



2015/2203(DEC)

22.2.2016

OPINION

of the Committee on Development

for the Committee on Budgetary Control

on discharge in respect of the implementation of the budget of the eighth,
ninth, tenth and eleventh European Development Funds for the financial year
2014
(2015/2203(DEC))

Rapporteur: Doru-Claudian Frunzulică

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SUGGESTIONS

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

1. Recalls that Union development aid expenditures often take place in very challenging environments which increase the difficulties when it comes to project implementation, evaluations and expenditure controls; development aid is therefore more error prone than other Union policy areas;
2. Notes that the Court of Auditors' estimated error rate for European Development Fund (EDF) expenditures has increased from 3.4 to 3.8 % between 2013 and 2014; underlines that this error rate is still substantially lower than the error rates of Union expenditures managed by Member States;
3. Notes that most of the errors stem from non-compliance with procurement rules and that according to the Court of Auditors better ex-ante project controls from the Commission could have significantly reduced the error rate; supports the Court of Auditors' recommendation to improve ex-ante controls;
4. Stresses that External Assistance Management Reports by EU delegations constitute snap shots as concerns the implementation of Union external aid projects and can therefore not be considered as final project evaluations; warns therefore against premature and biased conclusions as to the general effectiveness of Union aid policies;
5. Welcomes the Court of Auditors' Special Report 18/2014 on EuropeAid's Evaluation and Results Oriented Monitoring Systems; invites DG DEVCO to urgently address the various weaknesses in its evaluation and monitoring systems pointed to in the Court of Auditors' Special Report specially those related to serious deficiencies of DG DEVCO's evaluation system; highlights that a badly functioning evaluation system increases the risks of selecting projects lacking quality or which do not reach their objectives; notes and is worried by the diverging views between the Commission and the Court of Auditors when it comes to reliable information on the effectiveness of budget support operations; believes that there is a link between a lack of staff in EU delegations and in DG DEVCO's evaluation unit and the problems highlighted by the Court of Auditors; considers this to be an illustration of the detrimental consequences staff reductions may have for the efficient functioning of Union programmes;
6. Welcomes the Court of Auditors' Special Report n°14/2015 on the ACP Investment Facility; is pleased that the Court of Auditors comes to the conclusion that the Investment Facility has a clear added value;
7. Welcomes the creation of the Bêkou EU trust fund and its contribution to the international response to the crisis in the Central African Republic; calls for Member States to become more involved in order to render this fund fully operational;
8. Welcomes the creation of the Madad EU trust fund for dealing with consequences of the conflict in Syria and of the emergency trust fund for Africa; calls on the Member States

to raise their financial engagement in all of the EU trust funds;

9. Acknowledges high expectations from the Union's development policy that it should help solve the refugee crisis; in this regard, emphasises that efforts should be focused on addressing the root causes of the migration crises; human rights abuses, lawlessness, corruption, poverty, hunger, rather than solely diverting substantial EDF and DCI funds to migration related activities, as well as to military activities, of unclear or doubtful sustainable development value, as well as to climate action; fully recognises the complex nature of many challenges and the need for multifaceted and complementary response actions, and therefore the need to clarify existing funding arrangements, identify other, complementary sources of financing and respect international commitments, as well as existing internal legal provisions, in order to meet these new global challenges; calls, therefore, for funds to be established to combat climate change whose sources should include financial transaction taxes and carbon taxes on international air and sea travel;
10. Welcomes that much of the Union's development assistance is provided as budget support; calls, where the conditions are met, for budget support to be provided as an instrument to enable each country to decide its own priorities and to take full charge of its own development; welcomes the evidence in the Court of Auditors' Annual Report that overall, the conditions for the choice of this implementation modality are well respected by the Commission; recalls that ODA delivered through budget support programmes has a proven-track record on performance on Development Effectiveness Principles as it boosts partner countries' ownership and country systems; recalls that budget support can deliver real results from increases in public expenditure and expanded service delivery to improved pro-poor outcomes; recalls that budget support is effective because, if delivered well, it can respond directly to the finance needs of recipient countries using their own systems and development indicators and that can help strengthen government institutions and build the domestic transparency and accountability that reduces corruption;
11. Underlines the importance of continuously improving the impact assessment of development cooperation and humanitarian aid projects funded through Union external financial instruments; emphasises the need for an in-depth, accurate and global analysis of the different monitoring and reporting arrangements to avoid any mismanagement, lack of transparency and misappropriation of Union funds;
12. Emphasises that development is not possible without peace and peace is not possible without development; in this regard, points out that human rights, good governance, peace and democracy building should be prioritised under the development policy and that activities related to fulfilling Sustainable Development Goal 16 (SDG 16) on peace and justice should become one of the focal sectors of National Indicative Programmes (NIP) within development cooperation, and annual reporting on results in attaining SDG 16 targets should be required from our partners on the basis of reliable and mutually-agreed indicators;
13. Calls on the Commission to take into account Parliament's concerns and comments regarding draft National Indicative Programs (NIPs), and to reflect Parliament's conclusions in the final NIPs; calls for the putting in place of formal scrutiny powers in

relation to the EDF, possibly through an interinstitutional agreement of a binding nature under Article 295 of the Treaty on the Functioning of the European Union;

14. Calls on the Commission to ensure a robust, transparent and accountable framework which ensures alignment with development effectiveness principles and development objectives in all blending programmes to ensure its development additionally is guaranteed, as recommended by the Court of Auditors' special report "The effectiveness of blending regional investment facility grants with financial institution loans to support EU external policies";
15. Underlines that policy coherence for development (PCD) is a requirement enshrined in the treaty; notes that this implies that expenditure in all relevant policy areas should be in line with objectives of development cooperation and that adverse effects must be prevented and stopped; believes that assessment of expenditure from a PCD perspective should therefore become a regular element in the preparation, monitoring, reporting, evaluation and auditing of expenditure in all relevant policy areas, including trade, agriculture and fisheries policy.

RESULT OF FINAL VOTE IN COMMITTEE ASKED FOR OPINION

Date adopted	17.2.2016
Result of final vote	+ : 25 - : 2 0 : 0
Members present for the final vote	Louis Aliot, Beatriz Becerra Basterrechea, Ignazio Corrao, Nirj Deva, Doru-Claudian Frunzulică, Nathan Gill, Charles Goerens, Enrique Guerrero Salom, Heidi Hautala, Maria Heubuch, Teresa Jiménez-Becerril Barrio, Stelios Kouloglou, Arne Lietz, Linda McAvan, Maurice Ponga, Cristian Dan Preda, Lola Sánchez Caldentey, Elly Schlein, Pedro Silva Pereira, Davor Ivo Stier, Paavo Väyrynen, Bogdan Brunon Wenta, Rainer Wieland, Anna Záborská
Substitutes present for the final vote	Juan Fernando López Aguilar, Jan Zahradil, Joachim Zeller