

2017 Discharge to the EDF

COMPLEMENTARY WRITTEN QUESTIONS TO COMMISSIONER MIMICA

Hearing of 8 November 2018

Development and/or Migration

1. Some EU policies for migration, trade, environment, agriculture and fisheries especially are quite often running contrary the EU development policy. What measures is the Commission taking to tackle the inconsistencies of some EU policies with regard to the EU development policy?

Commission's answer:

The EU is committed to taking into account the objectives of development cooperation in the policies that it implements which are likely to affect developing countries (article 208 TFEU), commonly called "policy coherence for development" (PCD). To implement this commitment, the Commission has put in place tools and mechanisms. Ex-ante impact assessments are used to help identify possible impacts on developing countries at an early stage of the decision-making process. An inter-service steering group addresses PCD-related issues on a regular basis and can help create synergies between EU policies and development policies, or mitigate impacts.

Fraud and Corruption

2. Can the commission report cases in which it has had to carry out a recovery procedure for fraud and corruption, and the result thereof? How does the Commission assess the results obtained in general terms?

Commission's answer:

Between 2013 and 2017, DG DEVCO issued twelve recovery orders following the European Anti-Fraud Office (OLAF) recommendations related to operations funded under the European Development Fund (EDF). Recovery procedures have been finalised for nine of these twelve cases: three repayments and six offsetting. The finalisation of 75% of recovery procedures following OLAF recommendations related to operations funded under the EDF is considered to be a satisfactory result, whilst work is ongoing on the remaining three cases.

3. Could the Commission inform about the most important cases of EU development funds affected by fraud in 2017 and what procedures are being applied?

Commission's answer:

The European Anti-Fraud Office (OLAF) closed one important case of fraud and irregularities affecting EU development funds (EDF) which took place in 2017.

OLAF concluded that there were irregularities and conflict of interest in a tender procedure for a project implemented in Kenya. OLAF recommended that DG DEVCO undertakes all appropriate measures to prevent the payment of EUR 1 413 054. Consequently, DG DEVCO suspended this payment and carried out a new financial verification which resulted in a recovery order of EUR 1.3 million.

Budget support

4. Which are the 20 countries that have received the most funds from budget support for each year of the current budgetary period? also, please, indicate for what kind of action.

Commission's answer:

The twenty countries that have received the highest amounts of budget support for each year of the current budgetary period are respectively (from the first highest recipient to the twentieth, based on payments):

in 2014 – Ukraine, Tunisia, Mali, Burkina Faso, Madagascar, Morocco, Moldova, Niger, Mozambique, Rwanda, India, Jamaica, Haiti, Senegal, Ethiopia, Central African Republic, Liberia, Jordan, Botswana, Dominican Republic;

in 2015 – Ghana, South Africa, Morocco, Niger, Tunisia, Burkina Faso, Tanzania, Jordan, India, Mali, Georgia, Haiti, Greenland, Vietnam, Liberia, Bolivia, Sierra Leone, Mauritius, Barbados, Honduras;

in 2016 – Morocco, Ukraine, Niger, Jordan, Rwanda, Mali, South Africa, Bolivia, Nepal, Burkina Faso, Tunisia, Georgia, Greenland, Guyana, Moldova, Vietnam, Colombia, Albania, Pakistan, Ethiopia;

in 2017 – Morocco, Rwanda, Afghanistan, Niger, Burkina Faso, Ethiopia, Mali, Jordan, Tunisia, Tanzania, Georgia, Benin, Bolivia, Nepal, Vanuatu, Pakistan, Cameroon, Greenland, Moldova, South Africa.

Budget support is not directly linked to specific actions, and rather implies an indirect influence on results achieved by government which may appear only in the medium term. An overall assessment would have to include other inputs which contributed to the implementation of the countries' policies alongside EU budget support (e.g. government resources and inputs by other development partners), the fragility factors or the exogenous shocks that may have affected the countries (e.g. volatile political environment, commodity prices, security threats, natural disasters) as well as diverse situations (e.g. size of the economy and population). Nonetheless many results achieved since 2014 by our partner countries – with the contribution of EU budget support – are listed in the Budget Support – Trends and Results 2018 report (link: https://ec.europa.eu/europeaid/budget-support-trends-and-results_en). The report highlights results for each of the seventeen Sustainable Development Goals. In reference to some of the countries topping the lists above, here are some examples:

- SDG 2 (zero hunger) – in Rwanda, the annual rate of decline in the number of stunted children has accelerated from 0.80 % annually in 2012 to 1.25 % in 2016;
- SDG 3 (good health and well-being) – in **Ethiopia**, where the EU is involved in the health sector through budget support, infant mortality was reduced by half between 2000 and 2016, down from 97 to 48 deaths per 1 000 live births;
- SDG 4 (quality education) – the EU has supported **Morocco**'s strategy for adult literacy over the past 10 years. Some 5.5 million people have benefited from literacy programmes developed as part of this strategy;
- SDG 4 (quality education) – in **Jordan**, the EU assisted the government in coping with the challenges for the education posed by the refugee crisis and notably to provide 126,127 Syrian children with education and new school books in primary and secondary schools free of charge, during the 2016/2017 school year;
- SDG 5 (gender equality) –gender equality has been factored into all the EU budget support contracts in **Tunisia** (e.g. initiating gender-responsive budgeting and increasing the proportion of women holding managerial posts at regional levels from 2 to 10 %);
- SDG 6 (clean water and sanitation) – in **Tunisia**, the EU budget support contributed to increase the access to drinking water to 93% of rural households in 2016;
- SDG 7 (affordable and clean energy) – the EU helped to raise the proportion of households in **Rwanda** with access to electricity by 10 percentage points since 2016;
- SDG 9 (industry, innovation and infrastructure) – the number of kilometres of maintained roads in **Tanzania** increased with EU support by 20% over the last 3 years;
- SDG 16: Ukraine adopted a revised Public Financial Management Strategy (2017-2021) including a working group on anti-corruption and internal control. The Public Procurement Law introduced an e-procurement system improving transparency and accountability of tendering processed and together with the e-declaration on revenues and assets of public officials demonstrate commitment to address corruption.
- SDG 17 (partnerships for the goals/macroeconomic stability) – EU budget support assisted **Ghana** in restoring macroeconomic stability and initiating key reforms to secure fiscal discipline;
- SDG 17 (partnerships for the goals/domestic revenue mobilisation) – **Burkina Faso**, **Mali** and **Niger** have secured increases of domestic revenue through reforms promoted by EU budget support.

5. Could the EC inform about how many cases in 2017-2018 the budget support has had to be interrupted? Indicate, please, which countries, reasons, outcomes and the monitoring carried out by the Commission.

Commission's answer:

The Commission monitors eligibility criteria for budget support before each disbursement. Budget support payments are made only after a positive assessment on the compliance with eligibility criteria and positive assessment of fundamental values where relevant as well as results achieved. The Commission focuses on a gradual and proportionate response to deteriorating conditions. It can delay or reduce payments before full suspension and reinforce dialogue at the same time.

The impact of exiting budget support on the policy and political dialogue structures, policy monitoring framework and the relationship with partner countries are also considered in the decision. As demonstrated by recent evaluations on the cost and consequences of exiting budget support ('Effectiveness and sustainability of budget support: Evaluation synthesis' and 'Lessons from exiting budget support' by DEVAL, the German Institute for Development Evaluation), the exit negatively affects the analytical and dialogue opportunities, including those with all other donors, especially member states.

There were two countries in 2017-2018 where budget support had to be suspended.

In Malawi, the budget support programme was stopped in 2017 due to lack of sufficient progress with the implementation of the public finance management reform plan and a lack of a credible national development strategy. This assessment was an outcome of the Commission's continuous monitoring and dialogue effort with the country. The Commission nevertheless wanted to maintain a constructive dialogue and offer a possibility for the country to resume budget support, should they implement the necessary reforms. Dialogue and monitoring is currently ongoing with the country around this roadmap.

In Mozambique, the budget support programme was stopped in 2018 as a consequence of a lack of stability-oriented macroeconomic policy and lack of transparency and accountability in the public financial management system. The Commission worked very closely with the country authorities, international organisations (especially the International Monetary Fund (IMF)) and bilateral donors to resolve the situation but had to conclude after a while that eligibility criteria for budget support are no longer met.

In both cases, the Commission, while clearly signalling the consequences of not meeting the budget support eligibility criteria, tried to preserve dialogue and give a clear indication of the reform expectations towards the partner country.

6. During the current budgetary period, has the Commission proceeded to a fund recovery procedure in the budget support? What the results have been?

Commission's answer:

The Commission verifies carefully the eligibility criteria for budget support before each disbursement. Budget support payments are made only after a positive assessment of satisfactory progress for each eligibility criterion and when results have been achieved. There is no advance payment or pre-financing in budget support and therefore no fund recovery procedures have been applied.

National Development Agencies

7. Could the EC provide a statistics of all direct contracts attributed under the EDF Instrument to National Development Agencies since the year 2007? Indicate, please: the amount, the duration, subjects of the different contracts and the justification of the choice of the contractors.

Are these statistics systematically established and followed by the EC? Since when? Are they systematically provided to the Member states specialised Committees and to the EP and published on the Commission website? And if not, why?

Commission's answer:

National Member State development agencies in the sense of article 2(42) of the Financial Regulation (FR) are entities established in a Member State as a public law body or as a body governed by private law with a public service mission and provided with adequate financial guarantees from the Member State. Currently 32 agencies' applications to the Commission for recognition as Member State Organisations (MSOs) in development are accepted by the Commission, entitling those MSOs to become eligible for indirect management in pursuance of article 62(1)c) FR, and eligible for contribution agreements in calls for proposals in pursuance of article 154(7) FR.

A list of all direct contracts (Grants and Procurement) as well as Delegation Agreements attributed under the EDF Instrument to National Member State Development Agencies from 2008 onwards (no details available in the information system prior to 2008) is provided in annex. For Grants and Procurement, the relevant reference of the Financial Regulation justifying the direct attribution of the contract is indicated for each specific contract. The provided statistics include direct contracts to the 32 agencies referred to in the first paragraph as well as to Member State Organisations eligible for indirect management previously accepted by the Commission which no longer figure on the current list (for instance because they ceased operations). As concerns the Delegation Agreements, the underlying principles justifying the recourse to Indirect Management and the reasons of the selection of the specific bodies are referred in Annex 6 of DG DEVCO Annual Activity Report (AAR). The list of delegation agreements signed by the Commission with national agencies is reported each year by the Commission in Annex 6 of the AAR. The AAR and all annexes are published on the official website of the European Union (Europa) and can be found under the following link:

https://ec.europa.eu/info/publications/annual-activity-report-2017-international-cooperation-and-development_en

In addition, all contracts signed or endorsed by the Commission, including those with Member States and their organisations, are available in Commission internal data systems and its financial flows are published as open data according to the International Aid Transparency Initiative (IATI) Standard and publicly accessible via aid transparency websites such as the Commission's EU Aid Explorer and IATI's d-portal. Likewise, these commitments are published on the Commission's own Financial Transparency System (FTS), as required under article 38 FR:

http://ec.europa.eu/budget/fts/index_en.htm

<https://euaidexplorer.ec.europa.eu/http://d-portal.org/>



Q7.xlsx

8. Could the Commission provide the European Parliament with a list of contracts (as leader, as member of a consortia or as subcontractor) signed by EU Member States 'national public development and cooperation agencies for the management of EU programmes and projects for each year, both under the General Budget and the EDF, between beginning 2007 and end 2017. Indicate, please: the amount, duration and type of each contract signed, the procedure of attribution used, the type of method of implementation (indirect management system, grant etc...), the country/ies concerned and the subcontractors if any used.

Commission's answer:

A list of contracts (Grants and Procurement) as well as Delegation Agreements signed from 2008 onwards with EU Member States National Development Agencies is provided in annex for the same population of entities as for question 7 above.

No data is available in the information system

- on contracts concluded before 2008,
- on contracts in which National Agencies participate not as main contractor/beneficiary,
- on any sub-contractors within contracts signed with National Agencies.



Q8.xlsx

9. What is the legal status of each of these agencies? Is it strictly in line with the indirect management mode requirements? Did the Commission services check this important aspect? When? How? Can the Commission provide a copy of each of these assessments to the European Parliament?

Commission's answer:

Article 62(1)(c) of the Financial Regulation¹ (FR) states that the following entities are eligible for indirect management:

- (v) public law bodies, including Member States organisations and

¹ Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 – OJ L 193 of 30.07.2018, p.1;

- (vi) bodies governed by private law with a public service mission, including Member States organisations, to the extent that they provide adequate financial guarantees.

According to Article 2(42) FR, ‘*Member State organisation*’ means “*an entity established in a Member State as a public law body or as a body governed by private law with a public service mission and provided with adequate financial guarantees from the Member State*”.

According to Article 157 FR, the Commission may in accordance with points (c)(v) and (vi) of the first subparagraph of Article 62(1) implement the budget indirectly with Member State organisations. Where the Commission implements the budget indirectly with Member States organisations, it shall rely on the systems, rules and procedures of those organisations which have been assessed in accordance with Article 154(3) and (4).

This ex-ante assessment (the so called “pillar assessment”) includes the following areas: (1) internal control, (2) accounting, and (3) independent external audit. Moreover, the assessment must also include at least one of the following, so that the entity can be entrusted with the corresponding tasks: (4) procedures and rules for grants, (5) for procurement, (6) for financial instruments. With the entry into force of the new FR, (7) requirements on publication of information on recipients and (8) protection of personal data are covered by 2 new pillars.

Hence, according to the regulatory framework, in order to be eligible for indirect management, the organisation has to be set up under public law (i.e. by a sovereign act of state, such as a law or a decree) or under private law (i.e. in a legal form available to anyone in that particular state) and has to be governed by the national law of an eligible state.

If the organisation is governed by private law, in order to establish its public service mission, the following criteria are taken into account:

- whether it has been established for the specific purpose of meeting needs in the general interest, not having an industrial or commercial character;
- whether it has legal personality;
- whether it closely depends on the State in terms of financing, or management supervision, or corporate governance.

Whenever an entity that defines itself as a Member State agency makes a request to work in indirect management with the Commission in the field of development cooperation, an internal procedure is carried out before proceeding to the pillar assessment in order to verify:

- i. if there is an interest in cooperation with that entity in indirect management (opportunity check);
- ii. whether the legal status of the entity complies with the above mentioned eligibility criteria (legal check).

Only if the opportunity check and the legal check are both positive, a pillar assessment is conducted in order to work in indirect management.

In pursuance of Annex II 3.2.1 of the inter-institutional Framework Agreement between the European Parliament and the European Commission, the Commission is ready to make available the requested documents for the purpose of the discharge procedure for 2017

through secured channels taking into account the protection of commercially sensitive information and the third party consent where required.

10. Could the Commission confirm to the EP if, when and by which EC services, all these agencies have had their internal systems of control, systems of procurement, accountancy systems and external auditing process controlled by the Commission auditors in order to check if they use systems which are of a comparable quality to the ones used by the EC and fully in line with the international standards in accordance with the Financial Regulation? Could the Commission provide a copy of these assessments to the European Parliament?

Commission's answer:

The following National Member States Development Agencies were assessed:

Member States' Development Agencies			
Acronym	National Agency, Country	Year of last finalised PA	EU Service in lead
ADA	Austrian Development Agency, Austria	2015	DG DEVCO
AECID	Agencia Espanola de Cooperacion Internacional al Desarrollo, Spain	2016	DG DEVCO
AFD	Agence Française de Développement, France	2015	DG DEVCO
AICS	Italian Agency of Development Cooperation	2018	DG DEVCO
AFETI	Agence Française d'Expertise Technique Internationale, France, "Expertise France"	2012	DG DEVCO
BC	British Council, United Kingdom	2011	DG DEVCO
CDP	Cassa depositi e prestiti S.p.A., Italy	2015	DG DEVCO
CEF	Center of Excellence in Finance, Slovenia	2018	DG NEAR
CICL	Camões - Instituto da Cooperação e da Língua, Portugal	2013	DG DEVCO
CzDA	Czech Development Agency	2017	DG DEVCO
COFIDES	Compañía Española de Financiación del Desarrollo, Spain	2016	DG DEVCO

CPMA	Central project Management Agency, Lithuania	2017	DG NEAR
DANIDA	Danish Ministry of Foreign Affairs, Denmark	2009	DG DEVCO
DEG	Deutsche Investitions- und Entwicklungsgesellschaft mbH, Germany	2015	DG DEVCO
DFID	UK Department for International Development, United Kingdom	2009	DG DEVCO
ENABEL	Belgian Development Agency, Belgium	2015	DG DEVCO
FI MoFA	Ministry of Foreign Affairs, Finland	2009	DG DEVCO
FIIAP	Fundacion Internacional y para Iberoamerica de Administraciony Politicas Publicas, Spain	2011	DG DEVCO
FMO	Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden, Netherlands	2016	DG DEVCO
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit, Germany	2009	DG DEVCO
IT MoFA	Ministry of Foreign Affairs, Italy	2012	DG DEVCO
IT MoI	Ministry of the Interior-PSD-Italy	2013	DG DEVCO
KfW	Kreditanstalt für Wiederaufbau, Germany	2016	DG DEVCO
Lux-Dev	Lux-Development SA, Luxembourg	2009	DG DEVCO
MSB	Swedish Civil Contingency Agency	2017	FPI
NI-CO	Northern Ireland Co-Operation Overseas LTD, United Kingdom	2013	DG DEVCO
NL MoFA	Ministry of Foreign Affairs, Netherlands	2009	DG DEVCO
PROPARCO	Groupe Agence Française de	2015	DG DEVCO

	Développement, France		
RVO	Rijksdienst voor Ondernemend Nederland (Netherlands Enterprise Agency), Netherlands	2018	DG DEVCO
SIDA	Swedish International Development Cooperation Agency, Sweden	2011	DG DEVCO
SIMEST	Societa Italiana per le Imprese all'Estero, Italy	2015	DG DEVCO
SONA	Stichting Ontwikkeling Nederlandse Antillen, Dutch Antilles	2007	DG DEVCO

In pursuance of Annex II 3.2.1 of the inter-institutional Framework Agreement between the European Parliament and the European Commission, the Commission is ready to make available the requested documents for the purpose of the discharge procedure for 2017 through secured channels and taking into account the protection of commercially sensitive information and the third party consent where required.

11. Could the Commission confirm to the European Parliament that when being entrusted with the management and implementation of EU budget financed projects, these agencies fully respect the rules of procurement and avoid to advantage their own national consultants, suppliers and public works firms?

Commission's answer:

The individual details of the procurement procedures of the Member States Organisations (MSOs) can be found in each of the pillar-assessments, communicated to the European Parliament through secured channels in application of the European Parliament - Commission framework agreement (see answer to question 10 above). In general, the Commission draws the Parliament's attention to the fact that the MSOs are entities established in a Member State of the Union, as a public law body or as a body governed by private law with a public service mission. The pillar-assessed MSOs include central government authorities and bodies governed by public law, subject to the Procurement Directive adopted by the European Parliament and the Council on 26/02/2014, who as such are bound fully by the publication and transparency obligations of this Directive, as well as by the obligations of equal treatment and non-discrimination vis-à-vis EU applicants and tenderers.

Compliance with the procurement procedures and rules in place is one of the areas of control under

- audits and verifications carried out within DEVCO's annual audit and verification plans,
- the residual error rate study,
- and in the framework of the declaration of assurance audit by the European Court of Auditors.

12. How does the EC check that the EC procurement directives, the provisions of the EU Financial Regulation and the specific rules applicable to the EDF and external cooperation procurement contracts are fully observed by these agencies?

Commission's answer:

Where pursuant to articles 62(1)c) and 157 of the Financial Regulation (FR), the Commission implements the budget indirectly with Member States Organisations (MSOs), it shall rely on the systems, rules and procedures of those MSOs which have been assessed in accordance with Article 154 FR. This ex-ante assessment (the so called "pillar assessment") checks whether the systems, rules and procedures of the MSO ensure a level of protection equivalent to the one provided for when the Commission implements the budget.

To that effect, the pillar-assessment checks whether the MSO (a) sets up and ensures the functioning of an effective and efficient internal control system based on international best practices and allowing in particular to prevent, detect and correct irregularities and fraud; (b) uses an accounting system that provides accurate, complete and reliable information in a timely manner; (c) is subject to an independent external audit, performed in accordance with internationally accepted auditing standards by an audit service functionally independent of the person or entity concerned; (d) applies appropriate rules and procedures for providing financing to third parties, including transparent, non-discriminatory, efficient and effective review procedures, rules for recovering funds unduly paid and rules for excluding from access to funding; (e) makes public adequate information on their recipients equivalent to that provided for under Article 38 FR; and (f) ensures protection of personal data equivalent to that referred to in Article 5 FR.

The MSO is hence not under obligation to fully observe the rules imposed upon the Commission itself by the Financial Regulation applicable to the EU General Budget and the Financial Regulation applicable to the 11th EDF, nor to fully observe the specific external action procurement rules which the FR and 11th EDF FR impose. The pillar assessment rather checks whether the own systems, rules and procedures of the MSO are equivalent to those of the Commission, not whether the MSO applies identical rules and procedures.

The individual details of the procurement procedures of the Member States Organisations (MSOs) can be found in each of the pillar-assessments, communicated to the European Parliament through secured channels in application of the European Parliament - Commission framework agreement (see answer to question 10). In general, the Commission draws the Parliament's attention to the fact that the MSOs are entities established in a Member State of the Union, as a public law body or as a body governed by private law with a public service mission. The pillar-assessed MSOs include central government authorities and bodies governed by public law, subject to the Procurement Directive adopted by the European Parliament and the Council on 26/02/2014, who as such are fully bound by the publication and transparency obligations of this Directive, as well as by the obligations of equal treatment and non-discrimination vis-à-vis EU applicants and tenderers.

Compliance with the procurement procedures and rules in place is one of the areas of control under:

- audits and verifications carried out within DEVCO's annual audit and verification plans;
- the residual error rate study;
- and in the framework of the declaration of assurance audit by the European Court of Auditors.

13. Do these agencies, in application of the EU procurement and FR rules, organise competitions opened to all candidates eligible and meeting the conditions whatever their nationality?

Commission's answer:

The individual details of the procurement procedures of the Member States Organisations (MSOs) can be found in each of the pillar-assessments, communicated to the European Parliament through secured channels in application of the European Parliament - Commission framework agreement (see answer to question 10 above).

In general, the Commission draws the Parliament's attention to the fact that the MSOs are entities established in a Member State of the Union, as a public law body or as a body governed by private law with a public service mission. The pillar-assessed MSOs include central government authorities and bodies governed by public law, subject to the Procurement Directive adopted by the European Parliament and the Council on 26/02/2014, who as such are bound fully by the publication and transparency obligations of this Directive, as well as by the obligations of equal treatment and non-discrimination vis-à-vis EU applicants and tenderers.

Compliance with the procurement procedures and rules in place is one of the areas of control under

- audits and verifications carried out within DEVCO's annual audit and verification plans,
- the residual error rate study,
- and in the framework of the declaration of assurance audit by the European Court of Auditors.

14. Do they publish on their web-sites and in newspapers or official journals :

- Ex-ante, the opportunities of contracts,
- Ex-post the results of the tenders,
- Ex-post, the yearly list and different statistics relating to the contracts which they have attributed and signed.

Where? When? In which language? Do they also publish the procurement advices in other languages than their national ones? If not, why?

Commission's answer:

The rules and procedures in place at National Member State Development Agencies with regard to publication of contract award procedures, their outcomes and resulting contracts are assessed under the assessments described in the answer to question 9.

The individual details of the procurement procedures of the Member States Organisations (MSOs) can be found in each of the pillar-assessments, communicated to the European Parliament through secured channels in application of the European Parliament - Commission framework agreement (see answer to question 10). In general, the Commission draws the Parliament's attention to the fact that the MSOs are entities established in a Member State of the Union, as a public law body or as a body governed by private law with a public service mission. The pillar-assessed MSOs include central government authorities and bodies governed by public law, subject to the Procurement Directive adopted by the European Parliament and the Council on 26/02/2014, who as such are fully bound by the publication and transparency obligations of this Directive, as well as by the obligations of equal treatment and non-discrimination vis-à-vis EU applicants and tenderers.

Compliance with the procurement procedures and rules in place is one of the areas of control under:

- audits and verifications carried out within DEVCO's annual audit and verification plans;
- the residual error rate study;
- and in the framework of the declaration of assurance audit by the European Court of Auditors.

An overview of websites used by MSOs for this type of publication can be found in annex. To the extent that they fall under the Procurement Directives, the MSO's calls for tender are not only published on the MSO's own website, but also – depending on the amount at stake – at EU-level by the Publications Office.



15. Does the Commission check that the attribution of procurement contracts by these agencies strictly respect the equality of treatment between the different competing firms, entities or consultants whatever their nationality and that there is not any special treatment for the ones of the same nationality than the Agency concerned? How are these checks performed and how often? Are the results of the attributions published? Where? Following which periodicity? Could the Commission provide to the European Parliament, for each of these agencies, the corresponding lists and website addresses where the public may find these data for all projects entrusted with these agencies under the indirect management system, or under the former prevailing system under the previous Financial Regulation, for each year during the period the 2007 to end 2017?

Commission's answer:

In general, the Commission draws the Parliament's attention to the fact that the Member States Organisations (MSOs) concerned are entities established in a Member State of the Union, as a public law body or as a body governed by private law with a public service mission. They include central government authorities and bodies governed by public law, subject to the Procurement Directive adopted by the European Parliament and the Council on 26/02/2014, who as such are fully bound by the publication and transparency obligations of this Directive, as well as by the obligations of equal treatment and non-discrimination vis-à-vis EU applicants and tenderers.

Compliance of the procurement rules and procedures in place at each National Member State Development Agency with obligations on equal treatment and transparency is assessed ex-ante by a so called "pillar assessment". The details of these procurement rules and procedures can be found in each of the pillar-assessments of MSOs communicated to the European Parliament through secured channels in application of the European Parliament - Commission framework agreement (see answer to question 10). Compliance with the procurement procedures and rules in place is one of the areas of control under

- audits and verifications carried out within DEVCO's annual audit and verification plans,
- the residual error rate study,
- and in the framework of the declaration of assurance audit by the European Court of Auditors.

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