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TEXTS ADOPTED

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**P8\_TA(2017)0145**

**Discharge 2015: EU general budget - 8th, 9th, 10th and 11th EDFs**

**1. European Parliament decision of 27 April 2017 on discharge in respect of the implementation of the budget of the eighth, ninth, tenth and eleventh European Development Funds for the financial year 2015 (2016/2202(DEC))**

*The European Parliament,*

- having regard to the financial statements and revenue and expenditure accounts for the eighth, ninth, tenth and eleventh European Development Funds for the financial year 2015 (COM(2016)0485 – C8-0326/2016),
- having regard to the financial information on the European Development Funds (COM(2016)0386),
- having regard to the Court of Auditors' annual report on the activities funded by the eighth, ninth, tenth and eleventh European Development Funds for the financial year 2015, together with the Commission's replies<sup>1</sup>,
- having regard to the statement of assurance<sup>2</sup> 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 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendations of 21 February 2017 on discharge to be given to the Commission in respect of the implementation of the operations of the European Development Funds for the financial year 2015 (05376/2017-C8-0081/2017, 05377/2017-C8-0082/2017, 05378/2017-C8-0083/2017, 05379/2017-C8-0084/2017 ),
- having regard to the Commission's report on the follow-up to the discharge for the 2014 financial year (COM(2016)0674), and to the accompanying Commission staff working documents (SWD(2016)0338 and SWD(2016)0339),
- having regard to the Partnership Agreement between the members of the African, Caribbean and Pacific Group of States, of the one part, and the European Community and its Member States, of the other part, signed in Cotonou on 23 June 2000<sup>3</sup> and

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<sup>1</sup> OJ C 375, 13.10.2016, p. 287.

<sup>2</sup> OJ C 375, 13.10.2016, p. 297.

<sup>3</sup> OJ L 317, 15.12.2000, p. 3.

amended in Ouagadougou, Burkina Faso, on 22 June 2010<sup>1</sup>,

- having regard to Council Decision 2013/755/EU of 25 November 2013 on the association of the overseas countries and territories with the European Union (‘Overseas Association Decision’)<sup>2</sup>,
- having regard to Article 33 of the Internal Agreement of 20 December 1995 between the representatives of the Governments of the Member States, meeting within the Council, on the financing and administration of the Community aid under the Second Financial Protocol to the fourth ACP-EC Convention<sup>3</sup>,
- having regard to Article 32 of the Internal Agreement of 18 September 2000 between Representatives of the Governments of the Member States, meeting within the Council, on the Financing and Administration of Community Aid under the Financial Protocol to the Partnership Agreement between the African, Caribbean and Pacific States and the European Community and its Member States signed in Cotonou (Benin) on 23 June 2000 and the allocation of financial assistance for the Overseas Countries and Territories to which Part Four of the EC Treaty applies<sup>4</sup>,
- having regard to Article 11 of the Internal Agreement of 17 July 2006 between the Representatives of the Governments of the Member States, meeting within the Council, on the financing of Community aid under the multiannual financial framework for the period 2008 to 2013 in accordance with the ACP-EC Partnership Agreement and on the allocation of financial assistance for the Overseas Countries and Territories to which Part Four of the EC Treaty applies<sup>5</sup>,
- having regard to Article 11 of the Internal Agreement of 24 and 26 June 2013 between the Representatives of the Governments of the Member States of the European Union, meeting within the Council, on the financing of European Union aid under the multiannual financial framework for the period 2014 to 2020 in accordance with the ACP-EU Partnership Agreement and on the allocation of financial assistance for the Overseas Countries and Territories to which Part Four of the Treaty on the Functioning of the European Union applies<sup>6</sup>,
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Article 74 of the Financial Regulation of 16 June 1998 applicable to development finance cooperation under the fourth ACP-EC Convention<sup>7</sup>,
- having regard to Article 119 of the Financial Regulation of 27 March 2003 applicable to the ninth European Development Fund<sup>8</sup>,
- having regard to Article 50 of Council Regulation (EC) No 215/2008 of 18 February

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<sup>1</sup> OJ L 287, 4.11.2010, p. 3.

<sup>2</sup> OJ L 344, 19.12.2013, p. 1.

<sup>3</sup> OJ L 156, 29.5.1998, p. 108.

<sup>4</sup> OJ L 317, 15.12.2000, p. 355.

<sup>5</sup> OJ L 247, 9.9.2006, p. 32.

<sup>6</sup> OJ L 210, 6.8.2013, p. 1.

<sup>7</sup> OJ L 191, 7.7.1998, p. 53.

<sup>8</sup> OJ L 83, 1.4.2003, p. 1.

2008 on the Financial Regulation applicable to the tenth European Development Fund<sup>1</sup>,

- having regard to Article 48 of Council Regulation (EU) 2015/323 of 2 March 2015 on the Financial Regulation applicable to the eleventh European Development Fund<sup>2</sup>,
  - having regard to Rule 93 and the third indent of Rule 94 of, and Annex IV to, its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Development (A8-0125/2017),
1. Grants the Commission discharge in respect of the implementation of the budget of the eighth, ninth, tenth and eleventh European Development Funds for the financial year 2015.
  2. Sets out its observations in the resolution below;
  3. Instructs its President to forward this decision and the resolution forming an integral part of it to the Council, the Commission, the Court of Auditors and the European Investment Bank, and to arrange for their publication in the *Official Journal of the European Union* (L series).

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<sup>1</sup> OJ L 78, 19.3.2008, p. 1.

<sup>2</sup> OJ L 58, 3.3.2015, p. 17.

## **2. European Parliament decision of 27 April 2017 on the closure of the accounts of the eighth, ninth, tenth and eleventh European Development Funds for the financial year 2015 (2016/2202(DEC))**

*The European Parliament,*

- having regard to the financial statements and revenue and expenditure accounts for the eighth, ninth, tenth and eleventh European Development Funds for the financial year 2015 (COM(2016)0485 – C8-0326/2016),
- having regard to the financial information on the European Development Funds (COM(2016)0386),
- having regard to the Court of Auditors' annual report on the activities funded by the eighth, ninth, tenth and eleventh European Development Funds for the financial year 2015, together with the Commission's replies<sup>1</sup>,
- having regard to the statement of assurance<sup>2</sup> 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 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendations of 21 February 2017 on discharge to be given to the Commission in respect of the implementation of the operations of the European Development Funds for the financial year 2015 (05376/2017-C8-0081/2017, 05377/2017-C8-0082/2017, 05378/2017-C8-0083/2017, 05379/2017-C8-84/2017 ),
- having regard to the Commission's report on the follow-up to the discharge for the 2014 financial year (COM(2016)0674), and to the accompanying Commission staff working document (SWD(2016)0338 and SWD(2016)0339),
- having regard to the Partnership Agreement between the members of the African, Caribbean and Pacific Group of States, of the one part, and the European Community and its Member States, of the other part, signed in Cotonou on 23 June 2000<sup>3</sup> and amended in Ouagadougou, Burkina Faso, on 22 June 2010<sup>4</sup>,
- having regard to Council Decision 2013/755/EU of 25 November 2013 on the association of the overseas countries and territories with the European Union ('Overseas Association Decision')<sup>5</sup>,
- having regard to Article 33 of the Internal Agreement of 20 December 1995 between the representatives of the Governments of the Member States, meeting within the Council, on the financing and administration of the Community aid under the Second

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<sup>1</sup> OJ C 375, 13.10.2016, p. 287.

<sup>2</sup> OJ C 375, 13.10.2016, p. 297.

<sup>3</sup> OJ L 317, 15.12.2000, p. 3.

<sup>4</sup> OJ L 287, 4.11.2010, p. 3.

<sup>5</sup> OJ L 344, 19.12.2013, p. 1.

Financial Protocol to the fourth ACP-EC Convention<sup>1</sup>,

- having regard to Article 32 of the Internal Agreement of 18 September 2000 between Representatives of the Governments of the Member States, meeting within the Council, on the Financing and Administration of Community Aid under the Financial Protocol to the Partnership Agreement between the African, Caribbean and Pacific States and the European Community and its Member States signed in Cotonou (Benin) on 23 June 2000 and the allocation of financial assistance for the Overseas Countries and Territories to which Part Four of the EC Treaty applies<sup>2</sup>,
- having regard to Article 11 of the Internal Agreement of 17 July 2006 between the Representatives of the Governments of the Member States, meeting within the Council, on the financing of Community aid under the multiannual financial framework for the period 2008 to 2013 in accordance with the ACP-EC Partnership Agreement and on the allocation of financial assistance for the Overseas Countries and Territories to which Part Four of the EC Treaty applies<sup>3</sup>,
- having regard to Article 11 of the Internal Agreement of 24 and 26 June 2013 between the Representatives of the Governments of the Member States of the European Union, meeting within the Council, on the financing of European Union aid under the multiannual financial framework for the period 2014 to 2020 in accordance with the ACP-EU Partnership Agreement and on the allocation of financial assistance for the Overseas Countries and Territories to which Part Four of the Treaty on the Functioning of the European Union applies<sup>4</sup>,
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Article 74 of the Financial Regulation of 16 June 1998 applicable to development finance cooperation under the fourth ACP-EC Convention<sup>5</sup>,
- having regard to Article 119 of the Financial Regulation of 27 March 2003 applicable to the ninth European Development Fund<sup>6</sup>,
- having regard to Article 50 of Council Regulation (EC) No 215/2008 of 18 February 2008 on the Financial Regulation applicable to the tenth European Development Fund<sup>7</sup>,
- having regard to Article 48 of Council Regulation (EU) 2015/323 on the Financial Regulation applicable to the eleventh European Development Fund<sup>8</sup>,
- having regard to Rule 93 and the third indent of Rule 94 of, and Annex IV to, its Rules of Procedure,
- having regard to the report of the Committee on Budgetary Control and the opinion of

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<sup>1</sup> OJ L 156, 29.5.1998, p. 108.

<sup>2</sup> OJ L 317, 15.12.2000, p. 355.

<sup>3</sup> OJ L 247, 9.9.2006, p. 32.

<sup>4</sup> OJ L 210, 6.8.2013, p. 1.

<sup>5</sup> OJ L 191, 7.7.1998, p. 53.

<sup>6</sup> OJ L 83, 1.4.2003, p. 1.

<sup>7</sup> OJ L 78, 19.3.2008, p. 1.

<sup>8</sup> OJ L 58, 3.3.2015, p. 17.

the Committee on Development (A8-0125/2017),

1. Approves the closure of the accounts of the eighth, ninth, tenth and eleventh European Development Funds for the financial year 2015;
2. Instructs its President to forward this decision and the resolution forming an integral part of it to the Council, the Commission, the Court of Auditors and the European Investment Bank, and to arrange for their publication in the *Official Journal of the European Union* (L series).

### **3. European Parliament resolution of 27 April 2017 with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the eighth, ninth, tenth and eleventh European Development Funds for the financial year 2015 (2016/2202(DEC))**

*The European Parliament,*

- having regard to its decision on discharge in respect of the implementation of the budget of the eighth, ninth, tenth and eleventh European Development Funds for the financial year 2015,
  - having regard to Rule 93 and the third indent of Rule 94 of, and Annex IV to, its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Development (A8-0125/2017),
- A. whereas the main goal of the partnership agreement between the members of the African, Caribbean and Pacific Group of States, of the one part, and the European Community and its Member States, of the other part, signed in Cotonou on 23 June 2000<sup>1</sup> and amended in Ouagadougou, Burkina Faso, on 22 June 2010<sup>2</sup> (the “Cotonou agreement”), as the framework of the Union’s relations with African, Caribbean and Pacific (ACP) countries, is to reduce and eventually eradicate poverty, consistently with the objectives of sustainable development,
- B. whereas the main objective of Council Decision 2013/755/EU<sup>3</sup> is to contribute to the progressive development of the overseas countries and territories (OCTs), by enhancing the competitiveness and strengthening the resilience of the OCTs reducing their economic and environmental vulnerability and promoting cooperation among them and other partners,
- C. whereas the European Development Funds (EDFs) are the Union’s main financial instrument for providing development cooperation to the ACP countries and the OCTs,
- D. whereas a wide range of implementation methods, reflecting the intergovernmental nature of the EDFs, are used in 79 countries with complex rules and procedures with regard to tendering and awarding contracts,
- E. whereas EDF activities are implemented in challenging contexts by facing recurrent high-risk exposure either geo-political or institutional,
- F. whereas external factors to the proper implementation of the EDF may mitigate or annihilate the efforts made in terms of development,
- G. whereas the EDFs are funded by Member States and managed both by the Commission

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<sup>1</sup> OJ L 317, 15.12.2000, p. 3.

<sup>2</sup> OJ L 287, 4.11.2010, p. 3.

<sup>3</sup> Council Decision 2013/755/EU of 25 November 2013 on the association of the overseas countries and territories with the European Union (‘Overseas Association Decision’) (OJ L 344, 19.12.2013, p. 1).

and the European Investment Bank (EIB), the Commission being solely accountable for the discharge of the EDFs,

- H. whereas the Union has the potential and weight to shape responses to global and geopolitical challenges,
- I. whereas the history of its Member States confers obligations on the Union regarding the development of the ACP countries and the OCTs,
- J. whereas the future of the Union and that of the ACP countries and the OCTs are linked due to geography, globalisation and demographic change,
- K. whereas the global population projections for 2100, coupled with the effects of new migratory flows, armed conflicts, global warming and numerous economic and social crises, require immediate attention by the Union, in particular within its development policy's objectives; whereas development aid is an essential tool, whose multiple methods of implementation must be optimised to face those many global challenges,
- L. whereas the migration crisis has not only questioned the international aid principles and objectives but highlighted that the principle of solidarity needs to be applied more uniformly and unconditionally by all Member States,
- M. whereas the current migratory crises must not overshadow the sustainability of migration waves linked to demographic upheavals and which call for different responses,
- N. whereas there is a need for a renewed approach towards ACP countries and OCTs requiring new financial incentives and instruments,
- O. whereas fresh attention must be paid to the fact that a large part of the ACP countries are small island developing states; whereas islands, in particular ACP islands, play a new international role, particularly as a result of international negotiations on climate change,
- P. whereas a number of OCTs are located in the same regions as the ACP countries; whereas the OCTs face similar global challenges but, unlike ACP countries, are part of the European family and should therefore receive increased attention in the delivery of funds; whereas the very small size of the OCTs and the constitutional link between the OCTs and the Union are specificities that should be taken into account,
- Q. whereas the Commission Directorate-Generals for International Cooperation and Development and Regional and Urban Policy signed a Memorandum of Understanding in September 2013 in order to enhance cooperation between Outermost Region (OR), the OCTs and the ACP countries,
- R. whereas the Union's external interventions are channelled through international organisations which either implement Union funds or co-finance projects together with the Union implying challenges in terms of oversight and governance,
- S. whereas the level and nature of the Union's engagement must be differentiated and conditional, depending on measurable progress in various fields such as democratisation, human rights, good governance, sustainable socio-economic



development, the rule of law and the fight against corruption, offering its assistance where needed to help foster progress,

- T. whereas a regular and thorough political dialogue is key to ensuring greater ownership by the ACP countries and the OCTs and the ability to adjust policy objectives,
- U. whereas it is of fundamental importance to ensure coherence between all Union policies and the objectives of the Union's development policy,
- V. whereas it is of fundamental importance to promote Union visibility and to project Union values in all forms of development aid,
- W. whereas the simplification of implementation processes is a driver for enhancing the effectiveness of the delivery of aid,
- X. whereas sustainability is crucial for increasing the overall effectiveness of development aid by steadily tracking impacts through all aid delivery modes,
- Y. whereas Union governance support is a key component of the development aid to generate effective governance reforms,
- Z. whereas budget support, while it can be a key-driver for change and to address main developments challenges, carries a considerable fiduciary risk and should be granted only if it provides sufficient transparency, traceability, accountability and effectiveness alongside to proven commitment in policy reforms; whereas budget support is particularly adapted for small and isolated territories, such as ACP islands,
- AA. whereas transparency and accountability are prerequisites for democratic scrutiny and the effectiveness of development aid,
- AB. whereas the management of administrative costs has to be steadily monitored in all circumstances and in regard to all aid modalities,
- AC. whereas illicit financial flows in developing countries aggravate poverty,
- AD. whereas the discharge authority has reiterated its call for the inclusion of the EDF in the Union's general budget in order to enhance the visibility and democratic scrutiny on the EDF and overall development policies,
- AE. whereas the adherence by Union citizens to development policy requires maximum transparency, good management and performance,

### ***Statement of assurance***

#### *Financial implementation of funds in 2015*

1. Notes that in 2015, spending concerned four EDFs, in particular the eighth EDF, which amounted to EUR 12 480 million, the ninth EDF, which amounted to EUR 13 800 million, the tenth EDF, which amounted to EUR 22 682 million and the eleventh EDF, which amounted to EUR 30 506 million; notes that the funding of the eleventh EDF allocates EUR 29 089 million to the ACP countries and EUR 364,5 million to the OCTs and that those two amounts comprise, respectively, EUR 1 134 million and EUR 5

million for the ACP investment facility of the EIB; notes that EUR 1 052,5 million relates to the Commission's expenditure for the programming and implementation of the EDFs;

2. Observes that those funds are implemented through projects and budget support under the following four modalities: 42 % of payments were made by direct management out of which 24 % were made through budget support; observes that the remaining 58 % were made under indirect management, namely 31 % through international organisations, 24 % through third countries and 3 % through national bodies of the Member States;
3. Notes with concern that the 2015 spending still comprises funds coming from the eighth EDF, which was launched in 1995;
4. Welcomes the efforts carried out by Europe Aid in 2015 as regards the level of net global commitments made in 2015, with EUR 5 034 million due to the entry into force of the eleventh EDF, which increased the resources for commitments by EUR 27 839 million; notes that the eleventh EDF impacted the implementation rates of outstanding commitments, the latter decreasing from 98 % to 69,7 % for global commitments and from 91,2 % to 63,5 % for individual commitments;
5. Regrets that the lack of payment credits faced by the Commission in 2015 led to a difficult budgetary situation in the development cooperation that harmed the global performance of the funds, specifically the transfer of EUR 483 million to 2016 and the payment of an estimated amount of EUR 1 million of late interest; welcomes the efforts carried by the Commission to ensure the continuity of development aid and to limit the adverse consequences of the existing payment shortages;
6. Notes also, for its whole area of responsibility, the Commission's continuous efforts to reduce old pre-financing (39 % achieved with a 25 % target), old outstanding commitments or old RAL (*reste à liquider*) (46 % achieved compared to 25 % targeted) as well as the number of opened expired contracts, but however with less satisfactory progress for the latter under the EDFs; encourages the Commission services to continue to decrease the EDFs' share in expired contracts;

#### *Reliability of the accounts*

7. Welcomes the fact that the Court of Auditors (the "Court"), in its annual report on the activities funded by the eighth, ninth, tenth and eleventh EDFs for the financial year 2015, finds that the final annual accounts present fairly, in all material respects, the EDFs' financial position at 31 December 2015 and that the results of their operations, their cash flows and the changes in net assets for the year then ended are in accordance with the provisions of the EDF Financial Regulation and with accounting rules based on internationally accepted accounting standards for the public sector;
8. Welcomes the Commission's action to solve the issue of the recovery both for interest on prefinancing above EUR 750 000 and for interest on prefinancing between EUR 250 000 and EUR 750 000 resulting in the proper recording of EUR 2,5 million of earned interest in the 2015 financial statements; calls on the Commission to also consider the situation of cases below EUR 250 000;

9. Regrets, in the context of the management of recovery orders, the incorrect recording of operational revenue amounting to EUR 9,6 million corresponding to unspent pre-financing;
10. Regrets that EUR 29,6 million of recovery orders under the eighth, ninth, tenth and eleventh EDFs were cancelled due to encoding errors, corrections or modifications ; asks the Commission to report on the EUR 15,8 million still subject to ongoing litigation;
11. Expresses strong concern that of a recovery order of EUR 1 million, EUR 623 000 were waived after an amicable settlement between the Commission and the debtor<sup>1</sup> ; acknowledges the coherence with Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002<sup>2</sup> (the 'Financial Regulation') as well as the principle of proportionality concerning recovery orders; stresses, however, the fact that tax payers' money is at stake and needs to be protected by the necessary means;

*Legality and regularity of the transactions underlying the accounts*

12. Welcomes the fact that the Court's opinion find that the revenue underlying the accounts for the year 2015 is legal and regular in all material aspects;
13. Regrets that the Court's report estimates that the most likely error rate for expenditure transactions from the eighth, ninth, tenth and eleventh EDFs remains identical to that in 2014, which was 3,8 %, and higher than that in 2013, which was 3,4 % and that in 2012, which was 3 %; calls on the EIB and the Commission to prepare an action plan to turn around the increasing trend of material error and present it to the discharge authority;
14. Expresses concern about the Court's assessment related to the legality and regularity of payments underlying the accounts which are materially affected by error; is concerned by the results of the sampling with regard to payments transactions, whereby 35 among 140 payments (25 %) were affected by error; notes that internal control systems and checks of their effectiveness involve not only Commission headquarters and Union delegations in beneficiary countries, but also other actors such as the national authorising officers designated by ACP countries, where frequently weaknesses in checks have been detected; calls on the Commission to support and strengthen those fragile institutional and administrative capacities;
15. Is concerned that the typology of errors underlying the 2015 error rate of 3,8 % remains the same as 2014, i.e. the absence of supporting documents (the sum affected to this category of error being EUR 3 692 833 million) and non-compliance with procurement rules (the sum affected to this category of error amounting to EUR 1 176 140 million) representing 70 % of the estimated level of error (compared to 63 % in 2014); asks the EIB and the Commission to step up their efforts and effectively improve both ex-ante and ex-post controls of the funding projects in order to bring the sums effected by errors in the categories like "absence of supporting documents" and "non-compliance with the

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<sup>1</sup> Communication CAB D(2016) Ares 06675546

<sup>2</sup> OJ L 298, 26.10.2012, p. 1.

procurement rules" down considerably;

16. Expresses, furthermore, its long-standing concern on the weaknesses of ex-ante checks insofar as 16 out of the 28 final transactions that were subject to ex-ante checks were subsequently authorised despite quantifiable errors revealed by those ex-ante checks; regrets that most of the errors found concerned, as in previous years, programme estimates, grants and operations managed with international organisations; calls therefore on the Commission to pay more attention to ex-ante checks to ensure the legality and regularity of EDF implementation; acknowledges that the nature of budget support limits the assessment of the factual error rate of budget support disbursements, such that transactions are prone to errors ;
17. Stresses the inherent risk related to the notional approach, which declares the Commission's contributions to multi-donor projects free of regulatory error when they are pooled with those of other donors and not earmarked for specific identifiable items of expenditure, as the Commission assumes that Union eligibility rules are complied with as long as the pooled amount includes sufficient eligible expenditure to cover the Union contribution;
18. Expresses concern that the notional approach substantially limits the Court's work, particularly in light of the fact that for the budget year 2015, EUR 763 million were disbursed via budget support, which amounts to 24 % of 2015 EDF spending ;
19. Urges the Commission to swiftly remedy those deficiencies in *ex-ante* checks, while noting that the Commission had sufficient information from its information systems to prevent, detect and correct the quantifiable errors before making the expenditure with a direct positive effect on the estimated level of error which would have been 1,7 percentage points lower;
20. Notes that EUR 89,9 million were recovered for the reimbursement of undue payments due to irregularities and errors;

### ***Components of the assurance framework***

21. Welcomes the shift from a general reservation to the issuance of differentiated reservation as requested by Parliament in its previous EDF resolutions, namely (i) one thematic reservation for the two high-risk pending domains of grants in direct management (18 % of the total amount paid in 2015) and indirect management with international organisations; and (ii) a specific reservation for the African peace facility;
22. Notes the actions undertaken by the Commission targeted on the two higher risk areas and calls the Commission to report on the implementation of those actions to Parliament;
23. Invites the Commission to continue refining the risk assessment of its activity based budgeting to further ensure an adequate level of sectoral assurance; asks, in that context, to evaluate the level of risk and vulnerabilities of indirect management;
24. Expresses concern over the risky nature of indirect management, particularly due to the lack of traceability of funds when they are disbursed by the Directorate-General for International Cooperation and Development to local actors and subcontractors;

25. Considers the improvement of the monitoring tools for following the findings of the external audits to be positive; welcomes the new audit application and the quality grid developed by the Commission and support the Court's recommendation to improve those new tools;
26. Welcomes the fact that a residual error rate (RER) study was carried out for the fourth consecutive year and has become a key tool within the control, monitoring and auditing strategy;
27. Stresses that the RER is calculated by deducting from the audit authorities' annual error rates the multiannual financial corrections imposed at national and Union levels;
28. Expresses strong concern over the fact that the 2015 RER of closed contractual operations included in the annual activity report was estimated at 2,2 %, which is still over the materiality threshold of 2 % and equal to about EUR 174 million including EUR 98 million for the EDFs;
29. Calls on the Commission to maintain high methodological standards in its RER assessment as well as to extensively monitor and enforce financial corrections by Member States;
30. Draws attention to the fact that the balance between absorption, compliance and performance is needed and to be reflected in the management of operations;
31. Welcomes the reduction of the estimated cost of control of the Commission Directorate-General for International Cooperation and Development from EUR 371 million in 2014 to EUR 293 million in 2015 and encourages the Commission to further improve the cost-effectiveness of the Director-General's control while ensuring the minimum errors possible;
32. Invites the Commission to integrate into its ex-ante and ex-post evaluation, management and performance assessment tools in line with the Commission's Budget for Results initiative targeted to analyse the impact of other Union external policies and actions on the situation of the beneficiary countries;

***Risks relating to a results-oriented approach for Union development cooperation***

33. Acknowledges the fact that the Commission has integrated risk analysis into the management of its external operations which are carried out in complex and fragile environments with numerous types of risks, partner countries having differing levels of development and governance frameworks;
34. Points out the need to improve the use of terminology regarding long-term results (outputs, outcomes and impacts) and the importance of formulating true and sustainable SMART objectives before any decision on financing different projects is taken; highlights the need to put extra focus on formulating "attainable and realistic" goals to avoid cases where the initial objectives were met by partner countries but without significant results in term of development; reiterates that social and environmental aspects have to be taken into account, as well as economic ones, when assessing development objectives;
35. Considers it to be necessary to refrain from focusing on budgetary outturn as the sole

management objective, which can be detrimental to the principle of sound financial management and the achievement of results; stresses that any incentive-based approach, founded on a 'positive conditionality' system resulting in incentives for the well-performing beneficiaries and stricter controls for the ill-performing beneficiaries, should be linked to specific and stringent performance indicators, allowing for a quantifiable approach to assess shortcomings and targets met;

36. Strongly underlines that any system founded on 'positive conditionality' should adhere without exception to the precautionary principle;
37. Recalls that the regular monitoring and mapping of high risk factors (external, financial and operational) and their quantification, from identification to implementation phases, is a prerequisite not only for a good financial management and quality expenditure but also to ensure the credibility, sustainability and reputation of the Union interventions; takes the view that setting-up activities and countries' risk profiles also facilitate the design of a rapid risk mitigation strategy in case of deterioration of the situation in a partner country;
38. Underlines the need to regularly adapt the control environment and risk management functions to take into account the emergence of new forms of assistance instruments and facilities like the blended finance, trust funds and financial partnerships with other international institutions, and also when beneficiary countries benefits from different types of aid delivery;
39. Believes that developing partner countries' capacity building, governance frameworks and ownership is instrumental to mitigating systemic risks, to allowing funds to reach their intended purposes and to responding to the '3 Es' requirements (economy, efficiency and effectiveness) also taking into account ecology, equality and ethics; encourages the Commission in this regard to further examine the possibility and risks of using local audit firms and local services contract, ensuring full transparency and accountability;
40. Acknowledges that the Financial Regulation allows beneficiaries to contract local audit firms; is, however, strongly concerned by the shortcomings in EuropeAid's management information system on the results and the follow-up of external audits, as mentioned by the Court for the EDF discharge procedure 2014; urges the Directorate-General for International Co-operation and Development to put into place a quality grid to assess the reliability of checks in place for audits and expenditure verifications done by local audit companies directly contracted by beneficiaries, where the risk of insufficient quality is assessed to be higher and audit and verification reports do not contain sufficient information on the actual work done to enable the current grid to be used effectively;

### ***Improving EDF aid effectiveness***

41. Underlines that to establish the credibility of development assistance, particularly as regards the instruments used, aid delivery methods and the funds concerned, it is essential that the value for money and results achieved with this support can be demonstrated, but also that coherence between external policies and actions of the Union and the objectives of development aid, in particular the objectives for social development, defence of human rights and environmental protection are met;

42. Recalls that the effectiveness of aid, the partner country ownership of development results and the reliance on partner's countries governance frameworks are guiding principles to be regularly refined;
43. Underlines that it is essential that the mode of implementation of projects is adapted to the objectives pursued in each case and for each project; believes that better results in terms of efficiency can be achieved by supporting projects the dimension of which are adapted to objectives previously set, leading to concrete and identifiable results and targeting sustainable development of local communities;
44. Considers that for infrastructure projects financed through the EDF, an independent ex-ante assessment that takes the social and environmental impact of the projects into account, as well as their added value, is essential; considers that funding decisions ought to be correlated to a proper cost-benefit analysis, with projects funded if their implementation is not environmentally, financially or socially controversial;
45. Recalls that the undermining of performance monitoring and results evaluation is detrimental to the goals of public accountability and to comprehensive information for policymakers; points out that it is indispensable to provide Parliament with a clear view of the real extent to which the Union's main objectives have been achieved; stresses the importance of a more balanced approach with less confidentiality and more transparency, particularly regarding the external assistance management reports;
46. Believes that the assessment of the risks inherent to the choice of a particular implementation modality is crucial before committing Union financial resources and when considering the expected results; believes that the mix of projects, both in terms of subject matter and in terms of types of implementation, is essential to ensuring the effectiveness of EDF support;
47. Believes that stronger support for technical and administrative resources is necessary for improving the effectiveness of EDF aid in particular with regard to the complexity of rules, since the EDF financial regulation is not a stand-alone document and needs to be used in conjunction with other legal sources, which entails a significant risk of legal uncertainty and errors;
48. Believes that simplification of the rules of funds allocation is necessary to ensure better use of the funds and enhancing the effectiveness of the aid delivery; encourages the Commission to initiate simplification of the rules of funds allocation and to support local partners in the implementation of the projects; stresses, however, that simplification cannot be to the detriment of the current system of ex-ante and ex-post checks and balances, which are essential to comprehensive oversight; underlines that there are already persistent weaknesses in the ex-ante checks, an area where simplification needs to be carefully weighed against risks; reminds the Commission to stress the right balance between less administrative burden and effective financial control while simplifying the rules for the allocation of development funds;
49. Claims that the simplification of the rules of funds allocation should not divert appropriations from the objectives and principles of the basic acts, and believes that any channelling through trust funds should not go at the expense of the EDF and long-term Union policies;

*Task force 'knowledge, performance and results'*

50. Welcomes the first report on selected results of projects in the context of the launching of the Union's International Cooperation and Development Results Framework as a complementary step to the Commission's commitment to improve its accountability and widen its results reporting on ongoing operations; is particularly interested in the list of indicators of organisational performance, which help with measuring and reporting on the development impact, outcomes and outputs achieved by partner countries and Commission services;
51. Considers it to be useful to include that information regularly in the upcoming annual activity report in order to follow the evolution of Union contributions to results in various fields of development cooperation such as public finance management, good governance or the leverage effects achieved with blending activities;

*Assessment of achieved results by Union's delegations*

52. Welcomes the progress in the analysis of global results achieved by the Union's delegations, based on the results provided in key performance indicators compared to targets as regards the efficiency of internal controls system and audit systems in place as well as on the effective management of operations and resources for 2015;
53. Calls for a higher level of ambition in the strategy, management and accountability of EDF funds; emphasises that there is an opportunity to optimise all EDF activities' resilience by reinforcing the economic and financial efficiency criteria and by identifying gains in efficiency and effectiveness, reflected in the management performance; considers that the preparation of needs assessments is an efficient preliminary stage towards ensuring final effectiveness of the Union funding;
54. Acknowledges the high importance of the information reported in the 86 external assistance management reports for the assurance to be delivered by the Commission on the management of external aid as well as the positive trends for the performance of delegations with 20 out of 24 key performance indicators meeting targets in 2015, compared to 15 in 2014;
55. Regrets, however, that nine delegations out of 86 have not reached the benchmark of 60 % of their key performance indicators; calls on the Commission services to closely monitor those delegations which have recently reached the target of 60 % or which stand just above the 60 % target to refine and consolidate the delegations trend analysis;
56. Invites the Commission's services both to regularly update the definition of key performance indicators and related modes of assessment and to further develop their risks assessment, in particular through setting up risk profiles (a priori or output risks) for projects in each delegation's portfolio with a view to better selecting only viable projects at early stage; strongly suggests a more comprehensive ex-ante risk assessment so that only the most viable projects are selected;
57. Invites the Commission to develop a typology of the causes of the blockages and difficulties encountered in the implementation of the projects in order to identify immediately the most appropriate responses and corrective measures;
58. Considers it to be essential that the head of delegations continue to be steadily made



aware of their key role in the overall strengthening of assurance and in their management of operations, in particular as regards the weighting of the various components likely to trigger the issuance of a reservation;

59. Reiterates strongly that the accountability of Union delegations staffed by the European External Action Service needs to be comprehensively enforced; believes that this should be done in addition to the external assistance management reports, which are prepared and signed by the heads of Union delegations;
60. Takes the view that heads of Union delegations should be clearly reminded of their duties and their management and oversight responsibilities and that they should not only concentrate on the political component of their duties;
61. Calls on the Commission to report immediately on the specific remedial actions taken when a project has been classified 'red' three years consecutively in relation to key performance indicator 5 (i.e. percentage of projects with red traffic light for implementation progress) and key performance indicator 6 (i.e. percentage of projects with red traffic light for achieving results) in order to rapidly re-examine the initial programming objectives, reallocate available funds to more appropriate projects and aid needs, or even consider to possibly stopping the project;
62. Acknowledges the diplomatic consequences of stopping project funding and stopping direct budget support disbursements, but strongly underlines the importance protecting the financial interests of the Union;
63. Urges the Commission to pay particular attention to monitoring of operations carried out with international organisations such as the United Nations as well as its sub-organisations, to the old outstanding commitments, especially in the EDF context and to the reliability of the Common External Relations Information System data and values used for the preparation of external assistance management reports;
64. Underlines that the total resources of the eighth, ninth, tenth and eleventh EDFs amount to EUR 76,88 billion, of which EUR 41,98 billion are indicated as payments; is greatly concerned that outstanding commitments amount to EUR 11,61 billion and that the available balance at the end of 2015 amounts to EUR 23,27 billion;

#### *Results-oriented monitoring*

65. Calls on the Commission to ensure that the connection between evaluations and policy formulation is effective by taking into account all lessons learned in the decision-making process; asks the Commission to both allocate adequate management capacities to the various evaluation activities and to ensure the reliability of Europe Aid evaluation and results-orientated monitoring systems;
66. Recalls that external, objective and impartial feedback on the performance of Commission aid projects and programmes should be provided as part of the Commission's commitment to quality assurance; considers outcomes of the evaluations to be key elements feeding into policy and the political review process, helping the adjustment of strategic political objectives and enhancing the overall coherence of Union policies; considers it advisable to guarantee that projects funded will undergo a final assessment through an independent ex-post analysis;

67. Believes that investing in the analysis and aggregation of results and evidence from different kinds of evaluation helps the Commission not only to gain an overall picture of trends but to draw lessons that strengthen the ultimate effectiveness of the evaluation processes while also yielding a better evidence base for decision and policymaking;
68. Considers that the sharing of knowledge by all means and tools is crucial for developing not only a culture of evaluation but mainly an effective culture of performance;

### ***Budget support activities***

69. Observes that EUR 1 266 44 million out of EUR 5 746 million in total payments (or 22 %) were devoted in 2015 to budget support;
70. Considers that budget support is an aid modality adapted to the specificities of development aid, fostering country ownership and aid effectiveness, which has shown concrete results in reaching the objectives of development policy; notes, however, that budget support entails fiduciary risks and may lead to uncertainty regarding results and performance; calls on the Commission to ensure the good use of development aid through budget support, in particular by providing tailored trainings and technical assistance to beneficiaries;
71. Welcomes the 2016 Annual Budget Support Report of the Commission, which reviews the 2015 key results indicators across Union budget support countries; encourages the Commission to include the outcomes of this report in the upcoming annual activity report;
72. Recalls the necessity continually to respect the four eligibility criteria in the pre-contracting phase, the evolution of the stated objectives and agreed expected results in the budget support scrutiny;
73. Stresses that the contribution of budget support to desired development outcomes must be clearly demonstrated and its use must be made conditional on the improvement of public finance management and on democratic oversight and accountability as well as full transparency towards national parliaments and citizens of recipient countries; considers tying this support to corruption being fought effectively in countries benefiting from budget support to be a priority;
74. Considers the disbursement performance criteria to be a core factor in the management of budget support activities as well as for deepened political and policy dialogue;
75. Considers it necessary to strengthen the political and policy dialogue, aid conditionality and the logical chain framework to ensure coherence between decisions and preconditions to payments by clearly linking payments to the achievement of results, selected objectives and predefined key performance indicators; invites the Commission services to further consolidate its supervision framework accordingly; calls on the Commission to closely monitor and report more systematically on performance and results;
76. Calls on the Commission to regularly report on the implementation of the Addis Tax Initiative launched in 2015, particularly on the actions launched to tackle tax avoidance, tax evasion and illicit financial flows; considers also that government effectiveness and public financial management, corruption and fraud are the main risk dimension to be

steadily and thoroughly scrutinised;

***Developing the overseeing dimension of the trust funds and blending instruments***

77. Recognises the rationale for developing dedicated trusts funds as pooling instruments for financial resources from various stakeholders, with a view to increasing flexibility and speeding up the Union response to global international issues, major crises or emergency situations; believes, nevertheless, that small-scale projects with clearly identified objectives, operators and beneficiaries, producing concrete results and responding to a long-term strategy can also effectively participate in the Union response to those challenges;
78. Believes that the coherence and complementarity of any new development tools with the EDFs should be duly taken into account, particularly as regards aid impact, management and administrative costs against total contributions; calls on the Commission to ensure that those new development tools are always in line with the Union's overall strategy and development policy objectives;
79. Expresses concern at the multiplicity of trust funds and blending platforms, which are financed by Member States with substantial amounts but are not part of the Union budget; strongly underlines possible issues regarding governance, effectiveness, transparency and accountability; warns the Commission about the risk of outsourcing and dilution of the objectives of the development policy; calls on the Court to help in assessing the risks, improving the overall transparency and accountability and to compare the effectiveness of investments through the trust funds with those of direct or indirect EDF management;
80. Notes that trust funds were part of an ad hoc response which shows that the EDF, the Union budget and the Multiannual Financial Framework lack the resources and flexibility needed for a rapid and comprehensive approach to major crises; believes that more time is needed to prove its effectiveness;
81. Acknowledges the setting-up of the Union Emergency Trust Fund for Africa (EUTF) but regrets that no prior consultation of Parliament took place, although Parliament enjoys reinforced oversight of EDF programming based on a political commitment made by the Commission; observes that 57 % of the initial amount pledged by Member States and other donors (Switzerland and Norway) were paid for the EUTF (i.e. EUR 47,142 million); notes that EUR 1,4 billion from the EDF reserve will be used for the EUTF and that the total financial pledges made by Member States represent only EUR 81,492 million (i.e. 4,3 % of the projected EUR 1,8 billion); notes the Bekou Trust Fund of the amount pledged and paid of EUR 34,925 million;
82. Calls on the Commission to implement comprehensive control mechanisms to ensure political scrutiny, especially from Parliament, on 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;
83. Is strongly concerned by insufficiently specific objectives and a lack of binding indicators and measureable targets to assess performance of the trust funds; asks that performance monitoring arrangements (or results matrices or frameworks) relating to

planned actions be further enhanced to include middle and long term goals fully in line with the Union policy objectives;

84. Is particularly interested in receiving information on the leverage ratios achieved by the existing blending facilities with a specific focus on the value added and additionality compared to classical Union support;

### ***Strengthening the cooperation frameworks with international organisations***

85. Observes that EDF interventions implemented via indirect management with international organisations and development agencies amounted to EUR 810 million out of which EUR 347 million was through the United Nations;
86. Recognises the added value of the cooperation with international organisations in certain specific contexts; points out, however, recurrent weaknesses, such as the level of financial errors affecting the error level rate, the reporting weaknesses, the problem with results' ownership and, as a consequence, the lack of the Union's visibility as a donor and the need to harmonise expectations as regards results-orientation and value for money;
87. Encourages, particularly in the case of co-funded and multi-donor initiatives, the Commission or international institutions to:
- (i) assess and plan the future benefits of a project and the way each partner contributes towards the final outcome and broader impact so as to avoid questions over results ownership i.e. which part of the results are attributable to Union funding or to other donors' interventions;
  - (ii) combine the governance frameworks with those used by the Union, in particular by improving their risk management methods; considers that the fungibility of funds should be closely monitored for its high level of fiduciary risk;
  - (iii) improve the models of cooperation frameworks used with all international organisations to ensure in particular a more thorough control of the management costs;
  - (iv) ensure coherence between projects implemented in a cooperation framework with international organisations and the actions and policies of the Union as a whole;

### ***The management of the African Peace Facility***

88. Notes that the African Peace Facility (APF) is the Union financial instrument designed to support cooperation with Africa in the area of peace and security with a total in 2015 of EUR 901,2 million committed, of EUR 600 million contracted and a total amount paid under the eleventh EDF; notes that around 90 % of the APF funds are managed via agreements signed with the African Union Commission which is the implementing body of the African Union;
89. Notes that the Commission does not trust the implementation of the APF, which has been operational for years; in this context it is surprised by the proposal of the Commission to divert even more development funds to security actions in Africa; underlines also that the financing of the APF from the EDF has been a provisional solution for 15 years now; stresses that development funding has made a very important financial contribution to African security policies over all those years whereas Union

security spending for development purposes is non-existent;

90. Deplores the fact that the control system for the management and operational monitoring of the APF was not effective in protecting the EDFs against illegal and irregular expenditure and the implementation of the mitigating measures was inadequate to remedy the institutional weaknesses identified; regrets also the weaknesses in the monitoring and reporting systems on the funded APF activities;
91. Expresses its concern that the results of the pillar assessments carried out according to the Financial Regulation requirements were not taken into account, namely concerning the non-compliance of the accounting, procurement and sub-delegations processes; regrets that corrective measures have not been implemented more quickly;
92. Invites the Commission to adapt the governance, coordination and respective responsibilities of stakeholders involved (i.e. the Commission services, the European External Action Service and the Union delegations) in the monitoring of the APF funding and reporting on its ongoing projects;
93. Asks the Commission to report in due course to Parliament on the corrective measures, level of recoveries and improvements in the management of funds by the APF;

### ***Cooperation with the OCTs***

94. Acknowledges that the EDFs mainly focus on African countries and considers that OCTs should not be sidelined in terms of political objectives; calls on the Commission to implement more synergies with the Union internal and horizontal policies with concrete OCTs-participation;
95. Believes that attention should be brought on the aid performance and impact of the development policy but also other European and international policies on countries located in the same geographical area than OCTs; calls for particular attention to be paid to the specific situation of Mayotte owing to its change in status from OCT to that of an outermost region in 2014;
96. Invites the Commission to ensure that funding benefits all OCTs fairly and equally; calls on the Commission to further support OCT administrations in the implementation of EDF projects, in particular through training and technical assistance;
97. Recalls the geographic characteristics of OCTs; calls on the Commission to better integrate targeted key performance indicators for funding in OCTs; calls also on the Commission to propose, as part of the extension of preparatory action within the BEST scheme (the voluntary scheme for Biodiversity and Ecosystem Services in Territories of European overseas), a permanent mechanism to protect biodiversity, develop ecosystem services and combat the effects of climate change in the Union's OCTs;
98. Once again calls on the Commission to establish by 2020 a specific funding instrument for OCTs, bearing in mind their special status and their membership of the European family.

### ***The EDF response to urgent global challenges***

#### ***The migration issue and the development aid***

99. Recalls that the main goal of Union development policy is to reduce and eventually eradicate poverty and that EDF have so far achieved progress in ACP countries and in the OCTs; believes that successful development aid and migration issues are interconnected, as migration can result from social and economic vulnerabilities and as the mitigation of the root causes of migration can be traced back to targeted development aid;
100. Notes the recent adoption of the Union's global strategy to achieve sustainable development by 2030, which further consolidates the link between development and migration and places migration and security in the new development and cooperation framework;
101. Recalls Parliament's stance towards a holistic approach to migration based on a new policy mix, including strengthening the nexus between migration and development addressing the root causes of migration while also advocating a shift in the ways of funding the response to the migration crisis;
102. Acknowledges that the Union has increased support for security sector reforms; believes, however, that the Commission should ensure that funds are not shifted towards promoting security without a parallel strengthening of support for democratic reforms;
103. Believes that the magnitude of the migration crisis has triggered the need for more rapid and effective response and aid delivery; considers it useful to develop an appropriate sector code for 'migration' in the OECD Development Assistance Committee to better integrate migration into the development agenda, to facilitate the encoding and use of funds and to better track and monitor the amounts targeted for external action on the fight against root causes of migration;
104. Welcomes the intended launch of an external investment plan in Africa on the model of the European Fund for Strategic Investment to address specific bottlenecks in investment; considers this as one of the most appropriate and efficient tools to achieve the Parliament's long-term aim to provide people with adequate living conditions, and hence also address the root causes of excessive migration from Africa;
105. Acknowledges that the EDF's funds are contributing to addressing the root causes of the current global refugee and migration crisis; underlines that the EDF's funds must not be misused for purposes other than determined in the provisions such as secure border control and effective return measures; calls the Commission to engage constructively to achieve synergies between the Union budget, the EDF and bilateral cooperation in order to address issues concerning migration crisis prevention;
106. Calls for continuously refinement of the strategic understanding and framework of the Union's migration external policies and policy options with key actors to ensure clarity as well as a coordinated and coherent mobilisation of external migration mechanisms in the short, medium and long term, within or outside the budgetary framework of the Union;
107. Considers that there is a crucial need to reconcile the need for better results with the availability of sufficient funds to ensure a high level of ambition in the design of the Union's comprehensive and sustainable response to current and future challenges induced by the migration crisis; is of the opinion that Union external migration spending

needs to be disbursed more efficiently and that it needs to fulfil “added value” criteria in order to provide people with adequate living conditions in their countries of origin and other ACP countries;

108. Invites all major stakeholders to reflect and respond adequately on the balance between the flexibility in interventions, the complementary of funds, their level and necessary leveraging as well as potential synergies and the overall additionality of Union interventions;
109. Believes that the existing fragmentation of instruments with their own specific objectives without being interlinked, hinders parliamentary oversight on the way funds are implemented, the identification of responsibilities and therefore makes it difficult to clearly assess the financial amounts actually spent to support external action on migration; regrets that it leads to a lack of effectiveness, transparency and accountability; considers it necessary to refocus ways of using existing policy instruments with a clear and renewed architecture of objectives to increase their overall effectiveness and visibility;
110. Believes, in this context, that due care should be given to the appropriate targeting of aid to different and evolving external migration issues while also ensuring the adequacy of oversight of disbursed funds in order to avoid the risk of misappropriation of funds and double financing, and while ensuring that other ACP countries continue to benefit from EDF assistance;
111. Believes that climate change and its challenges, migration and development are closely intertwined; calls for a better understanding of this correlation in the allocation of development aid and in the development policy objectives; calls on the Commission and the EIB to avoid simply increasing the funds spent to tackle migrations related problems without taking into account projects aimed to climate change adaptations and other development projects;

#### *EIB contributions*

112. Notes that in 2015, EUR 936 million was allocated to ACP countries and OCTs in projects implemented in 15 countries and 6 regional groupings;
113. Supports the overarching objectives of the ACP Investment Facility's framework i.e. supporting the local private sector and the development of employment and socio-economic infrastructures favouring sustainable development at local and regional level as well as the development of the private sector and key infrastructures within the EU-Africa Infrastructure Trust Fund;
114. Welcomes the EIB's efforts to contribute to a Union response to critical international matters, in particular through the EIB's ACP migration package and the economic resilience initiative, supporting the Union and partner countries for tackling socio-economic challenges contributing to migration, prefiguring the external investment plan; states however the ongoing challenge of an appropriate political and democratic control of the EIB activities;
115. Invites the EIB to insist and give priority to long-term effect of investments and their contribution to sustainable development in all economic, social and environmental

aspects;

116. Encourages the EIB to further support local private sector development as a key driver of sustainability, to support basic social and economic infrastructure of immediate interest for the beneficiaries as well as the search for new local and regional partners in the specific domain of micro-finance; invites the EIB to increase additionality with a better justification of the use of the funds;
117. Invites the EIB to ensure that ongoing project are regularly monitored and that the original objectives and criterion are effectively met during the life time of the project; believes that the EIB should take into account the possible evolution of a project and of its objectives;
118. Welcomes the second EIB report in 2015 on the results of its external operations and the use of the 3 Pillar Assessment Framework (3PA) and the Results Measurement (ReM) Framework by the EIB for the ex-ante assessment of expected results from investment projects;
119. Believes that the framework measuring results and performance of the Investment Facility should measure the impact on development for every project; underlines the importance of targeting the same objectives and strategies as the Union's development policies; invites the EIB to further align its activities with Union development policy objectives;
120. Calls for a systematic disclosure of the ACP investment facility on lending agreements and increased transparency on the board decisions and steering documents;
121. Considers the audit on the investment facility to be a good practice in terms of cooperation and collaborative scrutiny between Parliament and the Court; regrets, however, that projects implemented in and funds allocated to the OCTs are not covered by the audit; deplores the fact that the investment facility does not fall within the scope of the Court's annual statement of assurance audit and is not subject to Parliament's discharge procedure;

### ***Towards the post-Cotonou agreement***

122. Acknowledges the EDF's achievements while considering that new prospects should be considered in order to take into account the changes in the landscape of the ACP countries and the OCTs and in the development of new sustainable objectives, in particular the correlation between peace, humanitarian aid, climate change and its challenges, loss of biodiversity as well as migration;
123. Welcomes the Joint Communication to Parliament and the Council on "A renewed partnership with countries of Africa, the Caribbean and the Pacific", published by the Commission and the High Representative of the Union for Foreign Affairs and Security Policy on 22 November 2016 (JOIN(2016)0052), and calls for further discussions between the Union institutions on the future of Union-ACP relations;
124. Observes that while the Commission has proposed substantial simplifications to the Financial Regulation applicable to the General Budget, each EDF is still governed by its own respective Financial Regulation; believes that a single financial regulation would reduce the complexity in managing and implementing the various EDFs; stresses,



furthermore, that Parliament has long called for the integration of EDFs into the Union budget;

125. Believes that in the post-Cotonou agreement, further coherence should be ensured between the objectives of development and all the Union's external policies, and elements such as the fight against inequalities and actions in favour of sustainable development should be central;
126. Looks forward to being fully informed and consulted on the mid-term review of the 11th EDF which is supposed to take into account Agenda 2030 and a new European Consensus on Development but which should also fully respect the principles of development effectiveness reconfirmed at the Nairobi High Level Forum of the Global Partnership, in particular ownership of priorities by recipient countries;
127. Recommends that the post-Cotonou agreement goes beyond economic questions and promotes an efficient political dialogue; recalls that political dialogue is one of the keys to ensure aid performance and effectiveness;
128. Considers that the post-Cotonou agreement should promote the empowerment and the participation of local communities and civil society in general, in particular through the establishment of local partnerships agreements, in order to ensure a proper project implementation at the local level, especially in the framework of indirect management;
129. Calls for recognition of the impact of climate change and its challenges and loss of biodiversity on all development factors; believes that the post-Cotonou agreement should be more focused on the sustainable development of beneficiary countries and especially on the issue of energy self-efficiency;
130. Calls on the Commission to recognise and further develop the island dimension in the development policy and to create a specific instrument for small island developing states, allowing better allocation of funds, performance and adapted control;
131. Suggests to the Commission to provide a priori assessment and to report more systematically on the impact of development policy on countries and regions in the same geographical area to allow for more synergies between all funds available in those regions;
132. Reiterates Parliament's long support for budgetisation to increase democratic scrutiny and accountability, enhance effectiveness, transparency and visibility in the use of EDFs; underlines also that budgetisation would reduce transaction costs and would simplify reporting and accounting requirements by having only one set of administrative rules and decision-making structures;

#### ***Follow-up of Parliament resolutions***

133. Calls upon the Court to include in its next annual report a review of the follow-up to Parliament's recommendations in Parliament's annual discharge resolution.