission directorates-general to add a specific chapter on Natura 2000 to their annual activity reports;

155. Welcomes the establishment of the expert group and ad hoc working groups on harmonising practices and invites the Commission to utilise the outputs of their activities in the next programming period;
156. Calls on the Commission to inform Parliament's relevant committees about the action plan to improve the implementation of the Nature Directives¹;

Part XII – Special Report No 2/2017 of the Court of Auditors entitled "The Commission's negotiation of 2014-2020 Partnership Agreements and programmes in Cohesion: spending more targeted on Europe 2020 priorities, but increasingly complex arrangements to measure performance"

157. Welcomes the Court's findings, conclusions and recommendations in its special report ; considers the Court's analysis of the 2014-2020 programming phase of ESIF implementation to be useful and timely in assisting the legislators and the Commission to draw appropriate conclusions for the post-2020 period;
158. Notes the Commission's replies and that the Commission accepts five of the Court's recommendations fully and two recommendations partially; welcomes the Commission's readiness to implement them and calls on it and Member States to implement the recommendations fully and in a timely manner;
159. Disagrees with the Court's and the Commission's opinion that Parliament's enhanced powers in themselves were a factor for undue delay in adoption of the relevant regulations for the 2014-2020 period;
160. Regrets the delay in the presentation by the Commission of its proposal for the post-2020 multiannual financial framework (MFF) which creates the prospect of a significant delay in the negotiations and adoption of the corresponding legislation on the MFF and the financial programmes and instruments, thus endangering their timely implementation in the post-2020 period;
161. Stresses that the proposal for new regulations for post-2020 cohesion policy consisting of a single set of rules or otherwise must ensure in practice simplification, enhanced accessibility to funds and successful implementation of the objectives of this policy;
162. Stresses the need to avoid the repetition of the delay in adoption of the operational programmes, as well as the problems identified by the Court such as more complex, demanding and long negotiations of the ESIF regulations for the 2014-2020 period, late adoption of secondary legislation and guidelines and the need for multiple rounds of operational programme approvals by the Commission; regrets that these shortcomings run counter to the objective of simplification of the cohesion policy management system;
163. Notes that in Special Report No 2/2017 the Court concludes that the Partnership

¹ An Action Plan for nature, people and the economy (COM(2017)0198).

Agreements (PAs) have proven to be an effective instrument for ring-fencing ESI funding for thematic objectives and investment priorities and for supporting the focus on the objectives of the Europe 2020 Strategy for growth and jobs; underlines, however, that the successful implementation of the objectives requires an adequate budget for cohesion policy post-2020;

164. Observes that, unlike in previous periods, the Commission's observations on the draft operational programmes were required to be adopted by the College of Commissioners while in the previous programming period only the final operational programmes needed to be adopted by the College; urges the Commission to reconsider the added value of such a procedure when drafting its proposal for the post-2020 programming period;
165. Calls on the Commission to carefully analyse the problems indicated above and to take measures for avoiding them in the post-2020 period, including all necessary improvements and allowing swift and quality programming;
166. Calls on the Member States and the Commission to enhance their consultation in the drafting of the operational programmes which should facilitate a speedy process of their approval;
167. Underlines the importance of the use of precise and harmonised terminology which allows proper measurement of cohesion policy achievements; regrets that the Commission has not proposed common definitions of "results" and "output" in its proposal for the new Financial Regulation; calls on the Commission to introduce clear common definitions of terms like 'output', 'results' and 'impact' as soon as possible and well before the beginning of the post-2020 period;
168. Recalls that adequate administrative capacity especially at national and regional level is crucial for smooth management and implementation of operational programmes, including for monitoring and reporting of objectives and results achieved through relevant indicators; insists, in this regard, that the Commission and Member States use the available technical assistance for improvement of administrative capacity at different levels;
169. Calls on the Commission to strengthen and facilitate sharing of "best practices" at all levels;
170. Is concerned at Member States' application of a multitude of additional outcome and result indicators in addition to the indicators provided by the basic legal acts; fears a "gold plating" effect, which could render the use of structural funds more cumbersome and less effective; calls on the Commission to discourage Member States from following such an approach;
171. Highlights the relevance of measuring the mid- and long-term impact of programmes, as only when impact is measured can decision-makers ascertain whether political objectives have been accomplished; calls on the Commission to explicitly measure 'impact' during the post-2020 programming period;

172. Welcomes the Court's special report assessing the efficiency and effectiveness of Union assistance delivered to Tunisia; endorses its recommendations and sets out its observations and recommendations below;
173. Notes that Union funding was generally well spent as it contributed significantly to the democratic transition and the economic stability of Tunisia after the revolution;
174. Notes that Union actions were well coordinated with the main donors and within the EU institutions and departments; calls on the Commission to make sure that joint programming with Member States is achieved, in order to improve the focus and coordination of the aid;
175. Acknowledges that the Commission and the EEAS had to work in a volatile political, social and security context, which accounted for a major challenge in the delivery of comprehensive aid;
176. Calls on the Commission to further fine-tune the approach for sectoral budget support by outlining the country's priorities, the design of conditions and thus facilitate a more structured and targeted Union approach and reinforce the overall credibility of the Tunisian national strategy;
177. Notes that Union funding made a significant contribution to the democratic transition and to the economic stability of Tunisia; asks the Commission and the EEAS, however, to narrow down the focus of their actions to a smaller number of well-defined areas in order to maximise the impact of Union assistance;
178. Calls on the Commission to follow best practice concerning the budget support programmes and to apply relevant disbursement conditions that will stimulate the Tunisian authorities to undertake essential reforms; expresses its concern at a lenient allocation of 'more for more' funds that was usually unrelated to the fulfilment of further requirements and was not preceded by a thorough measurement of the progress made;
179. Stresses the significance of an extensive assessment of Public Finance Management, preferably with the use of PEFA¹, in order to identify potential weaknesses in Union aid provision and to address them;
180. Asks the Commission to improve the design of the programmes and projects by establishing a set of precise baselines and indicators that will enable proper evaluation of the extent to which objectives are achieved;
181. Highlights the necessity of focusing on long-term, sustainable economic development rather than actions which bring about only temporary recovery on the job market;

Part XIV – Special Report No 4/2017 of the Court of Auditors entitled "Protecting the EU budget from irregular spending: The Commission made increasing use of preventive measures and financial corrections in Cohesion during the 2007-2013 period"

182. Welcomes the Court's findings, conclusions and recommendations in its special report;

¹ Public Expenditure and Financial Accountability assessment.

183. Acknowledges the importance of implementing the objectives of cohesion policy, namely to reduce development disparities between regions, restructure declining industrial areas and to encourage cross-border, transnational and interregional cooperation, thereby contributing to the achievement of the Union's strategic objectives; considers that this importance justifies its significant share of the Union budget; emphasises the importance of its sound financial management, of the prevention and deterrence of irregularities and of financial corrections;
184. Notes the Commission's acceptance of all the Court's recommendations and calls on it to implement them fully and in good time;
185. Notes that, overall, the Commission made effective use of the measures at its disposal during the 2007-2013 programme period to protect the Union budget from irregular expenditure;
186. Welcomes the fact that in the 2007–2013 programming period the Commission started implementing corrective measures and financial corrections much earlier than in the 2000–2006 period and with a greater impact; stresses, however, that such corrective measures must ensure the protection of Union's financial interests while at the same time recognising the importance of timely and effective implementation of the affected operational programmes;
187. Calls on the Commission to remain vigilant when examining the closure declarations submitted by Member States for the 2007-2013 programming period, as well as in the future;
188. Calls on the Commission to present an analytical and consolidated report on all preventive measures and financial corrections imposed during the 2007-2013 programming period, building on the report for the preceding period;
189. Underlines that payment interruptions and suspensions represent a significant financial risk for Member States and can also lead to difficulties for the Commission in its budgetary management; calls on the Commission to ensure balanced efforts to protect the budget and the achievement of the objectives of cohesion policy;
190. Underlines that if Member States themselves detect irregularities and undertake preventive measures this will result in less time spent on establishing the problems and leave more time for resolving them; considers that it will also mean that the management and control systems in Member States work effectively and thus that the level of irregularities could be below the materiality threshold; calls, therefore, on the Member States to be more proactive and responsible and to detect and correct irregularities based on their own control and audits, and to improve management and control systems at national level in order to avoid further net financial corrections and loss of funds;
191. Calls on the Member States to provide the Commission with sufficient information in volume and in quality in cases of financial corrections triggered by Commission audits in order to ensure swift procedures;
192. Stresses, in this regard, the importance of regulatory certainty and proper Commission guidance and technical assistance for Member States' authorities, including sufficiently

specific formulation of its requirements; calls also on the Commission to work in close cooperation with Member States' authorities in order to improve the efficiency of first and second level controls;

193. Calls on the Commission to provide Member States with guidance for harmonised reporting on implementation of financial corrections which will facilitate monitoring and evaluation of the impact of financial corrections executed by Member States;
194. Supports the Court's conclusion that the legal framework as regard financial corrections for the post-2020 programming period should be reinforced but the primary focus must remain on the prevention of irregularities and fraud;
195. Calls on the Commission to set up an integrated monitoring system, which allows the information in the databases to be used for comparative analysis, covering both preventive measures and financial corrections for the 2014-2020 period as soon as possible and to provide timely access to information to Parliament, to Council and to the relevant Member States' authorities;
196. Calls on the Court to focus more in its future audit activity on systematic weaknesses and provide recommendations to both the Commission and the Member States on improving the functioning of the overall system for financial management and control;

Part XV – Special Report No 5/2017 of the Court of Auditors entitled "Youth unemployment - have EU policies made a difference? An assessment of the Youth Guarantee and the Youth Employment Initiative"

197. Welcomes the Court's special report and is pleased that the Commission accepts some of the Court's recommendations and will consider them;
198. Notes that the youth unemployment rate in the Union has decreased in the past few years; regrets though that in mid-2016, it still affected 18,8 % of young people; strongly encourages Member States to utilise available Union support to tackle this long standing situation;
199. Is strongly concerned that the NEET population (not in employment, education or training) is disconnected from the education and the labour market; understands that this population is the hardest to reach through the existing operational programmes implementing youth unemployment financial schemes; considers that for the 2017-2020 period the focus should be put on this population to ensure the achievement of the main objectives of the Youth Guarantee (YG);
200. Stresses that integration of the NEET population requires significantly more Union financing and Member States should also mobilise additional resources from their national budgets;
201. Emphasises that the YG has made a positive contribution to tackling youth unemployment since 2012 but that the youth unemployment rate remains unacceptably high, and therefore calls for the Youth Employment Initiative to be extended until 2020;
202. Regrets that none of the visited Member States was able to provide all NEETs with an opportunity to take up an offer within four months of entering the YG scheme;

203. Welcomes in particular the Court's recommendation that more attention needs to be paid to improving the quality of offers;
204. Notes that the Commission concludes in its communication published in October 2016¹ that there is a need to improve its effectiveness;
205. Notes the persistent challenge of skills mismatches in meeting labour-market demands; asks the Commission, within the framework of the Council's Employment Committee (EMCO), to promote the exchange of best practices between the Member States in order to raise this issue in the employment agenda;
206. Welcomes the Commission's cooperation with Member States in identifying and diffusing good practice in monitoring and reporting based on the existing systems across Member States; reminds the Commission that the comparability of data remains fundamental for these purposes;
207. Notes that in order to achieve the goal of a quality, continuing employment offer for all young people under 24 in identified regions, considerably more resources would be required;

Part XVI – Special Report No 6/2017 of the Court of Auditors entitled " EU response to the refugee crisis: the "hotspot" approach"

208. Welcomes the Court's special report; endorses its recommendations and sets out its observations and recommendations below;
209. Notes the Commission reply and its commitment to supporting the Italian and Greek authorities; welcomes that the Commission accepts all recommendations made by the Court in order to further develop specific aspects of the hotspot approach;
210. Regrets that in its special report, the Court could not deal with the broader picture, including relocation of applicants to other Member States; emphasises that the bottlenecks in the follow-up procedures caused a constant challenge for the proper functioning of the hotspots;
211. Acknowledges the importance of implementing the European agenda on migration; stresses the need to continue developing short-term measures as well as long-term ones to better manage borders and address the root causes of illegal migration;
212. Calls on the Commission, the European Asylum Support Office (EASO), Europol, Frontex (in light of its new mandate as European Border and Coast Guards), national authorities and other international organisations to continue and increase their support to the hotspots; notes that only a more intensified co-operation between the Commission, the agencies and Member States can in the long run ensure a more successful development of the concept of hotspots;
213. Stresses in this regard that, especially in the case of Italy, the continued arrival of migrants continues to pose enormous challenges, for which support from the Union and

¹ The Youth Guarantee and Youth Employment Initiative three years on (COM(2016)0646).

its Member States is vital;

214. Stresses the importance of the Asylum, Migration and Integration Fund (AMIF) and the Internal Security Fund (ISF); calls for the possibility to apply the financial rules of the emergency assistance to the AMIF and ISF; insists that the only way to increase the hotspots' efficiency in supporting frontline Member States is to increase financial resources to improve and create reception and accommodation infrastructures, which are essential when enormous numbers of migrants are arriving;
215. Welcomes the results of the Court's audit on the situation of migrant minors in the hotspots and stresses the importance of developing an integrated approach for their reception, while always taking into consideration their best interests; calls for a better use of financial resources for the reception of minors and for the training of staff who will closely work with the most vulnerable subjects; recalls that after the publication of this special report, the Commission published a communication completely focused on migrant minors¹; underlines the importance of this communication and calls on Member States to fully implement the recommendations included in the document;
216. Calls therefore on the Commission and the Council to step up their efforts for supporting the hotspots through more effective relocation and, if there are no grounds for admission, return procedures;
217. Is alarmed by the continued reports of trafficking of children; calls for additional measures to protect children, especially unaccompanied minors, from their arrival onward; considers it unacceptable that traffickers should continue to pose a direct threat to children;
218. Calls on Europol to continue its efforts in fighting illegal migration, trafficking in human beings and the fight against the criminal organisations involved and to support national authorities in dealing with possible criminal investigations into the management of the hotspots;
219. Welcomes the Italian and Greek national authorities' efforts to register the highest possible number of migrants arriving on their shores, with a registration rate in Greece of 78 % in 2016 compared to 8 % in 2015 and of 60 % in 2015 compared to an average of 97 % for 2016 in Italy; underlines that the only way to have an efficient reception system is to have a precise picture of the situation on the ground;
220. Calls upon the Commission and the Council to ensure the quality of the examination of asylum applications in the hotspots; recognises the difficult circumstances under which the applications have to be processed but emphasises the need to avoid accelerated procedures that result in mistakes being made; further stresses that the frontline Member States should be responsible only for the registration and taking of fingerprints of all migrants, but that follow-up procedures should be a common responsibility of all Member States in a spirit of solidarity; calls for asylum seekers to be adequately informed about the relocation procedure as such, about their rights and about possible countries of destination;
221. Calls upon the Council to ensure that the persistent lack of experts is remedied by

¹ The protection of children in migration (COM(2017)0211).

support from EASO as well as from Member States without further delay; is convinced that, especially in the case of Italy, additional support will also prove to be necessary in the future; calls upon the Commission and Council to agree on a plan to make such additional capacity readily available upon request from Italy and Greece;

222. Underlines that hotspots are places dedicated to the registration of incoming migrants and should not therefore become overcrowded, nor detention centres; calls upon Member States to continue their efforts in putting in practice all necessary measures to fully comply with the Charter of Fundamental Rights of the European Union;
223. Is concerned at the many different stakeholders currently being involved in the establishment and functioning of the hotspots and requests that the Commission and the Member States submit proposals which will make the structure more transparent and accountable;
224. Recommends that the Court consider a quick follow-up report on the functioning of the hotspots with a broader scope that includes an analysis of asylum, relocation and return procedures;

Part XVII – Special Report No 7/2017 of the Court of Auditors entitled "The certification bodies' new role on CAP expenditure: a positive step towards a single audit model but with significant weaknesses to be addressed"

225. Welcomes the Court's special report, and endorses its remarks and recommendations; notes with satisfaction that the Commission accepts most of the recommendations and will consider, or has already begun to implement them;
226. Acknowledges the positive progress made in the CAP expenditure audit model; regrets however that the single audit scheme is still not functioning at its full potential;
227. Reminds the Commission of its ultimate responsibility over the efficient use of CAP expenditure; encourages the Commission furthermore to ensure that the application of control methods is sufficiently similar throughout the Union, and that all the certification bodies (CBs) apply the same criteria in their work;
228. Notes that the CBs have been independently auditing their respective country's paying agencies since 1996; welcomes in this regard the fact that in 2015, for the first time, the CBs were required to ascertain the legality and regularity of the related expenditure; considers this to be a very positive development as it could help Member States strengthen their controls and reduce audit costs, and enable the Commission to obtain independent additional assurance on the legality and regularity of CAP expenditure;
229. Regrets however that the Commission can use the work of the CBs only to a limited extent, since according to the Court's report, there are significant design weaknesses in the current framework, due to which the CBs' opinions do not fully comply with audit standards and rules in some important areas;
230. Notes with concern from the Court's report that there were weaknesses in both methodology and implementation, inter alia audit strategies are often inappropriate, inadequate sets of samples are being drawn, and the CBs auditors often lack a sufficient level of skills and legal expertise; acknowledges, however, that 2015 may have been a

challenging year for the Member States, as the relevant Union rules and guidelines were in a kick-off period at the time, and the CBs may not have been provided with enough information and training on their practical implementation, or given enough guidance on the required number of samples;

231. Calls on the Commission to make further efforts to tackle the weaknesses pointed out in the Court's report, and to achieve a truly efficient single audit model in CAP expenditure; encourages the Commission to monitor and actively support the CBs in improving their work and methodology on the legality and regularity of expenditure;
232. Points out in particular the need to develop more reliable working methods in the guidelines relating to the risk of inflating the assurance deriving from internal controls and endorses the Court's remarks as to the inappropriate representativeness of samples and the type of testing allowed, the unnecessary calculation of two different error rates and how the rates are used, and the unreliable opinions that are based on an understated error;
233. Notes also from the Court's report that despite the often unreliable nature of the control statistics of the Member States, the Commission continues to base its assurance model on this data, and that in 2015 the CBs' opinion was merely one factor taken into account;
234. Regrets that the consequences resulting from this unreliability are clear; notes, for instance, that in direct payments DG AGRI granted top ups for 12 out of 69 paying agencies with an error rate above 2 %, while only one paying agency had initially qualified its declaration, and that in 2015 DG AGRI also issued reservations for 10 paying agencies; notes also that in rural areas, DG AGRI granted top ups for 36 out of 72 paying agencies and in 14 cases the adjusted error rate was above 5 %, and that in 2015 DG AGRI also issued reservations for 24 paying agencies from 18 Member States;
235. Calls on the Commission to focus on this unreliability and to develop measures in order to achieve a reliable basis for its assurance model; believes that the Commission should in this regard actively guide the CBs to carry out adequate opinions, and take advantage of the information and data provided as a result;
236. Encourages the Commission also to require the CBs to put in place appropriate safeguards to ensure the representativeness of their samples, to allow the CBs to carry out sufficient on-the-spot testing, to require the CBs to calculate only one single error rate for legality and regularity, and to ensure that the level of error reported by the paying agencies in their control statistics is properly included in the CBs' error rate;
237. Recommends, in particular, that the Commission place an emphasis in opinions on the legality and regularity of CAP expenditure that is of a quality and scope which enable the Commission to ascertain the reliability of the paying agencies' control data, or where appropriate, estimate the necessary adjustment of the paying agencies' error rates on the basis of the opinions provided by the CBs;
238. Notes that, regarding the Court's recommendation number 7, the Commission has to make sure that the paying agencies' error rate does not inappropriately cumulate in the CBs' overall error rate; believes that the guidelines in this regard should be as clear as possible in order to avoid misunderstandings in financial corrections;

239. Notes also from the Court's report that the safeguard that is the paying agencies' lack of advance notice of which transactions will be subject to re-performance, was compromised in the case of Italy, where the CB had given the paying agency an advance notice of which beneficiaries would be scrutinised before the paying agency carried out the majority of its initial on-the-spot checks; stresses strongly that the adequate application of the claim-based selection method has to be secured in all cases, and advance notices cannot be given without consequences;
240. Points out that for non-IACS transactions (both EAGF and EAFRD), there is a significant disparity between the period for which the on-the-spot checks are reported (the calendar year) and the period for which expenditure is paid (from 16 October 2014 to 15 October 2015 for the 2015 financial year); notes that as a result, some of the beneficiaries subject to on-the-spot checks performed during the 2014 calendar year were not reimbursed in the 2015 financial year, and the CBs cannot include the results of such transactions in their calculation of the error rate for the financial year concerned; calls on the Commission to come up with an appropriate solution for the synchronisation of these calendars;
241. Points out that the control schedules for the paying agencies can be very tight, especially in Member States with a short growing season, and providing the relevant information to the CBs in good time may often prove to be very challenging; notes that this may result in the use of multiple different control methods and duplicated error rates, as the CBs cannot fully follow the paying agencies' control procedure; believes that this issue could be resolved, for example by means of satellite based monitoring measures;
242. Considers that new technology could be better taken advantage of in general in the control of CAP expenditure: where a sufficient level of reliability can be achieved e.g. by satellite control, the beneficiaries and the auditors should not be burdened with excessive on-the-spot audits; stresses that while securing the financial interest of the Union funding in CAP expenditure, the ultimate aim of the single audit scheme should be to provide efficient controls, well-functioning administrative systems and a lessening of bureaucratic burdens;
243. Stresses furthermore that the single audit model should include fewer layers in the control system and involve less expense for the Union, the Member States and the beneficiaries; considers that more emphasis should be put on the reliability of the overall control system of the Member State, instead of focusing merely on supplementary checks for the beneficiaries; considers the control system still to be too burdensome for beneficiaries, that in those Member States where irregularities and frauds are less common, the overall audit system has proven to be sufficient, and that reliability can be secured by other methods than excessive on-the-spot checks;
244. Calls on the Commission to take careful note of the Court's report and Parliament's recommendations and to develop further the control system of CAP expenditure towards a truly single audit approach;
245. Highlights that many of the shortcomings identified by the Court were raised and addressed by the Commission in its 2018 guideline; welcomes the constant progress made by certification bodies;

Part XVIII – Special Report No 8/2017 of the Court of Auditors entitled "EU fisheries controls: more efforts needed"

246. In order to improve the accuracy of information of fishing capacity asks the Member States, by 2018, to establish procedures to verify the accuracy of the information recorded in their national fleet registers;
247. In the context of any future amendment to the Council Regulation (EC) No 1224/2009¹ (“the Control Regulation”), and in order to improve the accuracy of information on fishing capacity, asks the Commission to include in its legislative proposal detailed rules for the regular documentary and on-the-spot verifications of both gross tonnage (GT) and engine power (kW) indicators used to calculate fishing capacity;
248. In the context of any future amendment to the Control Regulation, and in order to improve the monitoring of activities of small fishing vessels, calls on the Commission to include in its legislative proposal:
- (a) the removal of the VMS² exemptions for vessels between 12 and 15 metres long;
 - (b) the requirement for the installation of smaller and cheaper localisation systems for vessels under 12 metres long;
249. In order to ensure the transparency of the distribution of fishing quotas asks the Member States, by 2019, to inform the Commission of their quota allocation system in line with Article 16 of the CFP Regulation³, including how transparent and objective criteria have been incorporated into the distribution of fishing quotas among stakeholders;
250. In order to improve the completeness and reliability of fisheries data asks the Member States, by 2019, to:
- (a) review and improve the process for recording and verification of paper-based data of fishing activities; introduce gradually processes to record and verify the electronic data on fishing activities sent by vessels of less than 10 meters long; ensure that these systems are compatible and allow the exchange of data between Member States, the Commission and the European Fisheries Control Agency;
 - (b) ensure that they have reliable data on the activity of vessels under 10 metres long through the gradual introduction of appropriate, cheaper and user-friendly

¹ Council Regulation (EC) No 1224/2009 of 20 November 2009 establishing a Union control system for ensuring compliance with the rules of the common fisheries policy, amending Regulations (EC) No 847/96, (EC) No 2371/2002, (EC) No 811/2004, (EC) No 768/2005, (EC) No 2115/2005, (EC) No 2166/2005, (EC) No 388/2006, (EC) No 509/2007, (EC) No 676/2007, (EC) No 1098/2007, (EC) No 1300/2008, (EC) No 1342/2008 and repealing Regulations (EEC) No 2847/93, (EC) No 1627/94 and (EC) No 1966/2006 ([OJ L 343, 22.12.2009, p. 1](#)).

² Vessel monitoring systems.

³ Regulation (EU) No 1380/2013 of the European Parliament and of the Council of 11 December 2013 on the Common Fisheries Policy, amending Council Regulations (EC) No 1954/2003 and (EC) No 1224/2009 and repealing Council Regulations (EC) No 2371/2002 and (EC) No 639/2004 and Council Decision 2004/585/EC (OJ L 354, 28.12.2013, p. 22).

recording and reporting requirements, and that they apply the rules established by the Control Regulation to collect them;

- (c) complete the validation and cross checking of fisheries activities data;

251. Asks the Commission, by 2020, to:

- (a) establish an information exchange platform to be used by the Member States to send validated data in standard formats and contents, so that the information available to the different Commission services matches the Member States' data;
- (b) promote the development of a cheaper, simpler and user-friendly system to facilitate the electronic communication of fishing activities for vessels less than 12 metres long; introduce for vessels between 10 and 12 meters' long the obligation to use electronic recording and reporting systems (e-logbooks) instead of paper-based ones; introduce gradually for vessels less than 10 metres long the obligation to record and report their catches through a cheaper, simpler and user-friendly electronically-based system;
- (c) analyse the remaining problems in data completeness and reliability at Member State level and decide appropriate actions with Member States where necessary;

252. In the context of any future amendment to the Control Regulation, and in order to improve the completeness and reliability of fisheries data, calls on the Commission to include in its legislative proposal:

- (a) the removal of the Electronic Reporting System and electronic declaration exemptions for vessels between 12 and 15 metres long;
- (b) a review of the catch data reporting obligations of the Member States under the Control Regulation, in order to include the details of fishing area, size of vessels and fishing gear;

253. In order to improve inspections calls on the Member States to develop and use standard inspection protocols and reports more adapted to the specific regional and technical conditions of the fisheries than those provided under Annex XXVII of Regulation (EU) No 404/2011¹; calls on Member States to do so in consultation with the European Fisheries Control Agency and by 2019, when the new regulation on technical measures² is expected to enter into force;

¹ Commission Implementing Regulation (EU) No 404/2011 of 8 April 2011 laying down detailed rules for the implementation of Council Regulation (EC) No 1224/2009 establishing a Community control system for ensuring compliance with the rules of the Common Fisheries Policy (OJ L 112, 30.4.2011, p. 1).

² See Commission proposal for a Regulation of the European Parliament and of the Council on the conservation of fishery resources and the protection of marine ecosystems through technical measures, amending Council Regulations (EC) No 1967/2006, (EC) No 1098/2007, (EC) No 1224/2009 and Regulations (EU) No 1343/2011 and (EU) No 1380/2013 of the European Parliament and of the Council, and repealing Council Regulations (EC) No 894/97, (EC) No 850/98, (EC) No 2549/2000, (EC) No 254/2002, (EC) No 812/2004 and (EC) No 2187/2005 (COM(2016)0134).

254. In the context of any future amendment to the Control Regulation, asks the Commission to include in its legislative proposal the mandatory use of the Electronic Inspection Report System by the Member States in order to ensure exhaustive and up-to-date national inspection results; calls on the Commission also to include in the proposal an obligation on Member States to share the results of inspections with other Member States concerned;
255. In order to ensure the effectiveness of the system of sanctions, calls on the Member States, by 2019:
- (a) to take due account of recurrent infringements or persistent offenders when setting sanctions;
 - (b) to fully implement the point systems and ensure its consistent application in their respective territories;
256. In the context of any future amendment to the Control Regulation, asks the Commission to include in its legislative proposal a provision foreseeing a system to exchange data on infringements and sanctions in cooperation with the European Fisheries Control Agency and the Member States;

Part XIX – Special Report No 9/2017 of the Court of Auditors entitled "EU support to fight human trafficking in South/South-East Asia"

257. Welcomes the Court's special report; endorses its recommendations and sets out its observations and recommendations below;
258. Acknowledges that despite the challenging environment it had to operate in, the Union made a tangible contribution to the fight against human trafficking in South and South-East Asia;
259. Welcomes the progress made in the fight against human trafficking through measures such as the appointment of European migration liaison officers to specific countries; requests that the work in this line continue;
260. Encourages the Union to intensify its cooperation with national and regional governments, as well as other organisations present in the area (such as the UN, ASEAN and relevant NGOs) and civil society, in order to obtain a better overview of the remaining priorities and thus prepare a more targeted action plan;
261. Stresses the importance of eradicating extreme poverty and minority and gender discrimination in South and South-East Asian countries, as well as of consolidating their democratic and human rights' foundations with the aid of EIDHR;
262. Calls on the Commission to develop a comprehensive, coherent and reliable database on anti-trafficking financial support so that the distribution of funds is more justified and reaches the recipients that actually have the most pressing needs; agrees with the Council on the necessity of elaborating an updated list of regions and countries affected by human trafficking and inclusion of that list in the database;
263. Welcomes the Commission's communication entitled 'Reporting on the follow-up to

the EU Strategy towards the Eradication of trafficking in human beings and identifying further concrete actions' (COM(2017)0728) published by the Commission in December 2017; calls on the Commission to propose specific measures to be developed for each region;

264. Welcomes the fact that trafficking in human beings will continue to be a priority in the upcoming Union policy cycle on organised and serious international crime for 2018-2021;
265. Considers it essential to strengthen the law enforcement agencies in South and South-East Asian states so that they are more effective in detecting and dismantling human trafficking networks; demands that the punishments for the criminals involved in people trafficking be toughened;
266. Calls on the Commission and the Member States to continue the fight against human trafficking inside the Union with political and judicial cooperation so as to tackle the mafias that use the Union as a final destination for the victims of human trafficking, as noted in the communication of December 2017;
267. Believes that a better linkage between the timing of mitigating actions, resources allowed to the issue is required as well as an increased cooperation among the EEAS, the Commission, ASEAN and the United Nations for allowing a more efficient fight against human trafficking;
268. Invites the EEAS and the Commission to also address the issue of human trafficking by exploring other channels of action like bilateral and multilateral agreements;

Part XX – Special Report No 10/2017 of the Court of Auditors entitled "EU support to young farmers should be better targeted to foster effective generational renewal"

269. Is of the opinion that with respect to existing CAP policies:
 - (a) a comprehensive evaluation is needed of all tools and measures which can be combined to help young farmers, to focus on comparability across the Union, consistency or inconsistency in result indicators, and obstacles to market entry for young farmers which can be addressed in the future revision of the CAP;
 - (b) objectives should be better defined in terms of generational renewal, with possibly a quantified target, and information should be gathered on levels of success in generational renewal and the factors which contribute or hinder it;
270. Is of the opinion that for the post-2020 CAP, legislation should be framed such that the Commission indicate (or require Member States to indicate, in line with the shared management provisions) a clear intervention logic for the policy instruments addressing generational renewal in agriculture; considers that the intervention logic should include:
 - (a) a sound assessment of young farmers' needs which investigates the underlying reasons why young people willing to become farmers face barriers in establishing farms and the degree of diffusion of such barriers across geographical areas, agricultural sectors or other specific holdings' characteristics;

- (b) an assessment of which needs could be addressed by Union policy instruments and which needs can be or are already better addressed by Member States' policies as well as an analysis of which forms of support (e.g. direct payments, lump sum, financial instruments) are best suited to match the identified needs;
- (c) awareness-raising measures of possible types of assistance for earlier transfer of a farm to a successor with accompanying advisory services or measures like a satisfactory retirement scheme based on national or regional income or revenues in the agricultural, food and forestry sector;
- (d) notwithstanding the long period of planning transfers of agricultural holdings, ensure a definition of SMART objectives, making explicit and quantifiable the expected results of the policy instruments in terms of expected generational renewal rate and contribution to the viability of the supported holdings; considers in particular that it should be clear if the policy instruments aim at supporting as many young farmers as possible or target specific types of young farmers (e.g. the most educated, those establishing farms in less favoured areas, those introducing energy or water savings technologies in the holdings, those increasing the profitability or productivity of the holdings, those employing more people);

271. When implementing the post-2020 CAP measures, calls on the Member States to improve the targeting of the measures by:

- (a) applying criteria to ensure the selection of the most cost-effective projects, such as projects delivering the highest increase in sustainable productivity or viability of the supported holdings, or the highest increase in employment in the areas with highest unemployment or in less favoured areas with lowest generational renewal;
- (b) applying clear criteria for assessing how young farmers can be supported in the case of joint control of legal holdings (e.g. by defining what percentage of voting rights or shares the beneficiary should have or indicating a period during which a shift in the balance of the shares takes place, what minimum percentage of her or his revenues should come from his or her activity in the supported holding) to direct the aid towards young farmers making farming in the supported holdings their main activity;
- (c) applying sufficiently high minimum thresholds of points that projects should reach and adequately split the budget of the measures to provide equal availability of funds to young farmers establishing farms during the entire duration of the programming period;
- (d) improve the use of business plans as a tool to assess both the need for public funding by assessing – at the application stage – the likely viability of the holdings without the aid and – at the end of the projects – the impact of the aid on the viability of the holding or on other clearly specified objectives (e.g. employment, introduction of energy or water savings technologies);

272. Is of the opinion that legislation for post-2020 CAP measures should ensure that the Commission and Member States (in line with the shared management provisions) improve the monitoring and evaluation system; considers in particular that:

- (a) the Commission should define output, result and impact indicators allowing assessment of the progress, effectiveness and efficiency of the policy tools against objectives, by drawing on best practices, such as useful indicators developed by Member States in their monitoring systems;
- (b) the Member States should regularly collect actual data on the structural and financial characteristics of the supported holdings (e.g. revenues, income, number of employees, innovations introduced, farmers' educational levels) allowing assessment of the efficiency and effectiveness of the measures in achieving the desired policy objectives;
- (c) the Commission and the Member States should require evaluations to provide useful information on the achievements of the projects and measures based on actual data on the evolution of the structural and financial characteristics of the supported holdings, by drawing on best practices (e.g. benchmarking, counterfactual analyses, surveys) such as those identified in this audit (see box 5 of the Court's special report on the case of Emilia Romagna at paragraph 75);
- (d) ensuring that young farmers have ready access to advice and tools that help them to react efficiently and effectively against threats of market disturbances or market saturations as well as price volatility; considers that in this way, competitiveness and market orientation could be enhanced and crisis-related fluctuations in producers' income could be reduced;

Part XXI – Special Report No 11/2017 of the Court of Auditors entitled "The Bêkou EU trust fund for the Central African Republic: a hopeful beginning despite some shortcomings"

- 273. Welcomes the Court's special report, and endorses its remarks and recommendations;
- 274. Welcomes the establishment of the Bêkou European Trust Fund and its contribution to the international response to the crisis in the Central African Republic; recognises that this first trust fund can be considered as a major pilot project in a number of ways and that it is necessary to develop more precise guidance on the systemic issue of donor coordination, monitoring and evaluation according to a more systemic approach to obtain guarantees;
- 275. Notes that trust funds were part of an ad hoc response in the context of a lack of resources and flexibility needed for a rapid and comprehensive approach to major crises; believes that more time is needed to prove its effectiveness and to further learn from operational implementation;
- 276. Considers also that particular attention should be paid to the effectiveness and political governance of trust funds as well as to a lack of guarantees and oversight of the final use of the allocated funds;
- 277. Believes that the Court's observations referring to the fund's limited influence on coordination amongst stakeholders should be given special attention and that the Commission should do everything in its power to use already gained experiences in the activities of the European Development Fund (EDF) in areas such as implementation and coordination of multi-party investments and results-ownership management;

278. Stresses that any new financial instruments and blended financial instruments should remain in line with the overarching objectives of Union development policy and focus on areas where added value and strategic impact are the highest;
279. Notes that Member States' contributions to the trust fund have, to date, been relatively low; calls for Member States to become more involved in order to ensure that this fund delivers the expected policy objectives;
280. Believes that due care should be devoted to controlling management and administrative costs relative to total contributions; favours the coherence and complementarity of such new development tools with the EDFs strategy and policy goals;
281. Calls on the Commission to implement comprehensive control mechanisms to ensure political scrutiny from Parliament of the governance, management and implementation of these new instruments in the context of the discharge procedure; considers it to be important to develop specific supervision strategies for those instruments, with specific objectives, targets and reviews;

Part XXII – Special Report No 12/2017 of the Court of Auditors entitled "Implementing the Drinking Water Directive: water quality and access to it improved in Bulgaria, Hungary and Romania, but investment needs remain substantial"

282. As access to good quality drinking water is one of the most basic needs of citizens, stresses that the Commission should do its utmost to better monitor the situation, especially in regards to small water supply zones, which are closest to end-users; recalls that poor quality drinking water can lead to health risks for European citizens;
283. Urges the Member States to deliver more information to citizens as regards the quality of drinking water supplied to them, as in a number of Member States citizens are not aware that the tap water is drinkable;
284. Deplores the fact that Member States are not obliged to report on the quality of water of small water supply zones; hopes that the revised Drinking Water Directive¹ remedies this situation;
285. Underlines the importance of the sustainability of water infrastructure and stresses the significance of keeping citizens involved in the maintenance of water infrastructure;
286. Emphasises the crucial fact that water pricing policies must foster efficiency and recover the costs of water use; notes that it is in the responsibility of the Member States to provide affordable and high quality drinking water for all their citizens, on the understanding that water is a common good and human right;
287. Reminds the Commission that ongoing discussions and growing trends towards liberalisation and privatisation of water services in several Member States have become a major issue of concern to citizens;

¹ See Commission proposal for a Directive of the European Parliament and of the Council on the quality of water intended for human consumption (recast) (COM(2017)0753).

Part XXIII – Special Report No 13/2017 of the Court of Auditors entitled "A single European rail traffic management system: will the political choice ever become reality?"

288. Welcomes the Court's special report, and endorses its remarks and recommendations;
289. Notes that the Commission did not assess properly the impact of the legislative packages that it has launched since 2000 on the rail sector; regrets that the Union funds invested in the several projects cannot be considered cost-effective;
290. Notes that railway sector is generally very corporative which may affect the perception of the market liberalisation more as a threat than as an advantage;
291. Notes that the interest of Member States to enhance interoperability must be accompanied by an estimation of costs and required funding; encourages Member States to set realistic targets when allocating Union financial support to the ERTM system and advises the Commission to set deadlines for implementation that can be met;
292. Welcomes the Commission's undertaking to draw up a dismantling timetable in conjunction with the Member States, with legally binding objectives; therefore welcomes the fact that the Commission has decided to work with the industry to promote the use of a common tendering system drawn up by the Community of European Railways;
293. Considers that the costly investments required by this system accompanied by the deferred benefit for those that bear the costs demands a strategic assessment of priorities set within the Council and Member States; welcomes the European deployment plan and the associated detailed ERTMS action plan, the objective of which is to ensure a steady flow of aid; encourages Member States to focus on better coordination of the European deployment plan and make sure Union commitments are considered within their national priorities; welcomes the Commission's undertaking to set interim objectives in the national deployment plans to improve the monitoring of individual sections;
294. Is concerned at the high rate of decommitment related to TEN-T support for ERTMS projects mainly motivated by the fact that Union financial provisions are not aligned with the national implementation strategies; welcomes the fact that the Commission is adapting CEF financing procedures where possible; calls on the Commission to consider and assess the situation and to take the necessary measures to overcome these shortcomings;
295. Regrets that Union funding for on-board units is mostly taken up by domestic traffic and that freight transport cannot be supported by cohesion funds; recalls that the rail freight transport is one key aspects of the single market;
296. Calls on the Commission to ensure that shortcomings related to incompatibilities of the system are effectively overcome within the next programming period;
297. Considers that, in order to be operational, the single rail market will require the full involvement of the market operators concerned prior to the allocation of Union funding; is of the opinion that Union policy on the rail sector requires a realistic shift of strategy, which should include a cost-benefit estimate, and the development of an economic model in the Member States, if no such model exists, with the aim of guaranteeing

appropriate financing and making it possible to identify sources in an effective manner;

Part XXIV – Special Report No 14/2017 of the Court of Auditors entitled "Performance review of case management at the Court of Justice of the European Union"

298. Welcomes the Court of Auditors' special report; endorses its remarks and recommendations;
299. Criticises the Court of Justice of the European Union (CJEU) for refusing the access of the Court of Auditors to some of the documents they requested for the performance review of the CJEU; reminds the CJEU that Court of Auditors Members as well as its auditors are bound by confidentiality and professional secrecy in the performance of duties¹; regrets that *référéndaires* could not be interviewed despite their crucial role in the CJEU's work;
300. Notes with regret that from 2012 onwards the General Court has repeatedly exceeded the reasonable period of time within which a litigant is entitled to expect judgement to be delivered; invites the General Court to report to Parliament's Committee on Budgetary Control to clarify the situation;
301. Notes that following reform of the CJEU's judicial structure, the allocation of judges to the chambers is made according to the caseload in different areas; is interested to know how this allocation is made, whether specialised chambers are in place for certain areas; requests statistical data on the progress of files under the new system;
302. Regrets that the Court of Auditors excluded from the sampling the cases which took longer than twice the average duration; is of the opinion that not only typical cases are relevant to assessing performance;
303. Suggests that the working languages of the CJEU, in particular those in which it conducts deliberations, be enlarged to English, French and German, which are the working languages in the Union institutions; encourages the CJEU to look for best practices in the Union institutions to implement this reform of its language practices;
304. Notes that *référéndaires* are very influential in the decision-making process of the CJEU but that their role and the rules governing their conduct remain unknown to the outside world;
305. Is concerned that in the overview of the most frequent factors affecting the duration of the written procedure at the General Court, the reception and processing of procedural documents by the registry counts for 85 % of the time required; enquires whether the registry has sufficient resources;
306. Is concerned at the length of cases in the General Court where confidentiality issues are raised;
307. Takes note of the process for assigning cases referred to the courts; asks the CJEU to

¹ Please see the Code of Conduct for Members of the European Court of Auditors, in particular Article 6 thereof, and the Ethical guidelines for the European Court of Auditors applying to the staff, in particular Section 4 concerning professional secrecy.

provide the rules stipulating the procedure of assignment in both courts;

308. Notes that in 2014 and 2015 around 40 % of cases in the General Court were assigned outside of the rota system, which puts the system itself into question; at the same time, raises doubts about the discretionary allocation of files within the General Court; regrets the lack of transparency surrounding the procedure;
309. Is concerned that judicial vacations are one of the most frequent factors affecting the duration of the handling of cases in the CJEU; proposes that hearings and deliberations on a broader range of cases - other than those with specific circumstances - be permitted during that period;
310. Notes that the sickness, maternity or parental leave or departure of the *référéndaires* also have an impact in the duration of cases; asks the CJEU to consider possible alternative methods to overcome temporary absences and ensure the smooth progress of work;
311. Is of the opinion that resources are not shared proportionately among the courts taking into account their respective workload; suggests that the "*cellule des lecteurs d'arrêts*" in the General Court intervene at a later stage in the case;
312. Calls on the Member States to make sure that nomination decisions for new judges are taken well in advance of their predecessors' date of departure, to ensure a smooth handover of the workload;
313. Is concerned at the CJEU's "one-size-fits-all" approach to applying various procedural steps; advises the CJEU to adapt the deadlines it sets to take into account the typology and complexity of cases;
314. Notes that intellectual property issues are involved in a significant number of cases in both courts; encourages the CJEU to analyse ways of simplifying the procedures for these cases and consider a pre-review by the research and documentation services of the CJEU;

Part XXV – Special Report No 16/2017 of the Court of Auditors entitled "Rural Development Programming: less complexity and more focus on results needed"

315. When preparing the post-2020 programming period, in order to enhance the focus on performance and results, increase integration between rural development programs (RDP) and other programmes and to improve assessments of the RDPs' contribution towards the strategic objectives, calls on:
 - (a) the Commission to ensure that its policy proposals indicate how consistency between individual programmes will be enhanced through further development of requirements;
 - (b) the Member States to specify by 2022 how coordination, complementarity and synergy mechanisms will be implemented, followed up and reported on in the context of overarching Union objectives and rules;
316. Asks the Commission to review the design of programming documents by the end of

2020 with a view to simplifying their content and reducing the number of requirements for the post-2020 programming period; considers in particular, that it should limit programming documents' structure to those elements and options that are essential for correct planning, implementation and monitoring of RD expenditure;

317. Calls on the Commission to take measures with the Member States by the end of 2018 to ensure that enhanced annual implementation reporting in 2019 provides clear and comprehensive information on programme achievements and that the required answers to common evaluation questions provide an improved basis for the next programming period;
318. When preparing the post-2020 programming period, calls on the Commission to define more accurately, in the context of overarching Union objectives for agriculture and rural development, the types of indicators to be set in order to assess the results and impact of rural development interventions; considers that the Commission could benefit in this process from the experience and solutions already developed by other international organisations (e.g. the WHO, the World Bank and the OECD) in focussing on performance and results;
319. Is of the opinion that the Commission needs to ensure the continuity of the type of investment currently carried out under the second pillar of the common agricultural policy, which is an essential financing instrument for boosting economic growth promoting competitiveness, innovation and employment in lagging regions' rural and mountainous areas and ensuring sustainable rural development;
320. Asks the Commission to promote and facilitate national cooperation and networking in order to disseminate good performance measurement practices developed at national level by the end of 2020;
321. For the post 2020 programming period, asks the Commission to review and take stock of the experience from the implementation of the current system by the end of 2020, including:
 - (a) the impact of the performance reserve and what alternative mechanisms could better improve performance;
 - (b) the appropriateness and measurability of result indicators used to access the performance reserve and;
 - (c) the use made of financial sanctions to address underperformance;
322. Calls on the Council and the Commission to consider, prior to adopting further legislative proposals in mid 2018, aligning its long-term strategy and policy-making with the budgetary cycle and conducting a comprehensive spending review before a new long-term budget is set;
323. Considers that in order to allow approval of RDPs at the start of the next programming period, the Commission should indicate in its legislative proposals what changes in the timing of policy design, programming and implementation are included to ensure that RDPs can be approved at the start of the next programming period to allow for timely implementation from 2020;

324. Is of the opinion that the decision on the duration of the MFF should strike the right balance between two seemingly conflicting requirements: on the one hand, the need for several Union policies – especially those under shared management, such as agriculture and cohesion – to operate on the basis of the stability and predictability of a commitment of at least seven years, and, on the other hand, the need for democratic legitimacy and accountability that results from the synchronisation of each financial framework with the five-year political cycle of Parliament and the Commission;

Part XXVI – Special Report No 17/2017 of the Court of Auditors entitled "The Commission's intervention in the Greek financial crisis"

325. Thanks the Court for preparing a comprehensive report on a very significant topic, which is closely linked to the activities of the Committee on Budgetary Control; regrets that it took three years to draft the audit report; underlines the importance of rightly timed reports as this would facilitate the work of the Commission and Parliament considerably;

326. Deplores the fact that the Court had only a limited mandate in auditing the Union financial assistance to Greece that was managed by the troika consisting of the Commission, the European Central Bank and the IMF and did not receive adequate information from the ECB; encourages the ECB, in the spirit of mutual cooperation, to provide information allowing the Court to have a broader picture of the use of Union funds;

327. Recognises the complicated economic situation throughout Europe and especially the challenging political situation in Greece during the implementation of the Union financial assistance, which had a direct impact on the efficiency of the implementation of the assistance;

328. Underlines the vital importance of transparency in use of Union funds in different financial assistance instruments implemented in Greece;

329. Asks the Commission to improve the general procedures for designing support programmes, in particular by outlining the scope of the analytical work needed to justify the content of the conditions and where possible by indicating the tools which could be drawn upon in relevant situations;

330. Underlines the need for the Commission to improve its arrangements for monitoring the implementation and roll-out of reforms so as to identify better administrative or other impediments to the effective implementation of the reforms; considers additionally that the Commission needs to ensure that it has the necessary resources to undertake such assessments;

Part XXVII – Special Report No 18/2017 of the Court of Auditors entitled "Single European Sky"

331. Points out the lack of full implementation of the Single European Sky due to resistance of certain air professions, which defend their own prerogatives, and due to lack of strong political will of the Member States to fulfil the needs for implementation of this initiative;

332. Deplores the fact that although the Union has managed to eliminate land borders between the Schengen Member States, it has not been so far been able to eliminate borders in the air among the same Member States, which leads to common losses of the value of EUR 5 billion annually;
333. Points out that there is a need to revise and update the indicators in order to streamline the air traffic performance scheme; welcomes the fact that the Commission has said that they are being revised; emphasises that accurate, appropriate data are required in order to ensure that the review of the indicators is effective;
334. Points out that the implementation of the Single European Sky would reduce the CO₂ emissions of the aviation industry by up to 10 %, which would significantly help in reaching the targets in the Paris Climate Agreement;
335. Asks the Commission to look further into the details of the deliverables of the SESAR Joint Undertaking as they might not be applicable to the current situation where the Single European Sky has not been implemented and they risk being applied in air systems which are not able to cooperate with each other;
336. Asks the Commission to present details of its contract with Eurocontrol in order to monitor the spending of Union taxpayers' money;
337. Points out to the need for the national supervisory authorities to be independent and tasked with sufficient financial and organisational resources;
338. Asks the Commission to inform Parliament's responsible committee why it has not launched infringement procedures on the non-implementation of the Functional Airspace Blocks, which were supposed to be operational in 2012 but have not been functioning until now;

Part XXVIII – Special Report No 21/2017 of the Court of Auditors entitled "Greening: a more complex income support scheme, not yet environmentally"

339. Welcomes the recommendations proposed by the Court and invites the Commission to follow up on the recommendations and remarks outlined in the special report;
340. Notes the considerably high spending on the new green payment representing 30 % of all CAP direct payments and almost 8 % of the whole Union budget; notes with concern that this amount does not correspond to the level of ambition that the green payment offers; invites the Commission to take this into account when preparing a CAP reform;
341. Regrets the fact that it remains unclear how greening is expected to contribute to the broader Union targets on climate change; calls on the Commission to create a specific action plan for greening as a part of a new CAP reform that would clearly outline the intervention logic and also a set of specific, measurable targets;
342. Is concerned that the greening instrument remains an income support measure that allows farmers to increase their income by up to 1 %, while not necessarily imposing any obligations or costs related to the implementation in many cases, thus bring the *raison d'être* of the financing into question; calls on the Commission to develop more stringent rules on farmers, while avoiding overuse of exemptions;

343. Is concerned by the level of complexity and transparency of greening and the CAP itself; calls on the Commission to streamline the greening programme and the entire CAP in order to raise the level of transparency and to avoid the high risk of abuse and double funding;

344. Is particularly worried by the conclusion of the Court that greening is unlikely to provide significant benefits for the environment and climate and calls on the Commission to reconsider the existence of the instrument and the possibility to re-invest the considerable greening funds into already existing, often overlapping programmes that have proven to be more effective and justified;

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345. 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).