2003 discharge: 6th, 7th, 8th and 9th European Development Funds EDF

2004/2049(DEC) - 17/03/2005

The committee adopted the report by Marilisa XENOGIANNAKOPOULOU (PES, EL) giving discharge to the Commission for the budget of the 6th, 7th, 8th and 9th European Development Funds for the 2003 financial year. The discharge decision was accompanied by a number of comments from the committee:

- development policy was "an essential component of the Union 's external action". As an important tool for carrying out this policy in the ACP countries, the EDF must be made more effective through a greater focus on poverty eradication. There was also a need for greater transparency, greater accountability and compliance with the principles of sound financial management;

- MEPs deplored the fact that, in 2003, only 1.5% of total financing for ACP countries (EDF and EU general budget) was earmarked for basic education and only 5.2% for basic health. The Commission was urged to increase funding for these sectors;

- the lack of clarity over responsibility for the EDF within the Commission "may create ambiguities with regard to accountability";

- MEPs acknowledged that budget support could be effective in helping to reduce poverty and improve management of public finances in recipient countries by giving them a greater sense of 'ownership'. However, they stressed that macroeconomic indicators should not be the only criteria for granting such support and that public expenditure management and public procurement should also be assessed, as provided for in the Cotonou Agreement;

- it was important that the ACP States' Supreme Audit Institutions (SAIs) should be involved in EDF control;

- MEPs supported the Commission's devolution of resources and decision-making powers to its delegations, while acknowledging that this involved risks as well as benefits. The Commission should report in time for the next discharge exercise on the state of play of the devolution process. They added that the Commission was "at the bottom end of the range" in terms of the ratio of staff managing EUR 10 million compared with the other main donors.

Lastly, the committee repeated Parliament's longstanding call for budgetisation of the EDF to help simplify matters, speed up disbursement and eliminate the current "democratic deficit". It called for this issue to be addressed when discussing the new Financial Perspective.