Impact of devolution of the Commission's management of external assistance from its headquarters to its delegations on aid delivery

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The European Parliament adopted a resolution on the impact of devolution of the Commission's management of external assistance from its headquarters to its delegations on aid delivery.

It recalls that a decentralised approach to aid delivery brings decision-making closer to delivery realities and to where more operationally efficient donor coordination and harmonisation take place, while taking due account of the need for local ownership. It also states that the ultimate objective of devolution and the wider reform of external assistance managed by the Commission is to enhance speed, thoroughness of financial management procedures and the quality of aid in partner countries.

Parliament states that 74% of EU external assistance from the EU budget and the European Development Fund (EDF) is managed directly through 136 EU delegations. It underlines that with the creation of the EEAS, delegations have been forced to take on additional competencies such as diplomacy, information /communication and freedom, security and justice policies, while still having to deal with the existing challenges of coordination, coherence and resource shortages, calling for **increase in the effectiveness of aid delivery**. Parliament welcomes the report prepared by the European Court of Auditors, which notes that further efforts are necessary on the part of the Commission in order improve the manner in which it evaluates the quality and the results of its interventions. **This will result in better accountability for the EU's financial interventions.** In addition, the Commission is encouraged to strengthen the procedures for assessing the quality of the projects financed, in order to increase the quality of aid and further to decrease the number of non-performing projects.

Situation in the delegations: Members are concerned that over the period 2005 to 2008 the composition of delegation staffing shifted towards more political and trade-oriented functions, and call on the Commission to strike an appropriate balance in delegations' staffing between aid management and other functions. They consider the **high turnover rate of staff in delegations to be unacceptable** (40% of Commission staff are contract agents), as this weakens the institutional memory and negatively affects the efficiency of operations. They also note that 6% of the commitments under the budget available for 2006 were not contracted by 2009 and were therefore lost. They call for this percentage to be brought down. In all, Parliament calls on the Commission to ensure that its headquarters have sufficient capacity and human resources to provide adequate support to delegations through the Quality Operations Directorate.

It also calls on the Commission and the EEAS to:

- address specifically the areas identified by the audit, in particular the workload within delegations, the adequacy of staffing levels among delegations and the balance of delegations' staffing between aid management and other functions;

- consider promoting local consultation, where possible, when deciding on aid projects and monitoring their progress;

- **appoint Policy Coherence for Development (PCD) focal points** in each delegation to monitor the impact of EU policy at partner-country level;

- consider using local expertise and that the existing staff of the EU delegations should strive towards greater involvement in the local societies, in order to bridge the knowledge gap and to ensure an accurate understanding of the local environment in which they operate;

- offer and provide in a more systematic manner legal and financial training for local staff, with a view to optimising the management of EU aid and ensuring good governance in the medium term at local authority level.

EEAS mandate: Members believe that **both the mandate and the competences of the EEAS in development cooperation are still unclear**, and call on the Council and the Commission to take the necessary steps to resolve this situation. They note with concern, in this connection, that the separation between the EEAS's political and administrative tasks and the Commission's aid management tasks might be a source of possible inconsistencies in the implementation of the principles of the Paris Declaration (on the coherence of development aid.)

Strengthen the effectiveness of development aid: Members call on the Commission and the Council to continue to advocate a **reduction in the number of areas of intervention**, in line with the EU Code of Conduct on Complementarity and Division of Labour and the Agenda for Change. The relevant EU financial instruments and the European Development Fund (EDF) need to be more **poverty-focused** and more flexible with regard to their approach and operation, and that more accountability and transparency and better value for money in terms of achieving clear results should also be encouraged.

Improve the supervision and control of aid: Parliament expects the Commission to take all the necessary measures to overcome the weaknesses of the supervisory and control systems, notably at delegation level (from 2012.) It notes the Court of Auditors' criticism of the working relationship between the Commission's headquarters and its delegations for the management of external aid and call for the processes in question to be reviewed and simplified with a view to reducing internal bureaucracy, and for a report on the action taken to be submitted to Parliament. Members encourage the Commission to require the delegations systematically to carry out technical and financial monitoring visits to projects and to focus the internal reporting system more on the results achieved by the aid interventions.

Devolution of development aid for increased efficiency: Parliament calls on the Commission to show how further devolution of financial and human-resource responsibilities from Commission headquarters to delegations would add value by improving dialogue and the coordination and programming of EU aid on the ground. It stresses that neither the Commission nor the Member States should use the current economic and financial crisis to justify a '**doing more with less'** approach involving containing or reducing staffing levels in bilateral aid agencies. Members believe that, in the interests of smooth implementation of the EU budget, heads of delegation should be able to delegate the management of operational tasks and of a delegation's administrative expenditure to their deputies, and that **the Financial Regulation should if necessary be revised accordingly.**

Lastly, they call on the Commission and Member States to make greater efforts to improve links between EU delegations and bilateral agencies and partner governments and other development groups such as think tanks, universities, foundations, NGOs and sub-national authorities, since closer ties will maximise the comparative advantages of the devolution process and of the different actors within the national context, while avoiding unnecessary duplication of effort. At the same time, Members call for it to be ensured, during the process of devolving the management of EU external aid from centralised services to delegations, that Parliament keeps its powers of oversight and scrutiny.