



2015/2154(DEC)

16.2.2016

OPINION

of the Committee on Foreign Affairs

for the Committee on Budgetary Control

on discharge in respect of the implementation of the general budget of the European Union for the financial year 2014, Section III - Commission and executive agencies
(2015/2154(DEC))

Rapporteur: Cristian Dan Preda

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SUGGESTIONS

The Committee on Foreign Affairs calls on the Committee on Budgetary Control, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Is concerned about the increase in the rate of material error in Heading 4 for the 2014 financial year; supports all recommendations made by the European Court of Auditors (ECA) in its annual report and urges the Commission to follow up swiftly on recommendations from the previous years that are still not fully implemented;
2. Welcomes that DG NEAR fixed the systemic error affecting its expenditure in 2013 and made the substantial changes to its systems required by the ECA; similarly expresses satisfaction that DG ECHO's annual activity report was found to be correct based on the ECA's audit work;
3. Notes with concern the errors identified in the context of expenditure verification for grant contracts, which make up more than 50% of errors identified by the ECA in Heading 4; notes that the most significant type of error concerns ineligible expenditures; stresses the importance of preventing or detecting and correcting the errors before accepting the expenditures, through a better implementation of ex-ante controls; notes with particular concern EuropeAid's failure to detect errors; urges the Commission to ensure that the efforts made thus far to solve these problems with expenditure verification are intensified and to follow up fully on the recommendation on grant supervision made by the ECA in its 2011 annual report;
4. Points to the need for a proper ex ante assessment in cases where the Commission, possibly through the European Investment Bank, decides to finance large-scale infrastructure projects with a high environmental impact, the object of the exercise being to check their financial, environmental, and social sustainability, and calls for EU funding in non-member countries to be channelled towards projects making for financial sustainability as well as being economically and socially useful;
5. Recognises the Commission's continuing progress in accrediting all Common Foreign and Security Policy missions in accordance with the 'six-pillar assessment' and welcomes in particular the fact that the three largest missions have now been made compliant; underscores the need for the Commission to accredit all missions in line with the ECA's recommendation;
6. Reiterates its call to the Commission to develop proposals to reform financial rules in order to avoid delays in operational disbursement, including by allowing the fast-track procedure, currently available for humanitarian assistance, to be used for crisis management while ensuring coherence with EU long-term strategic goals;
7. Welcomes the establishment of the Mission Support Platform (MSP) and reiterates its call on the Commission to take steps towards establishing a genuine Shared Services Centre (SSC), together with an Integrated Resource Management System (IRMS) as a way to improve the speed of deployment and cost-efficiency of missions; proposes that the Common Security and Defence Policy (CSDP) Warehouse be upgraded and serve also

existing CSDP missions and be managed by the future SSC;

8. Regrets the significant delays in procuring essential equipment and services for missions under the CSDP and the resulting negative effect on the missions' functioning; recalls that the ECA in its 2012 Special Report on the EU assistance to Kosovo related to the rule of law pointed out this inefficiency and concluded that the procurement rules laid down in the Financial Regulation "are not designed for CSDP missions where fast and flexible responses are sometimes necessary"; deplors that the recent revision of the Financial Regulation did not produce the necessary changes to the financial rules; reiterates its view that management of the relevant budget lines should be delegated to the Civilian Operation Commander, in the same way as has been done for heads of EU delegations;
9. Recalls that the efficiency of CSDP training and advisory missions is greatly hampered by the EU's institutional difficulties to accompany these actions with even basic equipment support; welcomes in this context the efforts made by the Commission to implement the Joint Communication on capacity building in support of security and development; calls on the Commission to put forward the necessary legislative proposals for the creation of a dedicated fund as soon as possible, so that it can be included in the EU budget in the course of the mid-term review of the Multiannual Financial Framework;
10. Welcomes the ECA's 2015 special reports on EUPOL Afghanistan and EU support for the fight against torture and the abolition of the death penalty; urges the Commission to implement all recommendations made by the ECA in the context of these reports;
11. Stresses the importance of taking into account context-related criteria when evaluating the effectiveness of EU projects in third countries as EU external aid activities frequently take place in crisis-struck regions and politically difficult environments.

RESULT OF FINAL VOTE IN COMMITTEE ASKED FOR OPINION

Date adopted	16.2.2016
Result of final vote	+: 40 -: 8 0: 3
Members present for the final vote	Lars Adaktusson, Michèle Alliot-Marie, Francisco Assis, Petras Auštrevičius, Goffredo Maria Bettini, Mario Borghezio, James Carver, Lorenzo Cesa, Javier Couso Permuy, Georgios Eptideios, Eugen Freund, Michael Gahler, Iveta Grigule, Richard Howitt, Tunne Kelam, Afzal Khan, Janusz Korwin-Mikke, Andrey Kovatchev, Ilhan Kyuchyuk, Ryszard Antoni Legutko, Barbara Lochbihler, Sabine Lösing, Ulrike Lunacek, Andrejs Mamikins, Tamás Meszerics, Francisco José Millán Mon, Pier Antonio Panzeri, Demetris Papadakis, Vincent Peillon, Tonino Picula, Kati Piri, Andrej Plenkovič, Cristian Dan Preda, Jozo Radoš, Sofia Sakorafa, Jaromír Štáňa, Charles Tannock, Eleni Theoharous, László Tőkés, Ivo Vajgl, Johannes Cornelis van Baalen, Hilde Vautmans
Substitutes present for the final vote	Angel Dzhambazki, András Gyürk, Takis Hadjigeorgiou, Javi López, Juan Fernando López Aguilar, Antonio López-Istúriz White, Urmas Paet, Soraya Post, Traian Ungureanu