

EUROPEAN PARLIAMENT

2004



2009

Committee on Development

2007/2064(DEC)

4.3.2008

OPINION

of the Committee on Development

for the Committee on Budgetary Control

on discharge in respect of the implementation of the budget for the Sixth, Seventh, Eighth and Ninth European Development Funds for the financial year 2006
(COM(2007)0458 - C6-0118/2007 - 2007/2064(DEC))

Draftsman: Ralf Walter

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SUGGESTIONS

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

1. Congratulates the Commission on its initiative to improve reporting of the effects of development policy interventions towards achieving the Millennium Development Goals; trusts that this will make a real contribution to improving accountability in this area; looks forward to receiving the details of the evaluation of the pilot phase introduced in 2007;
2. Welcomes the Commission's intention to reopen the debate on EDF budgetisation concurrently with the mid-term review of the 10th EDF; stresses that budgetisation would greatly favour democratic control and accountability of the EDF; stresses that integrating the EDF into the budget is also an appropriate way of addressing the recurrent problems linked to the slow and cumbersome nature of the intergovernmental ratification process;
3. Draws attention to the benchmark, agreed by the Commission, that 20% of geographical funding under the Development Cooperation Instrument should be allocated to basic and secondary education and basic health; looks forward to receiving details of the implementation of the benchmark in 2007; insists that reporting against the same benchmark be provided for the EDF;
4. Welcomes the Commission's initiative to develop a structured approach to support Supreme Audit Institutions in countries receiving budget support; notes however that democratic accountability at the level of partner countries cannot be achieved without also strengthening parliamentary budget control bodies, as recommended by the Court of Auditors' Special Report No 2/2005¹;
5. Notes that in 2006, 68% of EDF budget support was delivered in the form of sector budget support, which is more targeted than general budget support and therefore leads to lower risks; questions the Commission's "dynamic interpretation" of the eligibility criteria for budget support, which the Court of Auditors has said increases risk; believes that budget support should only be undertaken in countries that already meet a minimum standard of credible public finance management;
6. Invites the Commission to improve transparency and access to documentation relating to budget support actions, particularly by establishing agreements with beneficiary country governments analogous to the Financial and Administrative Framework Agreement (FAFA) setting out the framework for managing the financial contributions made by the Commission to the UN;
7. Notes that a new standard contract and terms of reference for expenditure verifications by beneficiaries entered into force on 1 February 2006 and that these cover tendering procedures; intends to monitor the application of these procedures to assess whether they reduce the level of errors discovered by the Court of Auditors for 2006;

¹ OJ C 249, 7.10.2005, p.1..

8. Congratulates the Commission on reducing the level of *reste à liquider* (RAL) dating from pre-2001 EDF commitments by 49% in 2006; requests that it receive regular updates on changes in levels of normal and abnormal RAL; calls on the Commission to draw up, for the European Parliament and the ACP-EU Joint Parliamentary Assembly, a three-monthly statement on the disbursement of funds;
9. Notes the criticisms of Commission Technical Assistance projects made by the Court of Auditors in its Special Report No 6/2007¹; notes further that the Commission is addressing these questions in developing a "Strategy to meet EU aid effectiveness targets on Technical Cooperation and Project Implementation Units", due to be ready by June 2008; looks forward to receiving, in due course, an assessment of the results of the implementation of this Strategy;
10. Welcomes the measures implemented by the Commission to promote donor coordination in the area of technical assistance; stresses the importance of a coordinated approach, not only at EU level but among all donors, and looks forward to receiving details on the progress of this initiative.

¹ OJ C 312, 21.12.2007, p.3.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	3.3.2008
Result of final vote	+: 20 -: 0 0: 0
Members present for the final vote	Thijs Berman, Danutė Budreikaitė, Ryszard Czarnecki, Nirj Deva, Alain Hutchinson, Romana Jordan Cizelj, Glenys Kinnock, Maria Martens, Luisa Morgantini, Horst Posdorf, Pierre Schapira, Frithjof Schmidt, Jürgen Schröder, Johan Van Hecke
Substitute(s) present for the final vote	John Bowis, Fiona Hall, Manolis Mavrommatis, Csaba Öry, Ralf Walter
Substitute(s) under Rule 178(2) present for the final vote	Glyn Ford