



2018/2166(DEC)

7.2.2019

OPINION

of the Committee on Development

for the Committee on Budgetary Control

on discharge in respect of the implementation of the general budget of the European Union for the financial year 2017, Section III – Commission and executive agencies
(2018/2166(DEC))

Rapporteur for opinion: Nirj Deva

PA_NonLeg

SUGGESTIONS

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

1. Takes note of the Special Report of the European Court of Auditors ('the Court') on EU Assistance to Myanmar/ Burma and the response of the Commission; welcomes in this respect that the EU played a leading role in supporting development priorities in a difficult context and with limited staff resources while noting that EU assistance was found to be only partially effective; supports the Court in stressing the need to pay increased attention to domestic revenue mobilisation, in particular in emerging economies; in view of the documented atrocities committed by the army of Myanmar expresses great concern about continued sectoral budget support provided from the EU budget to Myanmar;
2. Is very worried by an ongoing trend in Commission proposals to ignore legally binding provisions of Regulation (EU) No 233/2014 of the European Parliament and of the Council¹ when it comes to Official Development Assistance ('ODA') eligible expenditure and eligible countries for Development Cooperation Instrument ('DCI') spending; recalls that legality of EU spending is a key principle of sound financial management and that political considerations should not take precedence over clearly spelled out legal provisions; recalls that DCI is first and foremost an instrument designed to fight poverty;
3. Welcomes the fact that the Commission has responded to Parliament's remarks on the External Assistance Management Reports (EAMR) and Key Performance Indicators contained in its resolution of 18 April 2018 on discharge for the financial year 2016², and has made changes in order to improve those; notes that the Commission has transmitted the 2017 EAMR to the Parliament without confidentiality constraints but regrets that the access to those reports *de facto* has become more cumbersome; looks forward to a facilitated access for Parliament to those reports in the future;
4. Deplores the increasingly late publication of the Commission's 'Annual Report on the implementation of the European Union's instruments for financing external actions', practically hampering Parliament's oversight and public accountability, with the report on 2016 published only in March 2018 and the report on 2017 still outstanding; invites the Commission to publish the report on 2018 by the end of September 2019 at the latest and to maintain this calendar for subsequent years;
5. Regrets that in every annual activity report since 2012, the Commission's Directorate General for International Cooperation and Development had to issue a reservation on the regularity of underlying transactions which points to serious internal management, deficiencies;

¹ Regulation (EU) No 233/2014 of the European Parliament and of the Council of 11 March 2014 establishing a financing instrument for development cooperation for the period 2014-2020 (OJ L 77, 15.3.2014, p. 44).

² Not yet published in the Official Journal.

6. Highlights the highly negative findings by the Court on Public-Private Partnerships¹ ('PPPs') and the Court's recommendation "not to promote a more intensive and widespread use of PPPs" inside the Union; calls on the Commission to take this recommendation fully into account when dealing with PPPs in developing countries where the environment for successful implementation of PPPs is even more difficult than inside the EU;
7. Notes that in 2017, the Commission has signed contracts with UN agencies with a value of nearly EUR 253.5 million of contributions from the EU budget, with United Nations Development Programme (EUR 119.21 million), UNICEF (EUR 29.34 million) and United Nations Office for Projects Services (EUR 20.05 million) being the biggest beneficiaries, and contracts with the World Bank worth EUR 174.11million;
8. Believes that promoting peace, security and justice in developing countries is of paramount importance for the Union in order to address the root causes of migration; recognizes that expenditure relating to security is particularly relevant in the current efforts to comprehensively address the security-development nexus and deliver on Goal 16 of the 2030 Agenda for Sustainable Development;
9. Recalls that the EU is collectively committed to provide 0.7 % of Gross National Income as ODA; calls on the Commission and Member States to prepare and present a plausible timeline for such a gradual increase towards this level; regrets that the EU and its Member States, in 2017, have not made progress towards reaching this goal, with the overall EU ODA decreasing from 0.51% to 0.50% and several countries decreasing their ODA, affirms that Union development assistance should be spent more effectively and that ODA should be targeted to sectors where it is needed the most, namely capacity building, good governance, health, education, agriculture, water supply and sanitation, as well as energy; emphasises the need for maintenance support with the involvement of locally-trained technical experts; recalls the commitment to provide 0.15-0.20% ODA/GNI to Least Developed Countries in the short-term and to reach 0.20% until 2030;
10. Given the shift in aid modalities from direct grants to trust funds and blended finance, including through the European Fund for Sustainable Development, invites the Council, Commission and European Investment Bank to adopt an inter-institutional agreement with the European Parliament on transparency, accountability and parliamentary scrutiny on the basis of the policy principles set out in the New European Consensus on Development;
11. Calls for an enlargement of the "Erasmus for Young Entrepreneurs" programme beyond Europe, in particular to developing countries, while providing the necessary financial means;
12. Welcomes the Court's recommendations for improving the transparency of EU funds implemented by NGOs published in the special report 2018/ 35, where it, amongst other things, recommends that the Commission improve the reliability of the information on NGOs in its accounting system, and that the Commission improve the information collected on funds implemented by NGOs; calls therefore on the Commission to

¹ Special report Nr 9/2018: Public Private Partnership in the EU. Widespread shortcomings and limited benefits

implement these proposals before the end of the current mandate;

13. Fully recognizes the complex nature of many challenges and the need for multifaceted and complementary response actions, but insists on the need for clarity in funding arrangements and respect for international commitments;
14. Calls for an incentive-based approach to development by introducing the more-for-more principle, taking as an example the European Neighbourhood Policy; believes that the more and the faster a country progress in its internal reforms in relation to the building and consolidation of democratic institutions, the respect for human rights and the rule of law, the more support it should receive from the Union;
15. Recognise that no country has ever developed without engaging in further trade relations with their neighbours and the rest of the world; further encourages the financing of aid for trade activities in order to allow developing countries to participate to a much greater degree in global value chains in the future; stresses in this context the increasing importance of digital connectivity in order to achieve a more balanced distribution of the globalisation benefits in favour of developing countries;
16. Underlines the high importance of supporting micro-, small and medium-sized enterprises and calls in particular for the establishment of local solutions for a better access to finance with a further strengthening of micro-finance loans and guarantee system;
17. Underlines the importance of increasing the attribution of funds aiming at supporting good governance, democracy and the rule of law in developing countries in order to promote accountable and transparent institutions, support capacity building and foster a participatory decision-making and public access to information;
18. Emphasises the importance of the provision of clean water and of the building of additional wastewater disposal facilities;
19. Draws attention to the scale and implication of energy poverty in developing countries and to the Union's strong involvement in efforts to reduce such poverty; underlines the need for strong and concerted efforts by governments and stakeholders in affected countries to reduce energy poverty.

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

Date adopted	22.1.2019
Result of final vote	+: 16 -: 1 0: 4
Members present for the final vote	Mireille D'Ornano, Doru-Claudian Frunzuliță, Enrique Guerrero Salom, Maria Heubuch, Teresa Jiménez-Becerril Barrio, Linda McAvan, Norbert Neuser, Vincent Peillon, Lola Sánchez Caldentey, Elly Schlein, Bogusław Sonik, Eleni Theocharous, Anna Záborská, Joachim Zeller, Željana Zovko
Substitutes present for the final vote	Marina Albiol Guzmán, Agustín Díaz de Mera García Consuegra, Frank Engel, Stefan Gehrold, Maria Noichl, Judith Sargentini

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

16	+
ECR	Eleni Theoharous
PPE	Agustín Díaz de Mera García Consuegra, Frank Engel, Stefan Gehrold, Teresa Jiménez-Becerril Barrio, Bogusław Sonik, Anna Záborská, Joachim Zeller, Željana Zovko
S&D	Doru-Claudian Frunzulică, Enrique Guerrero Salom, Linda McAvan, Norbert Neuser, Maria Noichl, Vincent Peillon, Elly Schlein

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EFDD	Mireille D'Ornano

4	0
GUE/NGL	Marina Albiol Guzmán, Lola Sánchez Caldentey
VERTS/ALE	Maria Heubuch, Judith Sargentini

Key to symbols:

+ : in favour

- : against

0 : abstention