

2000 discharge : 6th, 7th and 8th European Development Funds EDF

2001/2096(DEC) - 10/04/2002 - Text adopted by Parliament, single reading

By adopting the report by Mr Freddy BLAK (EUG/NGL, DK), the European Parliament voted to clear the accounts of the 6th, 7th and 8th European Development Fund which covers expenditures in the year 2000. In a resolution annexed to its opinion, the European Parliament made a certain number of observations. Firstly, Parliament is concerned about delays in the implementation of programmes and notes that payments for the year only amount to EUR 1,548 million against a commitment figure of EUR 3,758. For the future, therefore, Parliament is recommending that the granting of further aid should be conditional on effective administrative reforms. There is criticism of the decision to increase the spending for the Brussels based ACP secretariat to EUR 18 million for the 2000-2004 period, without a fixed objective. More specifically, with regard to the monitoring of aid, Parliament stresses that a transparent information system which complies with Development assistance Committee (DAC) standards is a first step towards an approach more closely geared to results, and stresses that indicators showing development results in relation to the objectives must be a priority for the Commission. It reaffirms its view that the granting of further aid should be made conditional upon the submission and effective implementation of reform programmes to improve the quality of public financial management in the beneficiary countries and it highlights the importance of the following points: - ongoing assessment of implementation of the measures designed to reform the public administration, - monitoring of the progress achieved in key sectors (health and education) with the aid of meaningful indicators (e.g. increase in the number of teachers or doctors); - annual audit of accounting and sound management of resources on the basis of samples; - clearly defined sanctions (reduction or suspension of payments) in cases where the agreed reform measures are not complied with. It also stresses that the Commission has to increase and improve its audit capacities in a very substantial manner in order to meet these requirements. Moreover, it calls on the Commission to provide a more persuasive explanation as to why the cases of ineligible expenditure amounting to some EUR 14 million identified in a Court of Auditors study, have not yet been brought to a satisfactory conclusion. It asks the Commission to suspend payments to Senegal until a verdict from the Senegalese Court has been enforced regarding the misappropriation of around EUR 6 million of funds from the seventh EDF uncovered by an audit in 1995. With regard to the Centre for Development of Enterprise (CDE), the Parliament notes that the EDF contribution for the CDE in 2000 was EUR 18 738 and it deplors that there have been serious problems with the management of the Centre including lack of monitoring of contracts, high representation expenses and costly travel arrangements during the period 1997-1999; regrets that the report on the audit of the 1999 financial year by the auditors appointed by the ACP-EC Committee of Ambassadors revealed that overall there was no improvement in the financial management of the Centre in 1999. The resolution welcomes the fact that the Commission has initiated an additional audit for the period 1997/98/99. Parliament informs the Commission that it will come back to the matter in the framework of the 2001 discharge. With regard to the access to documents, the Parliament notes that the EDF 2000 discharge exercise has once again shown that the rules in the existing Framework Agreement concerning access to confidential documents are unsatisfactory for Parliament as discharge authority it states that the rules - are unclear concerning different levels of confidentiality. Parliament asserts that it needs to have access to complete original documents without prior alterations or obliterated text. Lastly, Parliament asks the Commission to report on steps taken to act on the observations in this resolution by 31 May 2002 and asks its Committee on Budgetary control to analyse this information and draw up a follow-up report to the discharge resolution 2000.