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DRAFT REPORT

on the Court of Auditors' special reports in the context of the 2013 Commission discharge
(2014/2140(DEC))

Committee on Budgetary Control

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on the Court of Auditors' special reports in the context of the 2013 Commission discharge (2014/2140(DEC))

The European Parliament,

- having regard to the general budget of the European Union for the financial year 2013¹,
- having regard to the consolidated annual accounts of the European Union for the financial year 2013 (COM(2014)0510 – C8-0140/2014)²,
- having regard to the Court of Auditors' annual report on the implementation of the budget for the financial year 2013, together with the institutions' replies³,
- having regard to the statement of assurance⁴ 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 2013, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to its decision ofon discharge in respect of the implementation of the general budget of the European Union for the financial year 2013, Section III – Commission⁵ and to its resolution with observations that forms an integral part of that decision,
- having regard to the special reports of the Court of Auditors drawn up pursuant to second subparagraph of Article 287(4) of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of ... on discharge to be given to the Commission in respect of the implementation of the budget for the financial year 2013 (00000/2015 – C8-0000/2015),
- having regard to Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
- having regard to Article 106a of the Treaty establishing the European Atomic Energy Community,
- having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European

¹ OJ L 66, 8.3.2013.

² OJ C 403, 13.11.2014, p. 1.

³ OJ C 398, 12.11.2014, p. 1.

⁴ OJ C 403, 13.11.2014, p. 128.

⁵ Texts adopted, P8_TA-PROV(2015)0000.

Communities¹,

- having regard to 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 1605/2002², and in particular Articles 62, 164, 165 and 166 thereof,
 - having regard to Rule 93 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0000/2015),
- A. whereas, under Article 17(1) of the Treaty on European Union, the Commission is to execute the budget and manage programmes and is to do so, pursuant to Article 317 of the Treaty on the Functioning of the European Union, in cooperation with the Member States, on its own responsibility, having regard to the principles of sound financial management;
- B. whereas the special reports of the Court of Auditors provide information on issues of concern related to the implementation of funds, which are thus useful for Parliament in exercising its role of discharge authority,
- C. whereas its observations on the special reports of the Court of Auditors form an integral part of Parliament's abovementioned decision of on discharge in respect of the implementation of the general budget of the European Union for the financial year 2013, Section III – Commission;

¹ OJ L 248, 16.9.2002, p. 1.

² OJ L 298, 26.10.2012, p. 1.

Part I - Special Report No 11/2013 of the Court of Auditors entitled "Getting the Gross National Income (GNI) data right: a more structured and better-focused approach would improve the effectiveness of the Commission's verification"

1. Calls on the Commission to carry out a structured and formalised analysis that takes into consideration costs and benefits allowing it to plan and prioritise its verification on specific areas or compilation (sub-) processes; is of the opinion that such an analysis should consider the risks relating to the Member States' compilation of their national accounts and the relative size of the GNI components in the total economy; considers that this risk assessment should be based on all qualitative and quantitative information available in all departments of Eurostat and concentrate on the compilation procedures described in GNI inventories and recent GNI quality reports of Member States;
2. Calls on the Commission to shorten the duration of its verification cycle in order to limit the use of general reservations; considers that such reservations should be limited to exceptional cases where there are significant risks that the Union's financial interests are not protected, for example when a Member State carries out a major revision during the verification cycle or at irregular intervals;
3. Calls on Eurostat to report clearly and in a timely manner to the GNI Committee on cases where the cost–benefit principle is considered to apply;
4. Expects that the Commission's verification process involves a structured and formalised qualitative risk assessment of the compilation procedures described in the GNI inventories and in-depth verification of material and risky GNI components; believes that the selection of GNI components for in depth verification should be made in accordance with the cost–benefit analysis described in Recommendation 1; is of opinion that the scope and objectives of in-depth verification should be broader than those of direct verification carried out by Eurostat in the recent verification cycle;
5. Calls on the Commission to pay particular attention in its verifications to the exhaustiveness of Member States' GNI and the use of comparable estimation procedures to cover the underground economy in national accounts; calls on Eurostat to check whether the Commission's guidelines are followed by all Member States, and to take appropriate actions to ensure a comparable treatment of this issue between Member States;
6. Calls on the Commission to document its work including a complete set of information relating to Eurostat's verification carried out on the basis of desk checks and/or of visits in the NSIs; considers that Eurostat's control files should allow management to clearly identify the results of the checks carried out on the selected GNI components, in compliance with the internal control standards (ICS);
7. Calls on Eurostat to assess, where possible, the potential impact (for quantifiable observations) and/or the amount at risk (for non-quantifiable observations) of the action points, and set clear materiality criteria in order to set specific reservations; considers

that these criteria should be either qualitative or quantitative; is of the opinion that, as a general rule, reservations should be placed on specific GNI components relating to action points not addressed by the NSIs within the deadlines set and whose impact may be material;

8. Calls on Eurostat to improve coordination between its department in charge of the verification of GNI for own resource purposes and its other departments, in particular those dealing with national accounts; considers that, where possible, actions undertaken by other Eurostat's departments may have an impact on the compilation of GDP and/or GNI, the GNI Committee should be consulted and the final decision on these measures should be taken at an appropriate hierarchical level in Eurostat;
9. Calls on Eurostat to improve its assessment reports to provide a complete, transparent and consistent evaluation of the Member States' GNI data; considers that the annual opinions of the GNI Committee should include a clear assessment on whether Member States' GNI data are appropriate (or not) for own resource purposes, whether their contents comply with the requirements of the GNI regulation and whether they are used appropriately in the budgetary procedure as provided for in Council Regulation (EC, Euratom) No 1150/2000¹(the own resources' Regulation);
10. Is of the opinion that the Annual Activity Reports (AARs) of DG Budget and Eurostat should provide a true and fair view of the verification of Member States' GNI data and of the management of GNI-based own resources; calls, therefore, on the Commission to establish requirements for Eurostat to report regularly on the results of its verification of GNI data, allowing DG Budget to draw the required assurance to be used in the context of its AARs;

¹ Council Regulation (EC, Euratom) No 1150/2000 of 22 May 2000 implementing Decision 94/728/EC, Euratom on the system of the European Communities' own resources (OJ L 130, 31.5.2000, p. 1).

Part II - Special Report No 13/2013 of the Court of Auditors entitled "EU Development Assistance to Central Asia"

11. Welcomes the special report assessing the EU development assistance to Central Asia; takes note of the findings, conclusions and recommendations and sets out its observations and recommendations below;

General remarks

12. Welcomes the observations of the report that the Commission and the European External Action Service (EEAS) have undertaken significant efforts in a rather challenging geographical and political context;
13. Points out, however, that there is still room for improvement for a better targeting and tailoring of the Union development strategies through adequate assistance patterns to enhance the visibility and impact of the Union political objectives at regional level;
14. Emphasises the fact that the level and nature of the Union's engagement must be differentiated and conditional, depending on measurable progress in the fields of 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 this progress, following lines similar to the principles of the Union's neighbourhood policy;
15. Considers that the continued promotion by the Union of programmes targeted at the Central Asian countries is an important trans-border tool for fostering understanding and cooperation among the states of the region;
16. Points out that development cooperation with the Central Asian states can yield results only if these states comply with international standards of democracy, governance, the rule of law and human rights; emphasises likewise that Union development cooperation must not be subordinated to economic, energy or security interests;

Future developments with regard to the planning and implementing of the coming development assistance

17. Considers that the Commission should design any future regional programmes so that they are likely to achieve a genuine regional dimension;
18. Asks the Commission to concentrate all assistance provided on a small number of sectors;
19. Points out that the coming development assistance should be enhanced, on the one hand, through intensified internal Union coordination and, on the other hand, through intensified engagement with other international donors and regional stakeholders;
20. Strongly supports the opening of fully fledged Union delegations in all the countries of Central Asia as a means of increasing the presence and visibility of the Union in the

region and long-term cooperation and engagement with all sectors of society and of fostering progress towards better understanding and the emergence of the rule of law and respect for human rights; considers that the presence of such delegations will greatly contribute to the achievement of the objectives of the development assistance;

21. Calls on the Commission to set up a system for calculating and reporting on the overall administrative cost involved in delivering its development assistance;
22. Requests that the Commission define and apply robust and objectively verifiable conditions for any continuing budget support programmes, in particular giving sufficient attention to support for anti-corruption mechanisms;
23. Recalls that corruption is a serious problem in the republics of Central Asia; points out that in Transparency International's Corruption Perception Index, all Central Asian Countries were rated at less than 28 out of 100 in 2011, with Kyrgyzstan, Turkmenistan and Uzbekistan in the bottom 10% of the 182 countries surveyed;
24. Considers that such pervasive corruption may affect the Commission's reputation and reduce the effectiveness of the support programmes;
25. Is of the opinion that disbursement decisions should be based on progress achieved by partner countries rather than on their commitments to reform; underlines the importance of ensuring an appropriate policy dialogue based on an incentive-based approach and a continuous monitoring of sector reforms and programmes measuring performance and the sustainability of the results;
26. Calls for greater transparency in the allocation of funds by Union and Member States' embassies to support genuinely independent non-governmental partners so as to help them play an effective role in the development and consolidation of civil society;
27. Requests that the Commission improve the programme design and delivery in light of lessons learnt and changing circumstances;
28. Asks the Commission to report on results and impact in a way that allows comparison with plans and objectives;

Part III - Special Report No 15/2013 of the Court of Auditors entitled "Has the Environment component of the LIFE programme been effective?"

29. Highlights the need for the LIFE Programme to act as a catalyst for changes in policy development and implementation; stresses the need for the Commission to set clear, specific, measurable and achievable objectives for projects to be funded;
30. Emphasises the need for projects financed by the LIFE Programme to contribute to the achievement of the specific objectives of more than one of the Programme's priority areas; underlines the need of the funded projects to avoid isolation and on the contrary to encompass transnational character, and to contribute in a measurable fashion to dissemination, sustainability and replication of their output across other Member States;
31. Notes that selection of the best projects can sometimes be distorted by the national allocations; encourages the Member States to keep a geographical balance by proposing more integrated projects, but reiterates that the funds should be first of all distributed based on the merits of the projects and not in a manner detrimental to the quality of the projects;
32. Notes that particular attention should be paid to potential of projects to be disseminated, sustained and replicated; calls on the Commission to set clear indicators assessing dissemination, sustainability and replication potential of assessed projects in order to achieve the programme's objectives; encourages the Commission to follow up on these objectives;
33. Calls on the Commission to improve its programme management tools in order to avoid non-transparent selection procedures; considers that this includes improvement of the project selection evaluation forms, introducing detailed templates for assessments of the claimed costs, appropriate project monitoring, introducing adequate common output and result indicators, and thorough follow-up of project monitoring;

Part IV - Special Report No 16/2013 of the Court of Auditors entitled "Taking stock of 'single audit' and the Commission's reliance on the work of national audit authorities in cohesion"

34. Emphasises the potential efficiency gains from a single audit chain based on common principles and standards; encourages the Member States, the Commission and the Court of Auditors ('the Court') to continue their efforts in this respect; considers that such a single audit system should also take account of multiannual programme cycles;
35. Reminds the Commission of Parliament's remarks¹ concerning the Court's findings in its 2012 Annual Report: “[s]tresses that the findings of the Court of Auditors’ audit indicate weaknesses in the ‘first-level checks’ on expenditure [in Member States]; observes that, for 56 % of the regional policy transactions affected by error (quantifiable and/or non-quantifiable), the Court of Auditors considers that sufficient information was available for the Member State authorities to have detected and corrected one or more of the errors before certifying the expenditure to the Commission”; notes that this is why Parliament endorsed the reservation issued by the Director-General of DG REGIO concerning ERDF/Cohesion Fund/IPA management and control systems for the 2007-2013 programming period in 17 Member States (72 programmes) and asked for rapid actions to be taken;
36. Remains therefore convinced that Member States must become much more vigilant when managing structural funds;
37. Emphasises in this context the significance of introducing national declarations, signed at the appropriate, preferably political, level, and building on annual management declarations (Article 59(5) of the Financial Regulation);
38. Welcomes the fact that since 2009 the Commission has carried out extensive audits on the spot to review the work of audit authorities; notes that it carried out 269 audit missions and reviewed 47 and 84 Audit Authorities for ERDF and ESF, respectively; notes that the missions covered approximately 96% and 99% of the total allocations, respectively; is of the opinion that during a financing period the Commission should audit all operational programmes (OP) at least once;
39. Welcomes the Commission’s use of payment interruptions and suspensions when errors exceed the 2 % materiality threshold; considers that these are useful instruments to protect the Union’s financial interests and is convinced that the Commission should concentrate their own audit efforts on “bad performers”;
40. Is of the opinion that Member States should supply the Commission with sufficiently detailed information about their audits;

¹ Resolution of the European Parliament of 3 April 2014 with observations forming an integral part of the decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2012, Section III – Commission and the executive agencies (OJ L 265, 5.9.2014, p. 32).

41. Supports the Court's recommendation that the Commission should take appropriate measures so that audit authorities can draw on a stable and binding methodological framework which ensures that Union spending in all Member States is checked according to the same standards and that the results are reported accurately;
42. Notes with satisfaction that the Commission presented on 13 December 2013 a communication on the application of net financial corrections on Member States for Agriculture and Cohesion Policy (COM(2013)0934); emphasises however that it will depend on many factors whether the new instrument will lead to more net corrections and hence to a lower error rate in cohesion policy;
43. Calls on the Court and the Commission to develop an audit instrument which, on the one hand, records annually errors and irregularities while, on the other hand, also takes into consideration financial correction during the programming period;
44. Welcomes the fact that the Commission has updated the roadmap for the implementation and monitoring of the correct implementation of the 'single audit' principle in September 2013, compliance with which should put national authorities in a position to obtain the "single audit status"; requests a copy of this document;
45. Is sensitive to the idea that control of expenditure could represent an administrative burden; considers that the obligation of accountability must not discourage potential beneficiaries from applying for financial assistance;

Part V - Special Report No 17/2013 of the Court of Auditors entitled "EU Climate Finance in the context of External Aid"

46. Welcomes the special report examining the Union climate finance in the context of external aid as an important contribution to the overall political and financial debate about the Union's climate policy and diplomacy; takes note of the findings, conclusions and recommendations and sets out its observations and recommendations below;

General remarks

47. Welcomes the findings of the report which show that the Commission has managed Union climate-related spending from the Union budget and the European Development Funds (EDF) well;
48. Welcomes also the work begun by the Commission and Member States on a common Union standard for monitoring, reporting and verification of public climate finance;
49. Reiterates Parliament's position, of which the Court took note in its Special Report and which insists that climate finance should be additional to the 0.7 % target, and regrets the failure to confirm Parliament's concept of additionality in the Development Cooperation Instrument (DCI) negotiations;
50. Points out however that there is a need for the Commission to exercise sufficient leadership to maximise its international impact and to consolidate the tools for shaping conditions for the Union's climate / green diplomacy in future years; particularly to deliver the climate-related benchmarks within the DCI as adopted in December 2013, stating that it "should contribute to the overall objective of addressing at least 20 % of the Union budget to low carbon and climate resilient society, and that GPGC should use at least 25 % of its funds to cover climate change and environment (Recital 19 of the DCI)"; points out that Annex IV of the DCI also specifies that under the Global Public Goods and Challenges (GPGC) programme, 27 % of the funds are allocated to Environment and Climate Change and at least 50 % of the GPGC programme will serve for climate related action and environment-related objectives;
51. Welcomes that a commitment to improving EU Joint Programming since 2011 has been made in some 40 countries; points out however that coordination between the Commission and Member States in climate finance for developing countries still needs to be considerably improved to meet not only the 2020 commitment but also to allow the Union to stay a frontrunner in terms of climate actions;
52. Reiterates Parliament's support for joint programming and its recognition of the significant progress made on this; looks forward to being re-consulted, as promised by the Commission, if such programming leads to changes in the DCI programming;
53. Notes the explanations about the difficulties in tracking and reporting, due to the divergent reporting practices of Member States, given in the Accountability Report from the Commission on Financing for Development, published on 3 July 2014 in the form of a Staff Working Paper, including a section in Volume I on Climate Finance which

provides information on EU climate financing; notes that the report repeats the figure of EUR 7,3 billion of Fast Start Finance made available by the Union and Member States, and urges further improvements in reporting on the impact and results of development aid;

Future developments

54. Calls for more earmarking of funds to specific sectors, including climate finance, when channelled via Budget Support, and more transparency over use of funds overall;
55. Considers that the Commission and the EEAS should strengthen their communication policy both on the support provided globally or to individual recipient countries and to project the Union's values;
56. Recognises that corruption remains a significant barrier to effective climate finance and urges the Commission to step up its efforts in regards to working with development partners on anti-corruption issues;
57. Requests that the Commission propose a road map to the Council for the scaling-up of climate finance towards the Copenhagen Accord 2020 target, including a definition of private finance;
58. Requests that the Commission make an independent evaluation of the Global Climate Change Alliance, including an examination of why most Member States did not choose to co-finance it;
59. Asks the Commission and the EEAS to report on the extent to which the target of spending 20 % of the Union budget and the EDF over 2014 to 2020 on climate related action is implemented in development aid, specifying what has been committed and disbursed;
60. Calls on the Commission and Member States, in the framework of Regulation (EU) No 525/2013 of the European Parliament and of the Council¹ (Monitoring Mechanism Regulation), to agree common standards for monitoring, reporting and verification, in particular with respect to the definition of 'new and additional', the application of the Rio Markers and reporting on the disbursement of climate finance;
61. Invites the Commission and Member States to intensify their cooperation to implement the EU Code of Conduct on Division of Labour in the field of climate finance, notably with respect to the exchange of information on allocations by countries, joint programming and preventing and combatting corruption in climate finance;

¹ Regulation (EU) No 525/2013 of the European Parliament and of the Council of 21 May 2013 on a mechanism for monitoring and reporting greenhouse gas emissions and for reporting other information at national and Union level relevant to climate change and repealing Decision No 280/2004/EC Text with EEA relevance (OJ L 165, 18.6.2013, p. 13).

Part VI - Special Report No 18/2013 of the Court of Auditors entitled "The reliability of the results of the Member States' checks of the agricultural expenditure"

62. Acknowledges that the systems examined in the Special Report 18/2013 have been changed by the new CAP Regulations, with increased responsibilities of the certification bodies in the Member States in the field of verification of legality and regularity of expenditure, and verification of control results communicated to the Commission;
63. Reminds the Commission to ensure that the problems encountered are not repeated; recalls that the findings of the Court of Auditors in its 2012 Annual Report were as follows:
 - (a) that the supervisory and control systems of the Member States for expense payments and for rural development were partially effective and that for a significant number of transactions affected by error the national authorities had enough information to detect and correct the errors concerned;
 - (b) that the effectiveness of the Internal Management and Control System (IACS) is adversely affected mainly by inaccurate databases used for cross-checks;
64. Stresses that on 3 April 2014 it has endorsed the reservation put by the Director General of DG AGRI in its Annual Activity Report for 2012 as regards the deficiencies found by the Commission and the Court in the eligibility of land; reminds that it has asked in particular that permanent pasture should be properly recorded in the land parcel identification system (LPIS) and that it should be informed by the Commission on a six months basis on progress made;
65. Asks the Commission and the Member States to take immediate remedial action when administrative and control systems, and/or IACS databases, are found to be deficient or out of date;
66. Urges the Commission and the Member States to ensure that payments are based on inspection results and that those on-the-spot inspections are of the necessary quality to determine eligible area in a reliable manner;
67. Urges the Commission to ensure that the design and quality of the work performed by the directors of paying agencies and the certification bodies provide a reliable basis for the assessment of the legality and regularity of underlying transactions;
68. Welcomes the change in the approach used by DG AGRI to calculate the residual error rate for decoupled area aid in 2012, as it takes into account the fact that the inspection statistics, the declarations of the directors of paying agencies and the work carried by the certification bodies can be affected by deficiencies impacting their reliability and calls for this new approach to extend to all CAP expenditure in DG AGRI's Annual Activity Reports in the new funding period;
69. Reminds the Commission that it has endorsed the reservation contained in DG AGRI's annual activity report for the total EAFRD expenditure for 2012 and that this

reservation is due to concerns about the quality of controls in some Member States as well as the error rate reported by the Court of Auditors;

70. Calls on the Member States to carry out their existing administrative checks in an efficient way by using all relevant information available to the paying agencies, as this has the potential to detect and correct the majority of the errors;
71. Calls on the Commission to ensure in the area of rural development that uniform standards and procedures are being equally applied and observed both by its approving and auditing bodies;

Part VII - Special Report No 1/2014 of the Court of Auditors entitled "Effectiveness of EU-supported public urban transport projects"

72. Emphasises that the European Structural and Investment Funds ('ESI funds') are the single most important source for Union funding for urban mobility projects and that such projects are not only crucial for the accessibility of urban areas in the Union's less developed regions but that they also have important social and environmental aspects for the quality of life of Union citizens;
73. Stresses the increasing importance of continued Union financial assistance, considering in particular the negative consequences of growing urban sprawl and in light of the prospects for the further steady growth of the proportion of urban population;
74. Stresses the need to ensure that the delivery of urban mobility projects both by the Commission and Member States must therefore be responsible, effective and efficient, pursuing concrete results rather than the absorption of the available funds;
75. Reiterates, while mindful of the principle of subsidiarity, the call on Member States made in the Commission's communication of 17 December 2013 entitled "Together towards competitive and resource-efficient urban mobility" (COM(2013)0913):
 - (a) to ensure detailed assessments of present and future performance, co-ordination and integration of Sustainable Urban Mobility Plans (SUMP) into wider urban and territorial strategies, amending, where necessary, technical and other tools at the disposal of planning authorities;
 - (b) to focus on appropriate vehicles in addition to infrastructure as a tool to deliver sustainable urban mobility in urban logistics;
76. Calls on the Commission and authorities in Member States, taking note of the negative impact of the financial crisis on transport systems usage, to pay more attention to the objectives, targets and indicators, in particular those in the project application forms, in order to identify potential risks and guard against any optimism bias in future projects, and so avoid the kind of over-runs in time and cost mentioned in the Special Report;
77. Urges the Commission to perform more thorough cost-benefit analyses of indicative budgets of urban transport projects and to share best practices with the Member States, as well as encourage such exchanges among them, thus supporting authorities in successfully developing projects that are not subject to Commission approval;
78. Insists that the Commission encourages the use of Jaspers by Member States and that it fully exploits its potential for assisting in the development and assessment of the quality of urban transport projects financed by ESI funds;
79. Draws attention, however, to the fact that public urban transport is not simply a revenue-generating activity but is also a crucial and at times irreplaceable element of urban mobility systems for many large cities even in more developed regions, as these also suffer from "the urban paradox" due to the existence of socially vulnerable

constituencies;

80. Asks therefore that the relevant authorities take into full consideration the social dimension of public urban transport projects, based on appropriate justifications included in the application form;
81. Asks the Commission to quickly adopt the relevant implementing and delegated acts in order to prevent potential delays, recognising that transport projects usually require considerable time for elaboration and implementation;
82. Insists that the elements set out in Annex to the abovementioned Commission communication of 17 December 2013 be implemented, including:
 - (a) comprehensive Status analysis and baseline through an “urban mobility performance audit”, against which future performance can be measured;
 - (b) the identification of “hotspots” within the urban areas where performance of the present transport system is particularly poor;
 - (c) suitable performance indicators which can then be properly monitored;
 - (d) specific performance objectives which are realistically ambitious with regard to the objectives of a SUMP;
 - (e) measurable targets, based on a realistic assessment of the baseline and available resources, to reflect the specific SUMP objectives;
83. Points to the lack of sufficient indicators for measurement of the effectiveness of the urban transport projects listed in Regulation (EU) No 1301/2013 of the European Parliament and of the Council¹ (the ERDF Regulation) and insists that the Commission includes in the implementing and delegated acts relating to these kinds of projects more appropriate indicators taking into consideration the indicators recommended by the Court of Auditors;

¹ Regulation (EU) No 1301/2013 of the European Parliament and of the Council of 17 December 2013 on the European Regional Development Fund and on specific provisions concerning the Investment for growth and jobs goal and repealing Regulation (EC) No 1080/2006 (OJ L 347, 20.12.2013, p. 289).

Part VIII - Special Report No 2/2014 of the Court of Auditors entitled "Are Preferential Trade Arrangements appropriately managed?"

84. Welcomes the special report evaluating the management of preferential trade arrangements in the context of the Union's exclusive competence as an important contribution to the overall political debate about the Union's external trade and development policies; takes note of the findings and recommendations and sets out its observations and recommendations below;

General remarks

85. Expresses serious concerns about the fact that the Commission has not appropriately assessed all the economic effects of Preferential Trade Agreements (PTAs) and also the fact that the completeness of revenue collection is not ensured;
86. Recalls that it is a top priority to adequately inform the policymakers, various stakeholders and Union taxpayers of the main added value and disadvantages of the different trade policy options and scenarios;
87. Finds it unacceptable that Sustainability impact assessment studies (SIAs) are in some cases missing, incomplete, based on old or outdated information and in other cases (Chili) only available after the agreement was signed;
88. Insists that before signing any new agreement the underlying SIA study should be finalised and made public;
89. Regrets that partners under the generalised system of preferences (GSP system) did not sign up in all cases to international conventions on human and labour rights; calls on the Commission to put more emphasis on the environment and good governance in PTAs;
90. Would like to be informed of measures taken by the Commission on the basis of the recommendations and observations by Parliament and the Court of Auditors by October 2015;

Future developments

91. Is of the opinion that in order to improve the assessment of the economic effects of PTAs, the Commission should:
- (a) carry out an impact assessment (IA) and a sustainability impact assessment (SIA) for each PTA, providing an in-depth, comprehensive and quantified analysis of the expected economic effects, including an accurate estimate of revenue foregone;
 - (b) involve Eurostat routinely in the quality assessment of the statistical data sources used in SIAs, and ensure the timeliness of the analysis carried out for negotiators;

- (c) carry out interim and ex post evaluations on all PTAs in order to assess the extent to which PTAs with a significant impact meet their policy objectives and how their performance can be improved in key sectors and including an estimate of revenue foregone;
92. Calls on the Commission, in order to improve the protection of the Union's financial interests, to:
- (a) create Union risk profiles on PTAs so that Member States have a common approach to risk analysis in order to reduce losses to the Union budget;
 - (b) verify that Member States improve the effectiveness of their risk management systems and control strategy to reduce losses to the Union budget;
 - (c) encourage Member States to adopt appropriate precautionary measures upon receipt of a mutual assistance (MA) communication;
 - (d) evaluate and carry out monitoring visits on a risk basis to countries benefiting from preferential treatment in particular regarding the rules of origin and cumulation;
 - (e) oblige the Member States to improve the quality of the information they provide concerning administrative cooperation;
 - (f) improve the financial follow-up of European Anti-Fraud Office (OLAF) investigations in order to prevent losses to the Union budget due to time-barring;
 - (g) reinforce the Union's position in reciprocal PTAs and make more use of precautionary and safeguard measures including them in all future trade agreements;
 - (h) provide an overview of recoveries made over the period 2010 till 2014 without delay;
 - (i) inform Parliament of the results of the Compact initiative in Bangladesh;

Part IX - Special Report No 3/2014 of the Court of Auditors entitled "Lessons from the European Commission's development of the second generation Schengen Information System (SIS II)"

93. Welcomes the findings and recommendations of the Court of Auditors' Special Report No 3/2014;
94. Criticises the Commission for not having provided enough expert staff at the outset of the project neither in terms of technical implementation nor of quality assessment related to the SIS II project;
95. Recommends the integration of every major IT project in the IT-governance procedure and to include not only experts from the Commission's Directorate-General for Informatics but also experts from other Directorates-General as well as external experts, in order to benefit better from internal expert knowledge;
96. Recommends that the Commission should benefit from the Member States' expertise right from the start of every major project and to set up a panel of experts consisting of representatives of the Member States in charge of the project; considers that the panel's mission and competencies of its members should be clearly defined;
97. Criticises the fact that both the Commission, who was meant to, inter alia, represent the interests of the SIS II-end users, and the leading stakeholders were not even aware of the technical and end users' requirements at the outset of the project;
98. Expects that for future projects the Commission, in cooperation with the Member States, establishes at the outset of the project an exact profile of technical and end-users' requirements to be met;
99. Considers it a waste of taxpayers' money that the Commission has published a general call for proposals for the project without having clearly defined its requirements;
100. Recommends that the Commission should establish a realistic business plan and timetable for future IT projects, based on clearly defined requirements in form and content and a clear analysis of costs and time planning taking into account the risks and complexity of the project;
101. Criticises the fact that the Commission has tried several times to cover up the delays and increasing costs;
102. Requests the highest possible transparency in future IT projects in terms of a continuous information cycle vis-à-vis Parliament's respective competent committee, especially when it comes to vital decisions triggering consecutive project's phases or unforeseen changes of costs, time planning or alternative solutions;
103. Is of the opinion that the conditions for enforcing indemnification claims should not have been limited in the contract with the main contractor agent; future contracts should have an effective penalty mechanism to ensure a timely delivery meeting required

standards;

104. Criticises the Commission for not having ended the contract with the main contractor agent, despite the poor results delivered in the first project phase;
105. Criticises the Commission for not having insisted on a component based development system for the implementation of SIS II; considers that had there been introduced linkable work blocks, complete elements could have been handed over to another contractor agent in order to avoid the binding to one specific contractor agent;
106. Criticises the Commission for having exceeded the value of the original contract by eight times of the original value by renegotiating the contract, despite point (e) of Article 126(1) of Commission Regulation (EC, Euratom) No 2342/2002¹ which foresees that the value of the contract shall not exceed more than 50 % of its original value;
107. Notes that in this regard point (b) of Article 134(1) of Commission Delegated Regulation (EU) No 1268/2012² might have to be revised; the technical or artistic binding to one specific contractor agent according to article 134 I b may not circumvent the protective provision in article 134 I e and allow the multiplication of the original value of the main contract to a disproportionate extent;
108. Notes that in the case of a considerable multiplication of the original costs of the project or major changes in terms of the expected benefits, risks or alternative solutions, the budget authority should have to give its prior approval;
109. Deplores the rededication of budgetary funds without approval of the budget authority in several cases;
110. Welcomes the guidelines for project management, recommended by the Commission Directorate-General for Informatics since 2011; considers that on the basis of those guidelines the leading project committee has to approve the introduction of the next project steps, which is known as the so called "approval gates".
111. Emphasises the need to look forward, as by the end of this decade, SIS II might come to saturation point and SIS III will be needed; hopes in this regard that the preparations of SIS III will be significantly better conducted;

¹ Commission Regulation (EC, Euratom) No 2342/2002 of 23 December 2002 laying down detailed rules for the implementation of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities (OJ L 357, 31.12.2002, p. 1).

² Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union.

Part X - Special Report No 4/2014 of the Court of Auditors entitled "Integration of EU water policy objectives with the CAP: a partial success"

112. Calls on the Commission to propose to the Union legislator the necessary modifications to the current instruments (cross compliance and rural development) with a view to ensuring compliance with the Water Framework Directive (WFD) or, where appropriate, new instruments capable of meeting the more ambitious goals with respect to the integration of water policy objectives into the CAP;
113. Calls on the Member States, in compliance with the WFD, to:
- (a) address the weaknesses identified by the audit in their performance of cross compliance checks;
 - (b) impose systematically the appropriate penalties in cases of infringement;
 - (c) put more emphasis on identifying and addressing water-related problems through their Rural Development Programmes (RDPs) and ensuring they are consistent with River Basin Management Plans (RBMPs);
 - (d) devise and rigorously implement safeguard mechanisms to prevent negative effects on water of activities financed by rural development;
 - (e) more actively consider and appropriately promote the use of the funds earmarked for water-related issues, in a way that is consistent with sound financial management;
114. Expects the Commission to propose appropriate mechanisms that can effectively exercise a strong positive influence on the quality of Member States' WFD programming documents and avoid departing from the timeframe set by the WFD; considers that, to this end, minimum conditions as regards the implementation of the WFD should be ensured before committing rural development funds;
115. Calls on Member States to urgently speed up the process of implementing the WFD and for the next management cycle (2015) to improve the quality of their RBMPs by describing individual measures (e.g. in terms of scope, timeframe, targets and costs) and making them sufficiently clear and concrete at an operational level, and down to local/farm level;
116. Calls on the Commission to strengthen its knowledge of the link between water quality/quantity and agricultural practices by improving its existing monitoring systems and ensuring that they are capable at least of measuring the evolution of the pressures placed on water by agricultural practices; considers that this would help with identifying the areas in which CAP funds are most needed;
117. Urges Member States to improve the timely reporting, reliability and consistency of the data they provide to the Commission, as the quality of the information about water for the Union as a whole depends on the quality of the information Member States provide;

Part XI - Special Report No 5/2014 of the Court of Auditors entitled "European banking supervision taking shape - EBA and its changing context"

118. Highlights the need for cross-sector impact analysis as well as taking into account the time needed for drafting technical standards; welcomes the Commission's proposal to provide for deadlines on empowerments for technical standards and notes that a cross-sector analysis examining the Union financial legislation adopted over the last years the measures of the regulatory package is being performed;
119. Stresses that the actions of the European Banking Authority should continue to be neutral from a political point of view; believes nevertheless that it is essential to enhance the supervisory convergence as soon as possible in order to carry out its tasks and role;
120. Believes that an independent control system is the basis for the proper functioning of the financial market; expresses concern therefore about the political decision to consider the European Banking Authority only an authority of coordination and not of micro-prudential supervision in a historical period when confidence in financial institutions requires strong actions;
121. Notes the European Banking Authority's constraints as regards the colleges of supervisors, as well as its impact on supervisory convergence, and welcomes the progress made by the Authority within those constraints in improving the functioning of colleges, in particular in relation to taking joint risk assessments and reaching joint decisions;
122. Notes with concern that although the role of the European Banking Authority to initiate and coordinate the stress tests has been strengthened as part of the overall Single Supervisory Mechanism package, the legal responsibility for the conduct of the stress testing exercises still remains within the remit of the competent authorities, leaving the Authority without control of the tests' results;
123. Notes with concern the European Banking Authority's inability to entirely fulfil its consumer protection mandate, in particular due to lack of legal instruments for addressing these issues and a limited scope for taking legally binding decisions to ban certain products or activities; emphasises, however, the role of the Joint Committee in facilitating and improving the exchange of views across sectors and agrees with the Court that strengthened measures are needed for consumer protection in the Union's financial sector;
124. Believes that a greater coordination with the national authorities of consumer protection could increase the impact of the European Banking Authority in this area;
125. Agrees with the Court that the establishment of a performance measurement system is essential for effective monitoring and acknowledges that the European Banking Authority is in the process of implementing a performance management system;

126. Notes that Union-wide banking supervision requires a clear division of roles and accountability between the European Banking Authority, the European Central Bank and National Supervisory Authorities, both inside and outside of the Single Supervisory Mechanism; calls therefore for further clarification of their roles and duties in order to avoid the risk of overlapping tasks, possible loopholes and unclear responsibilities;
127. Considers that it is necessary to improve the actual supervision rules in order to include a closer supervision on national banks in those countries which adopted the euro but are not Member States such as the Vatican, Andorra, Monaco, and Liechtenstein;
128. Believes that it is necessary to revise the parameters for risk-weighted assets (RWA), in order not to penalise the banks most exposed to credit related banking products as well as not to reward the banks with poor or dubious financial products such as derivatives;

Part XII - Special Report No 6/2014 of the Court of Auditors entitled "Cohesion policy funds support to renewable energy generation — has it achieved good results?"

129. Welcomes the Court's Special Report No 6/2014 and endorses its recommendations;
130. Welcomes the Court's finding of non-problematic implementation in selected Renewable Energy Sources (RES) projects and considers this fact to confirm the maturity of key technologies in renewable energy production;
131. Is of the opinion that in RES projects, which generally take several years to be fully operational, it is difficult to make an accurate evaluation of performance before those years have lapsed;
132. Considers that the principle of cost-effectiveness should be fully enshrined in cohesion policy instruments as well as other instruments such as the European Energy Programme for Recovery – and not only on the RES projects - even when they serve broader purposes; points out that the cost-effectiveness concept can be defined in several ways; suggests therefore that the Commission and the Member States discuss the ways to streamlining that idea to provide more efficient guidance for implementing the RES projects;
133. Is concerned that the Union regulatory framework of renewable energy sources does not fully match the requirements set out in the Union financial instruments – European Regional Development Fund and the Cohesion Fund – which are the most important funding sources of the renewables; invites the Commission to carry out an in-depth screening of the legislation and to correct existing inconsistencies;
134. Believes that public funding in this area should complement and play a key role in stimulating private investment; is of the opinion, however, that some projects, especially those of a larger scale, require enhanced public investment;
135. Considers that unstable and unpredictable incentives and support regimes are hampering investment in renewable energy; insists that existing uncertainties also distort the selection process of production technologies which further undermine the principle of cost-effectiveness;
136. Stresses that the difficulties and uncertainties for RES grid integration not only represent an obstacle for private sector investment in renewable energy development, but it can also undermine economic and financial sustainability of on-going projects as well as the implementation of future ERDF and Cohesion fund programmes; invites the Commission to carry out an up-to-date screening of regulatory and technical barriers at Member State level in order to allow better access for both small and large scale RES projects to the electricity grid;
137. Notes that the Commission needs to oversee more rigorously the new regulatory framework for 2014-2020 including its starting objectives and performance indicators which would allow for effective monitoring and evaluation;

138. Asks the Member States to make further efforts to exchange best practices and establish common procedures in order to harmonise their national administrative systems;
139. Notes that very detailed selection criteria of RES can become a way of excluding competitors; asks the Commission to reinforce guidance in that matter and to monitor carefully those cases;
140. Takes note of the Commission's replies stating that some of the Court's recommendations have already been put in place through Directive 2009/28/EC of the European Parliament and of the Council¹ (the renewable energy Directive);

¹ Directive 2009/28/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of the use of energy from renewable sources and amending and subsequently repealing Directives 2001/77/EC and 2003/30/EC (OJ L 140, 5.6.2009, p.16).

Part XIII - Special Report No 7/2014 of the Court of Auditors entitled "Has the ERDF successfully supported the development of business incubators?"

141. Welcomes the Court's Special Report No 7/2014 and endorses its recommendations;
142. Notes that business incubators support the establishment and further development of young businesses that can put small and medium-sized enterprises (SMEs) at the heart of economic growth and job creation in the Union;
143. Believes that cohesion policy funding programmes applied to these audit incubators should have structured planning, a clear set of objectives and effective assessment; is of the opinion that the audited incubators had weaknesses in all of these elements;
144. Recalls that the European Regional Development Fund (ERDF) made a significant financial contribution to the creation of business incubator infrastructure and that audited incubator facilities had been properly established, but the performance of these audited incubators was limited;
145. Points out that the number of business plans created with incubator support, of start-ups incubated and of jobs created, was on average much smaller than the figures from benchmarked incubators used by the Court as a comparison;
146. Notes that audited ERDF incubators offered a more limited range of services than benchmarked incubators and that the range of skills and expertise possessed by ERDF incubator staff was less extensive;
147. Stresses that a fully delivered business support value chain with skilled staff, good practices and regular monitoring is important for the effectiveness of business incubators;
148. Takes note of the Commission's explanation that Member States which acceded the Union in 2004 and were lacking business infrastructure, expertise and experience after the accession and could not for those reasons reach better outputs; recalls, however, that the audit ran through incubators in 4+2 Member States and only two of them joined the Union in 2004;
149. Is of the opinion that the Commission showed, during the successive programming periods 2000-2006 and 2007-2013, a lack of engagement in the support of these enterprises; notes that this is confirmed by the gap in guidance provided by the Commission in those programming periods, especially between 2006 and 2010;
150. Recalls that establishing and sharing of good practices, in particular in newly created businesses, is an important measure to improve effectiveness; deplors the disappointing results delivered by the audited incubators; invites the Commission to improve guidance to the Member States' managing authorities in this matter and the latter to efficiently apply those guiding principles;

151. Stresses that investment in staff training, to ensure effective support to incubated companies and potential clients, is important for the effectiveness of the business; regrets that this element was also generally neglected in the audited incubators;
152. Notes that the support of business incubators could be based on a comprehensive and in-depth analysis as well as a set of individual, specific, tailored-made examinations for particularly supported projects (such as a feasibility study, a business plan, etc.); considers that these examinations could present a clear reasoning for such support;
153. Believes that not every locality is predetermined to have a successful outcome with the use of business incubators which are designed to bring added value to regional and economic development; considers that only incubators that fulfil introductory preconditions should be supported;
154. Underlines that the support for business incubators could be provided through the use of the Public Private Partnerships (PPP) method, where the risk of a public service is shared with the private enterprise that is the target of the support;
155. Notes that business incubators should be created in close cooperation with schools and research facilities;
156. Notes that it is important to find complementarities and synergies in business incubators' support from the ERDF, HORIZON 2020 and the programme for the Competitiveness of enterprises and Small and Medium Enterprises (COSME) sources in the 2014-2020 period;

Part XIV - Special Report No 8/2014 of the Court of Auditors entitled "Has the Commission effectively managed the integration of coupled support into the single payment scheme?"

157. Endorses the recommendations of the Court and welcomes the Commission's constructive position;
158. Regrets that some Member States, according to the Court did not always follow the principle of sound financial management when they defined the criteria for the calculation of payment entitlements;
159. Notes that this has led farmers in certain sectors realising windfall benefits, which in themselves did not infringe existing rules:
- (a) in Spain, under the national rules, payment entitlements had a higher value than what farmers had received in coupled support in the past;
 - (b) in Italy farmers received payment entitlements corresponding to their historical level of support, even though they had in the meantime significantly reduced the areas which they farmed;
 - (c) contrary to Union legislation, the French authorities had not reduced the value of all payment entitlements in order to finance the specific support for farmers (Article 68 of Council Regulation (EC) No 73/2009¹); consequently, the value of all payment entitlements in France was overstated by 4,61 % which corresponds to EUR 357,3 million; EUR 74 million of this amount concerned the support integrated into the SPS in 2010; the Commission states that corrective measures are included in the action plan for France;
160. Calls therefore on the Commission to adequately supervise the calculation of payment entitlements of farmers by Member States, including the respect of the ceilings available for allocating such entitlements
161. Takes note with concern that even where the Commission had identified errors, payment entitlements have not been corrected because administrative procedures are too slow;
162. Calls on the Commission to improve timely supervision and pay more attention to risks linked with entitlements;
163. Notes that as of 2015 the SPS will be replaced by a "Basic Payment Scheme" (BPS);
164. Is of the opinion that the new system should aim at reducing the administrative burden for farmers;

¹ Council Regulation (EC) No 73/2009 of 19 January 2009 establishing common rules for direct support schemes for farmers under the common agricultural policy and establishing certain support schemes for farmers, amending Regulations (EC) No 1290/2005, (EC) No 247/2006, (EC) No 378/2007 and repealing Regulation (EC) No 1782/2003 (OJ L 30, 31.1.2009, p. 16).

165. Is convinced that the Commission controls and audits should essentially be risk-based;
166. Insists that the new system must avoid unjustified discrepancies in payment entitlement calculations in the different Member States and also unequal treatment of farmers, irrespective of any level of discretion the regulation may offer; asks the Commission to reassure Parliament and its Committee on Budgetary Control that the appropriate measures to achieve this objective are in place;
167. Is worried that incorrect payment entitlements could lead to incorrect payments even beyond 2014, as Member States may choose to pay up to 2021 a part of future aid on the basis of the current level of SPS support; considers that although such payments can be corrected and recovered, they should be avoided in the first place;
168. Reminds the Commission that Article 317 of the TFEU stipulates that: "[t]he Commission shall implement the budget in cooperation with the Member States[...], on its own responsibility and within the limits of the appropriations, having regard to the principles of sound financial management."; expects the Commission to therefore provide sufficient guidance to Member States in order for them to implement the BPS in accordance with the principles of sound financial management, and to put in place the appropriate monitoring structures with the view to assuming overall responsibility for the budget implementation;

Part XV - Special Report No 9/2014 of the Court of Auditors entitled "Is the EU investment and promotion support to the wine sector well managed and are its results on the competitiveness of EU wines demonstrated?"

169. Welcomes the findings and recommendations of the Court's Special Report No 9/2014;
170. Notes the adoption by the Council and the Parliament of Regulation (EU) No 1308/2013¹ on the new common organisation of the markets for the period 2014–20;
171. Recalls the Court's Special Report No 7/2012 (Discharge 2011) on the reform of the common organisation of the market in wine: Progress to date and the Committee on Budgetary Control report that followed;
172. Fully endorses the idea that the aid scheme should be rationalised and that the Commission should periodically monitor the absorption of funds; insists on the absolute need that the investment measure should be business and results-orientated and that best practice models should be encouraged and lessons learned from them;
173. Expresses its concerns about the unsuccessful efforts to attract more SMEs for the Union's promotion and support to the wine sector; considers that the co-financing rates should be revised, thereby benefiting SMEs, thus making the participation of potential SME beneficiaries, especially with limited administrative and financing capacities, easier;
174. Considers that a common system of assessment of the promotion measure needs to be in place to ensure that the Commission and the Member States will be able to analyse the extent of progress and achievement of the defined objectives and its impact on the wine sector competitiveness at Member States level; points out that an increase of global market share of the respective wine company could be part of that common system of assessment;
175. Endorses the Court's recommendation that ancillary costs such as implementing bodies' costs and overheads are properly justified and limited to a maximum percentage of the total costs;
176. Emphasises the key importance that an appropriate policy mix between investment and promotion is available; believes that the Commission and Member States should be more efficient in the application of the measures; notes, in particular, for the promotion measure, that beneficiaries should be required to demonstrate their need for Union aid, normal operating costs should not be financed, and the support for beneficiaries presenting, in each programming period, promotion programmes in the same targeted countries should be restricted; points out furthermore that the results of the promotion

¹ Regulation (EU) No 1308/2013 of the European Parliament and of the Council of 17 December 2013 establishing a common organisation of the markets in agricultural products and repealing Council Regulations (EEC) No 922/72, (EEC) No 234/79, (EC) No 1037/2001 and (EC) No 1234/2007 (OJ L 347, 20.12.2013, p. 671).

actions should be assessed at beneficiary level rather than for the entire Union wine sector;

177. Supports the Court's recommendation that the Commission should analyse how the budget allocated to the national support programmes (NSPs) for the period 2014–18 matches the needs of the Union wine sector, the absorption capacity of the Member States and readjust the budget where appropriate;
178. Welcomes the positive evolution of the Union's exports of quality wines; points out that the Union should identify and exploit its competitive advantage in multilateral and ever competitive world wine market and should work for encouraging Union's wine producers, to develop world-class quality wines that help further match the Union's balance between supply and demand;

Part XVI - Special Report No 10/2014 of the Court of Auditors entitled "The effectiveness of European Fisheries Fund support for aquaculture"

179. Endorses the main recommendations of the Court whilst noting that the Commission is developing the requested guidance to the Water Framework Directive¹ and the Marine Strategy Framework Directive²; welcomes that the Commission took note of the recommendations related to spatial planning and the need of administrative simplification;
180. Welcomes that the lessons learned from the 2007-2013 period have been incorporated in the new European Maritime and Fisheries Fund for the 2014-2020 period; stresses that it is necessary however for the Commission to ensure that all recommendations were and will be put in practice;
181. Understands that the impact of the financial crisis critically affected the achievement of objectives for growth and employment in the aquaculture sector; stresses, however, that one of the main objectives of the European Fisheries Fund (EFF) - a growth and sustainability of aquaculture - has not been achieved also due to other factors; underlines that instead of growth, the aquaculture sector has stagnated for many years unlike in other parts of the world;
182. Is disappointed in the lack of prioritising at project level and strategy planning on the national level; urges the Commission to therefore improve programme design in order to strengthen measures supporting aquaculture and calls on Commission to ensure better implementation;
183. Points out that on the one hand, stronger, sustainable aquaculture is one of the key objectives of the Commission yet on the other hand, very little has been done to successfully achieve this objective in the EFF framework; notes that this is a systematic error also to be found in other programmes and thus perceives that the Commission continuously fails to achieve its objectives;
184. Urges the Commission to re-shape its financial management and to change its approach from spending all available sources into concentrating on whether the spending aligns with the rules, whether it delivers value for money and whether it provides effective support to achieving main objectives;
185. Notes that the Member States must address the poor selection of projects instead of granting funds to all projects and must ensure that the selection procedure is subject to detailed evaluation rules that will assess the potential of the projects to deliver results and value for money that will overall contribute to objectives of the European Maritime and Fisheries Fund (EMFF) such as growth and employment; stresses that the

¹ Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy (OJ L 327, 22.12.2000, p. 1).

² Directive 2008/56/EC of the European Parliament and of the Council of 17 June 2008 establishing a framework for community action in the field of marine environmental policy (Marine Strategy Framework Directive) (OJ L 164, 25.6.2008, p. 19).

Commission should support the Member States in doing so, it should encourage follow-up monitoring on the project deliverables and should establish more complex post-project evaluation that would be used as lessons learned;

186. Is convinced that the Member States shall improve their reporting tools and channels since the data provided to the Commission are often inaccurate; recommends to the Commission to a) develop stronger means of pressure on the Member States to deliver reliable data, especially in the case when there are obvious discrepancies, and, b) consider penalization of Member States suspected of intentionally delivering incorrect data;
187. Points out that the Commission needs to develop a stronger framework for all of its financial programmes, including the new EMFF measures for aquaculture; believes that the Commission should consider being more consistent in its approach and should develop stronger integrity;
188. Calls on the Commission to ensure that the Member States clarify their own strategies and implement them in a manner that will complement the objectives of the EMFF; requests that the Commission oversees that the Member States bring extra effort into project evaluation and free themselves from lack of strategic thinking about projects; highlights that there is a need to guarantee that the evaluators assess the projects with open eyes and clear expectations;
189. Recommends that the funding of projects that have already commenced is reconsidered as it has no additional impact; discourages the Commission and the Member States from carrying out “a ticking box exercise” in order to avoid lack of additional value;
190. Encourages the simplification of administrative procedures to ensure the high quality of projects applying for funding;
191. Welcomes the proposal for a new monitoring system in the EMFF that will include a database at Member State level storing information on every operation and an aggregated report with key information, but insists on implementing this proposal and keeping it to high standards;

Part XVII - Special Report No 11/2014 of the Court of Auditors entitled "The establishment of the European External Action Service"

192. Welcomes the Court's Special Report No 11/2014 and endorses its recommendations;
193. Is of the opinion that the EEAS is not yet a fully-fledged Union diplomatic service because of resources constraints; considers that the Commission and the Member States are the right actors to push for the consolidation the EEAS;
194. Points out that the principle of budget neutrality is most welcomed; considers, however, that this should not be viewed in isolation from the savings which the Member States have made by the establishment of the EEAS;
195. Considers that the EEAS continues to have a top-heavy administration which needs to be corrected; takes the view that the measures already implemented to correct this matter are in the right path and asks the Commission to strengthen its engagement in improving the inter-service cooperation;
196. Considers the responsibilities of the Union Special Representatives to be very unclear, lacking a proper monitoring and performance analysis; suggests that in order to bridge this gap, they are integrated into the EEAS;
197. Considers positive the developments made in the area of human resources but nevertheless agrees with the Court's observations that thematic expertise in the Delegations is most needed; invites the Commission together with the EEAS to put in place a concerted approach to optimise the profile of delegation staff;
198. Invites the EEAS to get a better overview on the costs incurred in the recruitment procedures; calls on the EEAS to use innovative solutions like videoconferencing for job interviews and to come up, as much as possible, with similar proposals also for the training of staff;
199. Encourages the Commission and the Member States to take measures promoting better coordination and cooperation between their external relations services and the EEAS without disregarding the horizontal thematic issues;
200. Underlines the need to ensure greater flexibility in the funding of the Common Security and Defence Policy's (CSDP) missions to guarantee the internal and external security of Union due to the danger posed by conflicts in countries which border it, as well as the heightened risk of possible terrorist activities connected to IS;
201. Urges the EEAS to maximise the benefits of economies of scale by creating new synergies within the EEAS headquarters and delegations as well as in cooperation with Member States and national diplomatic services, in the spirit of a true Union external policy and services; notes with satisfaction that the co-location of Union delegations and Member State diplomatic representations is increasing, even if continue to be limited, and congratulates the EEAS for considering this matter as primordial in its action;

202. Accepts that there is still work to be done in relation to the consular services;

Part XVIII - Special Report No 12/2014 of the Court of Auditors entitled "Is the ERDF effective in funding projects that directly promote biodiversity under the EU biodiversity strategy to 2020?"

203. Points out that the Convention on Biological Diversity (CBD) defines biodiversity as variability among living organisms from all sources including terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part; points out, further, that the CBD recognises several major threats to biodiversity such as loss and fragmentation of habitats, overexploitation of forests, oceans, rivers, lakes and soils, pollution, climate change, and incoming species that compete with native flora and fauna;
204. Emphasises that biodiversity is essential for human life and for the wellbeing of societies; emphasises, furthermore, that climate change, the loss of biodiversity, the threats posed by invasive species and the overconsumption of natural resources are major challenges affecting every Union citizen;
205. Regrets that the Union has been unable to meet its headline target of curbing biodiversity loss in the Union by 2010;
206. Notes that economically speaking, the loss of biodiversity is enormously costly to society and that not enough attention has yet been paid to this in global policies; notes, furthermore, that the Economics of Ecosystems and Biodiversity study estimates that the cost of inaction and the deterioration of ecosystem services could amount to as much as 7 % of global GDP per year by 2050¹;
207. Is convinced that there is, therefore, an urgent need to act and attach greater political importance to biodiversity in order to meet the relevant commitments for 2020;
208. Notes that project outcomes often take a long time to materialise, which makes the assessment of those outcomes difficult;
209. Takes the view that despite the limitations relating to the low level of funding allocated to biodiversity and to the difficulties involved in assessing the way in which such funding is used, it is essential to maintain the funding at this stage;
210. Emphasises the fact that protecting biodiversity is not just a noble environmental aim, but that such a policy also has significant potential to create new skills, jobs and business opportunities;
211. Emphasises the importance of mainstreaming biodiversity protection and conservation in the development, setting-up and financing of all other Union policies (including agriculture, forestry, fisheries, regional development and cohesion, energy, industry, transport, tourism, development cooperation and aid, and research and development) so as to make Union sector-specific and budget policies more consistent and to ensure that

¹ Leon Braat, Patrick ten Brink (eds. el al.), *The Cost of Policy Inaction: The case of not meeting the 2010 biodiversity target*, Wageningen/Brussels, 2008, p. 28.

the Union honours its binding commitments to protect biodiversity; points out, in this context, that cooperation between local, regional, national and Union authorities should be stepped up;

212. Notes that, despite the guidance and impetus provided by the Commission, it is for the Member States alone to set financing priorities in accordance with their own needs, and that the vast majority of Member States does not use the European Regional Development Fund (ERDF) as an instrument with which to protect biodiversity;
213. Takes the view, therefore, that given the low take-up rate (0,79 %) there is a need to consider making it mandatory for a proportion of ERDF funding (percentage to be confirmed) to be earmarked for the promotion of biodiversity;

Part XIX - Special Report No 13/2014 of the Court of Auditors entitled "EU support for rehabilitation following the earthquake in Haiti"

214. Welcomes the Special Report No 13/2014 evaluating the Union support for rehabilitation following the earthquake in Haiti as an important contribution to the overall political debate about the Union's external humanitarian and development policies; takes note of the findings and recommendations;
215. Welcomes and takes note of the main conclusions and recommendations of the final report on the evaluation of the Union cooperation with the Republic of Haiti carried out by the Commission's Directorate-General for International Cooperation and Development – EuropeAid at the request of the Parliament and sets out its observations and recommendations below;

General comments

216. Reiterates the overall satisfaction with the work and efforts carried out by the Commission's services in response to the earthquake in Haiti in 2010 and this, in an extremely critical situation for the Union delegation and its staff; welcomes in this respect the Commission's ability to withhold payments and disbursements as a consequence to unsatisfactory progress in the Government's financial management and deficiencies in national public procurement procedures;
217. Regrets the weaknesses identified in the coordination between donors and within the Commission's services as also elaborated by an evaluation of the Union's cooperation with the Republic of Haiti (2008-2012)¹, which was issued on behalf of the Commission, calls in this respect for a better articulation of the humanitarian aid and development aid with a stronger linkage between relief, rehabilitation and development by means of a permanent LRRD (linking of relief, rehabilitation and development) inter-services platform; considers that integrated approaches with clearly stated coordination objectives and a coherent country strategy between the Commission's Humanitarian Aid and Civil Protection Department (ECHO) and EuropeAid, alongside the sharing of best practices, have to be set up wherever possible; welcomes in this respect the inclusion of the systematic integration of the LRRD approach in the funding cycle covering 2014–20; calls furthermore on the Commission services for a better transition from short-term humanitarian activities to long-term development interventions and a coherent coordination not only among different Union actors but also with national priorities through a common strategy by means of a joint humanitarian and development framework; invites the Commission to enter into a dialogue with Parliament if an effective coordination among the various financial instruments in humanitarian and development aid is hindered by the existing legal framework; believes also that the involvement of local civil society non-governmental organisations can strengthen the use of the local knowledge base in order to better identify rehabilitation needs and to supervise progress achieved by national authorities;

¹ Evaluation of the EU's co-operation with the Republic of Haiti (2008-2012), Particip GmbH, carried out on behalf of the Commission, August 2014.

218. Recalls the recommendations in the aftermath of the visit by the delegation of Parliament's Committee on Budgetary Control to Haiti in February 2012 and insists, as a constant principle, on the salient issue of traceability and accountability of Union development funds in particular by linking budget support to performance in particular with clear definition of obligations and duties in the national administration to ensure adequate transparency, traceability and accountability; reiterates its call for putting more emphasis on the fight against endemic corruption; points out that humanitarian aid should be based on an exit strategy and stresses that funds should be channelled through the Haitian Procurement Agency, which should act as a control filter; invites the Commission and the EEAS to emphasise the conditionality matrix for sectorial budget support;
219. Recalls that the 'State building' to be at the centre of the Union development strategy and the cornerstone of any such crisis situation, in line with the principles for intervention in fragile contexts; notes that this includes support institutional building, transparency and efficiency of public financial management, budgetary allocations and effectiveness of public expenditure, with reinforced political and policy dialogues;
220. Calls for the definition of a good policy mix in the logic of the Union intervention through a comprehensive approach to state and non-state/non-governmental stakeholders and to the sectors support to be provided through rapid sectorial needs assessment and this, to the benefit of the viability, complementarity and sustainability of projects;

Orientations for the future

221. Considers that, beyond the Haitian situation, measures need to be discussed and improved in order to strengthen the policy framework of intervention and disaster risk reduction with the ultimate purpose to limit the risk for human lives and their living conditions to a minimum; believes that investment in disaster risk reduction is crucial as a full component of sustainable development as well as highly cost-effective by allowing a significantly more efficient and effective use of resources than paying the bill for disaster response;
222. Considers that those situations of crisis and fragility require to develop policies which call for new approaches, new methods and expertise, particularly concerning activities such as (i) identifying risks at different operational levels, (ii) making scenario and projections of likely consequences and (iii) designing instruments to avoid, reduce and prepare for risks and potential disaster; calls for a flexible approach in order to allow the Commission to adapt its measures and instruments for assistance adequately and rapidly to a crisis and post-crisis situation; notes in this context that in the meantime the Commission set up a system to mobilise experts in various fields of competence in order to allow at short notice the deployment of additional staff to Union delegations or headquarter services in case of staff shortage;
223. Encourages the Commission and the EEAS to work systematically on the four phases of the disaster management cycle i.e. mitigation and preparedness, response and recovery towards the definition of strategic framework for disaster risk management and resilience-building; calls on the Commission and the EEAS to inform Parliament about

the developments in particular with regard to risk management and the preparedness to implement and achieve programme objectives in a post-disaster context;

224. Recalls that in the circumstances of any such crisis, due care has to be attributed to the soundness and operational effectiveness of the national governance framework for managing disaster risk reduction as a pre-condition for the success of the Union intervention; recalls that the assessment of any national governance framework should take into account inter alia the existing accountability frameworks for outcomes, the existing definition and decision of responsibilities at central and local levels, a clear chain of commands and controls, information channels among various actors/donors alongside with feedback mechanisms on projects;
225. Supports the Court's recommendations with regard to Union support for rehabilitation following the earthquake in Haiti and welcomes the Commission's response to also accept the recommendations;

Part XX - Special Report No 14/2014 of the Court of Auditors entitled "How do the EU institutions and bodies calculate, reduce and offset their greenhouse gas emissions?"

226. Believes that all Union institutions and bodies should aim at a common approach to their greenhouse gas emissions and their possible reduction; considers that in order to achieve this they need to comprehensively calculate their greenhouse gas emissions and should not refrain from publishing their results;
227. Believes that the Commission, in order to maintain its reliability in environmental negotiations with third parties, should put more effort in collecting more data on its own greenhouse gas emissions;
228. Invites those Union institutions and bodies who have no EMAS certificate to consider applying it promptly; emphasises, however, that EMAS should be considered as a tool to structure inter alia greenhouse gas emissions and should not be considered as the sole ultimate goal of the green policy of the institutions;
229. Points out that offsetting greenhouse gas emissions can be used by the EU institutions and bodies to a greater degree to reduce their carbon footprint; agrees with the Court that "using high-quality offsets in addition to emission reduction measures (and not instead of such reduction measures) would address these issues appropriately; notes however that offsetting should come second to investing these funds to further improvement of environmental policy of the Union bodies and institutions;
230. Welcomes the fact that some of the Union institutions have started pilot projects of green procurement; hopes that the results prove to be promising and that green procurement will become a standard procedure of the Union institutions and bodies in the upcoming future;
231. Stresses that in the implementation of these policies, human factors remain a key aspect; urges therefore the management in the Union institutions and bodies responsible for these policies to train and improve further their skills and understanding of the importance of the greenhouse gas emissions of the institutions; hopes that the establishment of the new College of Commissioners provides an opportunity of a new opening in implementation of higher standards in the Commission and its agencies;

Part XXI - Special Report No 15/2014 of the Court of Auditors entitled "The External Borders Fund has fostered financial solidarity but requires better measurement of results and needs to provide further EU added value"

232. Notes with concern that the strategic objectives of the External Borders Fund (EBF) have not been clear, and that, in particular, there is tension between the general nature of the EBF as solidarity mechanism and its concentration on concrete objectives for better co-operation in the field of border controls and visas;
233. Notes that for the Commission the successful launch of SIS II, VIS and Eurosur in all Member States indicates the contribution of the EBF; is, however, of the opinion that such a general statement can never be used as a satisfactory reply to the Court's specific criticisms of lacking performance indicators;
234. Notes that similar problems may arise in respect of the objectives of the instrument for financial support for external borders and visa, as part of the Internal Security Fund (ISF), since again this instrument serves both solidarity between Member States in respect of border controls management and the realisation of a uniform and high level of control of the external borders and the effective processing of Schengen visas, in compliance with the Union's commitment to fundamental freedoms and human rights;
235. Emphasises that Member States, whilst recognising the importance of effective border controls at the common external borders as part of the Schengen acquis, regard border controls management and, to a lesser extent, the processing of visas still as essentially national competences;
236. Is concerned that if the Commission and Member States do not agree on the main character of this part of the ISF, be it a solidarity mechanism or an instrument for the furtherance of the implementation of the Schengen acquis, Member States may still be inclined to use the funding for projects that they deem important from a national perspective, rather than seeking to contribute to consular co-operation, to Frontex operations or to emergency actions and specific actions which are of importance to the Schengen area as a whole;
237. Requests that the Commission examine whether it may be useful to divide the border controls and visas part of the ISF into several earmarked segments: one for solidarity, one for the realisation of consular cooperation, Frontex operations and emergency and specific actions; and one for actions that are particularly relevant from a national perspective;
238. Expects that by earmarking parts of the available funds, it will be easier for Member States to develop and use relevant and measurable indicators for output, outcome and impact of the actions concerned; notes in this regard that both actions in the solidarity segment, and actions that are particularly relevant from a national perspective should only be funded if it can be demonstrated ex ante that they serve concrete and measurable objectives;

239. Agrees with the Court that the work of Frontex should be more directly supported by the ISF by making the entering of at least part of the ISF co-financed assets into Frontex's technical equipment pool obligatory;
240. Is worried about the irregularities found by the Court in the various national procurement policies and states that the exception clause for defence and security procurements may not be used in cases, where less restrictive procedures could have been used without compromising security;
241. Commends the Commission for having taken corrective financial measures in the case of a project that was found in breach of fundamental freedoms and human rights, but calls upon the Commission to identify, as far as possible, ex ante any possible risks in this regard, especially when it comes to the manner in which border controls are carried out in respect of the right to seek asylum;

Part XXII - Special Report No 16/2014 of the Court of Auditors entitled "The effectiveness of blending regional investment facility grants with financial institution loans to support EU external policies"

242. Welcomes the Special Report dedicated to the evaluation of the effectiveness of blending regional investment facility grants with financial institution loans to support EU external policies and sets out its observations and recommendations below;

General comments

243. Encourages the Court to further deepen audit activities in this emerging cooperation field in order to regularly provide to policymakers a regular comprehensive assessment of issues and risks at stake;

244. Acknowledges that the increased interest in blending and opportunities offered by the use of new financial investments facilities is mainly motivated by the combination of important developmental challenges with heavily constrained public's funds therefore leading to developing new financial resources combining Union grant aid and non-grant resources;

245. Stresses that any new financial instruments and blending have to remain in line with the Union development policies objectives based on Official Development Assistance (ODA) criteria and set in the Agenda for Change i.e. improving the quality, efficiency, the sustainability and the speed of implementation of the Union interventions; believes that those instruments must focus on Union priorities where economic and non-economic value added and impact are highest and considers that they have to be strategically used in sectors where Union financial support is crucial for the vitality of the investment and where blending can be most usefully deployed; regrets therefore that the report mainly focuses on the financial aspects of the blending regional investment facility grants while their efficiency and effectiveness are not sufficiently assessed.

246. Demands, as a core constant principle, the avoidance of the risk of financial incentives outweighing development principles (financial objectives may prevail over development concerns) and demands the respect of sustainable development principles such as social and environmental standards and access to basic public goods;

247. Takes note of the results of the review of the EU Platform for Blending in External Cooperation with the original aim to increase the effectiveness, efficiency and quality of existing blending mechanisms and facilities considering that harmonisation of key principles, valid for all regional facilities and financial instruments, will be of utmost importance for the new multiannual financial framework (MFF); according to the outcomes of the post-electoral revision of the MFF, invites the Commission and the EEAS to continue a structured/strategic dialogue on, in particular, the issue of how transparency and accountability would be steadily ensured and enhanced;

248. Believes that during the planning phase, the Commission should concentrate on achieving sustainable, long-term, economic, social and environmental goals in the areas where the investments are to be implemented;

249. Demands, as a core principle, the concentration of Union funds on the projects which wouldn't be implemented without the Union money, such as projects with a low profitability but which can result to an improvement of the social, environment, human rights fields;
250. Demands, as a core principle, the monitoring and follow-up of the results and mid-term/long-term effects of the projects implemented on the social, environment, human rights fields; considers that the findings of such follow-up assessments should be directly used to report on achieved long-term goals and improve the planning phase/project selection for the future funding;
251. Demands that the political role of the Commission, as a politically responsible body in this field, be strengthened;
252. Demands the introduction of common standards of governance for such financial activities, as well as the definition of best practices and well-defined eligibility and evaluation criteria for the use of those financial tools; believes that coherent rules of management such as structured reporting, clear monitoring frameworks and oversight conditions will strive to reduce transaction costs or possible duplication of costs;
253. Considers it imperative to design adequate governance structures of the various facilities to foster recipient countries, beneficiaries or stakeholders' ownerships of these instruments; recalls that the development of blended official development assistance channelled through facilities requires a well-structured cooperation between the Commission and the EEAS with the European Investment Bank (EIB), the Member States and Parliament; calls on an enhanced involvement of EU Delegations in the decision process making in particular in the identification phase of projects through contributions to ex ante evaluation or impact assessment and more generally for ensuring the Union weight in the policy dialogue with partner countries and also as an interface with local civil society;
254. Insists on the necessity to achieve the highest level of transparency and accountability by accessing to exhaustive and sound budgetary information and financial data relating to projects funded by these investment facilities to allow Parliament power of scrutiny and consent, calls for regular reporting to Parliament on the use of these financial instruments and results, in particular on the assessment of the financial and non-financial leveraging and additionality while recalling complying with the provisions of Article 140 of the Financial Regulation;
255. Supports the Court's recommendations, as a first step in the right direction, with regard to the effectiveness of blending regional investment facility grants with financial institution loans to support Union external policies and welcomes the Commission's response to also accept the recommendations;

Part XXIII - Special Report No 17/2014 of the Court of Auditors entitled "Can the EU's Centres of Excellence initiative contribute effectively to mitigating chemical, biological, radiological and nuclear risks from outside the EU?"

256. Welcomes the chemical, biological, radiological and nuclear (CBRN) Centres of Excellence (CoE) initiative; considers that its governance structure emphasises the network character of the initiative;
257. Welcomes the overall positive thrust of the Special Report 17/2014 and the Court's recommendations which were all accepted by the Commission;
258. Notes that the initiative represents an innovative approach providing for networking, regional and international partnerships, consolidating, coordinating and optimising existing capabilities in terms of expertise, training, technical assistance or equipment;
259. Points to the fact that such structures are necessarily complex, therefore difficult to set up and run effectively;
260. Recalls that this initiative had EUR 100 million at its disposal for the period 2010-2013;
261. Is of the opinion that the prime value of this initiative is its bottom-up approach, building on the experience of the partner countries; considers that the Union delegations should be regularly informed and undertake to play a more active role in consultation with the respective partner country's authorities;
262. Would like to point out at the same time that respecting partner countries' "ownership" of projects should not prevent the Commission from making proposals which would benefit from a joint response (i.e. in fighting the outbreak of the Ebola epidemic);
263. Is convinced that projects should be selected in such a way as to allow for the limited amount available to be concentrated on areas most relevant to Union security; believes that in the project selection, Union institutions could usefully assume a clearing-house function;
264. Notes that the technical expertise of the regional secretariats should be enhanced in order to facilitate the identification of issues to be addressed through initiatives as well as to improve the preparation and implementation of individual projects;
265. Welcomes the fact that partner countries may propose projects at any moment since May 2013 which enhances the ability to react on developing threats;
266. Takes note that the delay between the project proposal and subsequent project approval and implementation should be further reduced;
267. Stresses that wider strategic cooperation is needed in order to improve coherence and coordination of various funding instruments in the area of security; stresses that enhanced coordination among relevant actors in the CBRN field would enhance the effectiveness of existing initiatives;

268. Is of the opinion that the initiative might benefit from a clearer distinction between the internal and external dimension of CBRN actions¹;

¹ See also European Parliament's resolution of 14 December 2010 on strengthening chemical, biological, radiological and nuclear security in the European Union – an EU CBRN Action Plan (OJ C 169 E, 15.6.2012, p. 8).

Part XXIV - Special Report No 19/2014 of the Court of Auditors entitled "EU Pre-accession Assistance to Serbia"

269. Invites the Serbian authorities to improve the quality of, and to further rationalise, their national strategies and action plans, and to adequately address the various political and socio-economic issues; invites the Commission, if necessary, to make itself available to provide the required technical support in this regard;
270. Stresses the importance of preparing national strategies in politically sensitive areas; asks the relevant authorities to prepare strategies in the following main areas of governance and include a realistic time frame for implementation: territorial decentralisation and a strategy to coordinate the implementation of public finance management reform;
271. Urges the Commission and the EU Delegation in Serbia to prevent the problems which occurred in the first part of the 2007–2013 programming period, namely the selection of underdeveloped or problematic projects; supports the cooperation of the Commission and the Serbian authorities to address the identified problems, including the lack of support from national authorities, a lack of inter-institutional coordination, weak project design, poor definition in the terms of reference, unsustainable financing solutions and the failure to learn from mistakes in previous projects;
272. Welcomes the fact that governance related projects generally achieved good results, but considers the implementation and control systems of the projects weak or inefficient especially where the Court identified material shortcomings in four out of the eight audited governance related Instrument for Pre-Accession Assistance projects;
273. Points out that the reform of the judicial sector has reported little progress since 2007;
274. Insists on the necessity to strengthen the current protection for whistle-blowers which is outlined in the 2013–2018 national anti-corruption strategy; insists that the Serbian authorities should advance the preparation of new legislation on whistle-blowing and such legislation should instil trust and encourage potential whistle-blowers to come forward;
275. Endorses the Court's recommendations and demands that the Commission pay adequate attention to define the objectives, to assess the needs and to learn lessons from past projects, as well as to avoid delays and inefficient or ineffective procurement procedures; stresses the importance of sustainability, as results raised a number of questions in two-thirds of the projects, particularly in governance related ones;

Part XV - Special Report No 20/2014 of the Court of Auditors entitled "Has ERDF support to SMEs in the area of e-commerce been effective?"

276. Welcomes the Court's Special Report No 20/2014 and endorses its conclusions and recommendations;
277. Welcomes also the constructive reaction of the Commission to the Court's recommendations;
278. Notes that e-commerce technologies are the key to improving development and competitiveness of the small and medium-sized enterprises (SMEs); highlights the importance of SMEs for economic development and job creation in the Union;
279. Acknowledges that the Court's Special Report emphasised the importance of performance measurements and European value-added;
280. Notes that despite the fact that online business availability had increased, projects selected for investment were weak; notes that a lack of comparative selection of applications and the absence of comprehensive business information resulted in over one-third of the cases offering low or no value for money;
281. Points out that 10 of the 30 co-financed projects audited would have been carried out even in the absence of public co-financing, five of these projects had started before the grant had been notified and three of them started before the enterprise had even submitted a co-financing application;
282. Is of the opinion that it should be compulsory to submit a business plan that shows the European value added to avoid deadweight;
283. Stresses that Member States should put in place the selection criteria and procedures that ensure that the projects selected maximise added value in terms of contributing to the e-commerce development in SMEs and achieving the targets of the Digital Agenda for Europe (DAE);
284. Notes that the lack of Commission's monitoring made it impossible to assess to what degree European Regional Development Fund (ERDF) support had contributed to the achievement of national and Union information technology goals as well as to SME's own business plans;
285. Believes that Commission should ensure that it obtains consistent and reliable information from the Member States on the progress of the operational programmes in performance terms;
286. Shares the Court's view that a minimum set of robust indicators with related targets should be defined in the grant agreements, measured and subjected to subsequent monitoring, both once the project has been implemented and is operational and at a later stage with the view to evaluating performance;

Part XXVI - Special Report No 21/2014 of the Court of Auditors entitled "EU-funded airport infrastructures: poor value for money"

287. Acknowledges that the Commission has already put in place changes which address many of the issues outlined in the Special Report and broadly supports the new regulatory framework described by the Commission; with this in mind, proposes that the Commission should report back to Parliament's Committee on Budgetary Control within a year from the adoption of this resolution with progress against these recommendations;
288. Supports the Court's recommendation that Member States have coherent plans for airport development and recommends that these plans be approved by the Commission before any funding for specific projects is granted; further recommends that these regional, national or supranational plans should take into account not only air transport but other public transport with similar travel times to flight times including trains and buses in order to avoid market saturation and increase service viability;
289. Recommends that funding only be granted to financially viable airports;
290. Recommends to the Commission to examine all new projects in light of a catchment area analysis to ensure viability;
291. Considers that the Commission should closely monitor, as a priority, Member States that the report identifies as having particularly problematic projects in the past;
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292. Instructs its President to forward this resolution to the Council, the Commission, the Court of Justice of the European Union, and the Court of Auditors, and to arrange for its publication in the Official Journal of the European Union (L series).