Devolution of the Commission's management of external assistance from its headquarters to its delegations

European Parliament resolution of 20 April 2012 on the impact of devolution of the Commission’s management of external assistance from its headquarters to its delegations on aid delivery (2011/2192(INI))

The European Parliament,

– having regard to Article 208 of the Treaty on the Functioning of the European Union, which stipulates that ‘Union development cooperation policy shall have as its primary objective the reduction and, in the long term, the eradication of poverty. The Union shall take account of the objectives of development cooperation in the policies that it implements which are likely to affect developing countries’,

– having regard to the 2000 UN Millennium Declaration, with particular reference to the eighth Millennium Development Goal,


– having regard to the Commission communication entitled ‘Increasing the impact of the EU Development Policy: an Agenda for Change’ (COM(2011)0637),

– having regard to the Council conclusions of 30 June 2005 on devolution¹,

– having regard to the Council conclusions of 28 June 2011 on Special Report No 1/2011: Has the devolution of the Commission’s management of external assistance from its headquarters to its delegations led to improved aid delivery?²,

– having regard to the Council conclusions on the EU Common Position for the Fourth High Level Forum on Aid Effectiveness (HLF-4, Busan, 29 November – 1 December 2011),

– having regard to the European Court of Auditors (ECA) Special Report No1/2011 entitled ‘Has the devolution of the Commission’s management of external assistance from its headquarters to its delegations led to improved aid delivery?’,

– having regard to paragraphs 122 and 123 of the European Consensus for Development, on the progress of reforms relating to the management of EU external aid,

– having regard to the EU Code of Conduct on Complementarity and Division of Labour in Development Policies,

– having regard to the 2005 Paris Declaration on Aid Effectiveness, the 2008 Accra Agenda for Action and the 2011 Busan Partnership for Effective Development Cooperation,

¹ Doc. 10749/2005.
² Doc. 12255/2011.
– having regard to the 2007 OECD Development Assistance Committee (OECD-DAC) European Community Peer Review,

– having regard to the 2008 OECD/DAC report entitled ‘Effective Aid Management: Twelve lessons from DAC Peer Reviews’,

– having regard to Rule 48 of its Rules of Procedure,

– having regard to the report of the Committee on Development and the opinions of the Committee on Foreign Affairs and the Committee on Budgetary Control (A7-0056/2012),

A. whereas a decentralised approach to aid delivery brings decision-making closer to delivery realities and to where more operationally efficient donor coordination and harmonisation take place, while taking due account of the need for local ownership;

B. whereas the ultimate objective of devolution and the wider reform of external assistance managed by the Commission is to enhance speed, thoroughness of financial management procedures and the quality of aid in partner countries;

C. whereas the ECA report's overall conclusion is that devolution has contributed to better aid delivery and that speed of aid delivery has improved, as has the thoroughness of financial procedures, but there is still considerable room for improvement;

D. whereas with three years remaining until the MDG deadline, a substantial increase in EU capacity to deliver aid as well as in recipient countries’ take-up capacity will be required;

E. whereas 74% of EU external assistance from the EU budget and the European Development Fund (EDF) is managed directly through 136 EU delegations;

F. whereas the Agenda for Change acknowledged the need to enhance coordination among the EU, Member States and partner countries, as well as to coordinate and harmonise development activities and increase their efficiency and effectiveness;

G. whereas the recent reorganisation within the Commission and the creation of the EEAS following the entry into force of the Lisbon Treaty have not yet generated the expected increase in the overall efficiency and coherence of EU development assistance;

H. whereas, with the creation of the EEAS, delegations have been forced to take on additional competencies such as diplomacy, information/communication and freedom, security and justice policies, while still having to deal with the existing challenges of coordination, coherence and resource shortages;

I. whereas the aid managed by individual delegations continues to cover a wide range of areas, which puts further pressure on the resources located at delegation level;

J. whereas cumbersome regulations and procedures can undermine the use of country systems and joint programming, and whereas the use of multiannual programming frameworks would be advisable in international development cooperation;

K. whereas general and sectoral budget support is the aid modality best suited to reducing transaction costs for partner countries, since it places the focus more firmly on the quality of the aid, the nature of partnerships, and the partner countries’ needs;
L. whereas the process of devolution should be coupled with a mechanism at Member State level to provide all relevant information on where agencies are planning to spend their budgets, therefore making aid more targeted and allowing resource gaps and funding opportunities in individual countries to be identified;

M. whereas the reform of EU external aid should be used to showcase how the impact of aid is improving the lives of poor people, both in response to the European public’s growing support for official development aid as a means of eradicating poverty and achieving the MDGs and in light of the facts, which refute scepticism about the effectiveness of aid;

N. whereas peer review field visits by the OECD/DAC regularly show that local staff can feel underutilised or not fully integrated into the local donor team;

1. Welcomes the general conclusions of the ECA’s report and calls on the Commission to continue its efforts to increase the effectiveness of aid delivery;

2. Welcomes the very comprehensive and analytical report prepared by the European Court of Auditors, as well as the excellent timing of the assessment of the results of the devolution process;

3. Calls on the Commission to ensure that its headquarters have sufficient capacity and human resources to provide adequate support to delegations through the Quality Operations Directorate;

4. Notes that, according to the Court’s report, further efforts are necessary on the part of the Commission in order improve the manner in which it evaluates the quality and the results of its interventions; takes the view that this will result in better accountability for the EU’s financial interventions and will ensure increased visibility for its actions;

5. Encourages the Commission to complement the criteria and strengthen the procedures for assessing the quality of the projects financed, in order to increase the quality of aid and further to decrease the number of non-performing projects; notes that the impact of aid expenditure is of paramount importance for Parliament;

6. Is concerned that over the period 2005 to 2008 the composition of delegation staffing shifted towards more political and trade-oriented functions, and calls on the Commission to strike an appropriate balance in delegations’ staffing between aid management and other functions;

7. Considers the high turnover rate of staff in delegations to be unacceptable (40% of Commission staff are contract agents), as this weakens the institutional memory and negatively affects the efficiency of operations;

8. Notes that 6% of the commitments under the budget available for 2006 were not contracted by 2009 and were therefore lost under the D+3 rule; calls for this percentage to be brought down, and would like to be informed of the relevant percentages and amounts for 2010 and 2011;

9. Calls on the Commission and the EEAS to address specifically the areas identified by the audit, in particular the workload within delegations, the adequacy of staffing levels among delegations and the balance of delegations’ staffing between aid management and other
functions;

10. Calls on the Commission to consider promoting local consultation, where possible, when deciding on aid projects and monitoring their progress;

11. Believes that, in order to make EU development policy more coherent and more effective, the Commission services within the EU delegations should contribute to development aid policy-making and be in the lead for its implementation; repeats its call on the Commission to appoint Policy Coherence for Development (PCD) focal points in each delegation to monitor the impact of EU policy at partner-country level;

12. Points out that consideration should be given to using local expertise and that the existing staff of the EU delegations should strive towards greater involvement in the local societies, in order to bridge the knowledge gap and to ensure an accurate understanding of the local environment in which they operate;

13. Calls on the Commission to offer and provide in a more systematic manner legal and financial training for local staff, with a view to optimising the management of EU aid and ensuring good governance in the medium term at local authority level;

14. Believes that both the mandate and the competences of the EEAS in development cooperation are still unclear, and calls on the Council and the Commission to take the necessary steps to resolve this situation; notes with concern, in this connection, that the separation between the EEAS’s political and administrative tasks and the Commission’s aid management tasks might be a source of possible inconsistencies in the implementation of the principles of the Paris Declaration;

15. Emphasises, in line with the decision establishing the EEAS, that all of the staff working in a delegation come under the authority of the head of delegation, since this is the only way to ensure the coherence of EU external action in a given country in line with the Lisbon Treaty;

16. Calls on the Commission and the Council to continue to advocate a reduction in the number of areas of intervention, in line with the EU Code of Conduct on Complementarity and Division of Labour and the Agenda for Change;

17. Believes that the relevant EU financial instruments and the European Development Fund (EDF) need to be more poverty-focused and more flexible with regard to their approach and operation, and that more accountability and transparency and better value for money in terms of achieving clear results should also be encouraged;

18. Expects the Commission to take all the necessary measures to overcome the weaknesses of the supervisory and control systems, notably at delegation level, as indicated by the Court; asks the Commission to inform Parliament’s competent committees by the end of 2012 at the latest as to the measures it has taken;

19. Notes the Court of Auditors’ criticism of the working relationship between the Commission’s headquarters and its delegations for the management of external aid; calls for the processes in question to be reviewed and simplified with a view to reducing internal

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1 See ECA Special Report No 1/2011, Figure 1.
bureaucracy, and for a report on the action taken to be submitted to Parliament;

20. Encourages the Commission to require the delegations systematically to carry out technical and financial monitoring visits to projects and to focus the internal reporting system more on the results achieved by the aid interventions;

21. Calls on the Commission, with the active participation of the delegations, to analyse and identify possibilities for leveraging the aid programmes in the partner countries with the involvement of the EIB and of European national and international institutions that finance development;

22. Calls on the Commission to show how further devolution of financial and human-resource responsibilities from Commission headquarters to delegations would add value by improving dialogue and the coordination and programming of EU aid on the ground;

23. Stresses that neither the Commission nor the Member States should use the current economic and financial crisis to justify a ‘doing more with less’ approach involving containing or reducing staffing levels in bilateral aid agencies;

24. Stresses the importance of ensuring the highest professional standards amongst staff working on development cooperation, both at the Commission and at the EU delegations and the bilateral aid agencies;

25. Believes that, in the interests of smooth implementation of the EU budget, heads of delegation should be able to delegate the management of a delegation’s administrative expenditure to their deputies, and that the Financial Regulation should if necessary be revised accordingly;

26. Calls on the Commission and Member States to make greater efforts to improve links between EU delegations and bilateral agencies and partner governments and other development groups such as think tanks, universities, foundations, NGOs and sub-national authorities, since closer ties will maximise the comparative advantages of the devolution process and of the different actors within the national context, while avoiding unnecessary duplication of effort;

27. Calls for it to be ensured, during the process of devolving the management of EU external aid from centralised services to delegations, that Parliament keeps its powers of oversight and scrutiny;

28. Welcomes the Court of Auditors’ remark that the role of the EEAS in the area of consular protection should be further explored;

29. Instructs its President to forward this resolution to the Council, the Commission and the EEAS.