Basic information

2002/2087(DEC) DEC - Discharge procedure	Procedure completed
2001 discharge: 6th, 7th and 8th European Development Funds EDF **Subject** 6.30.03 European Development Fund (EDF) 8.70.03.07 Previous discharges	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	SØRENSEN Ole B. (ELDR)	10/09/2002

Committee for opinion	Rapporteur for opinion	Appointed
BUDG Budgets	The committee decided not to give an opinion.	
DEVE Development and Cooperation	DEVA Nirj (PPE-DE)	20/06/2002

Council of the European Union

Council configuration	Meetings	Date
Economic and Financial Affairs ECOFIN	2493	2003-03-07

European Commission

Commission DG	Commissioner
Budget	

Key events

Date	Event	Reference	Summary
29/04/2002	Non-legislative basic document published	COM(2002)0211	Summary
13/05/2002	Committee referral announced in Parliament		
19/03/2003	Vote in committee		Summary
19/03/2003	Committee report tabled for plenary	A5-0072/2003	
08/04/2003	Decision by Parliament	T5-0139/2003	Summary

08/04/2003	Debate in Parliament		
08/04/2003	End of procedure in Parliament		
12/03/2004	Final act published in Official Journal		

Technical information	
Procedure reference	2002/2087(DEC)
Procedure type	DEC - Discharge procedure
Legal basis	Rules of Procedure EP 102
Stage reached in procedure	Procedure completed
Committee dossier	CONT/5/16218

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, single reading		A5-0072/2003	19/03/2003	
Text adopted by Parliament, single reading		T5-0139/2003 OJ C 064 12.03.2004, p. 0023-0113 E	08/04/2003	Summary

Council of the EU

Document type	Reference	Date	Summary
Supplementary non-legislative basic document	01398/2003 OJ L 071 15.03.2003, p. 0014-0014	07/03/2003	Summary
Supplementary non-legislative basic document	01399/2003 OJ L 071 15.03.2003, p. 0015-0015	07/03/2003	Summary
Supplementary non-legislative basic document	01400/2003 OJ L 071 15.03.2003, p. 0016-0016	07/03/2003	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2002)0211	29/04/2002	Summary
Supplementary non-legislative basic document	COM(2002)0726	20/12/2002	

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary

CofA	Court of Auditors: opinion, report	N5-0539/2002 OJ C 295 28.11.2002, p. 0289-0313	10/10/2002	Summary
EU	Implementing legislative act	32003B0406 OJ L 148 16.06.2003, p. 0013-0015	08/04/2003	Summary

Additional information		
Source	**Document**	**Date**
European Commission	EUR-Lex	

Final act	
Budget 2003/0405 OJ L 148 16.06.2003, p. 0001-0002	Summary

2001 discharge: 6th, 7th and 8th European Development Funds EDF

2002/2087(DEC) - 10/10/2002 - Court of Auditors: opinion, report

PURPOSE : to present the Annual Report form the Court of Auditors on the implementation of the 6th, 7th and 8th European and Development Funds for the financial year 2001 and the Statement of Assurance concerning the EDF. CONTENT :this annual report concentrates on the implementation of the sixth, seventh and eighth EDFs in 2001. In its report, the court recalls that the EDFs are the result of international conventions between the Member States of the European Union and 77 ACP countries (after the ninth EDF) as well as 24 overseas countries and territories. The Commission is responsible for the management of the EDFs in association with the ACP states. The duration of the ACP-EU conventions corresponds neither to the initial duration of the EDFs that they set up nor to the real duration of the implementation of the latter. The Court has noted both the growing delay in the entry into force of the conventions (resulting in a corresponding delay in the start of the EDFs) and the very long duration of the implementation of the EDFs. Thus, during the financial year 2001, the three EDFs still in force entered their 16th, 11th and 4th years of implementation respectively. In 2001, the Commission provided an analysis of their financial management. This document is more detailed than the one for the financial year 2000. There is still room for improvement, in particular with regard to the explanation of the slow implementation of the EDFs. As stated, in 2001, the implementation rate of the EDFs was characterised by slower financing decisions and faster payments. The balance in hand for new decisions still accounts for 14 % of total appropriations, as compared with 19 % at the end of 2000. The amount of outstanding commitments at the end of the year went down from EUR 8 982 million in 2000 to EUR 8 469 million in 2001. Some of the causes of the under-implementation of the EDFs are short-term, like the reduction or even suspension of aid due to problems in the beneficiary countries (such as arm conflicts, etc). The reasons are essentially structural (overdiversification, insufficient preparation of the projects, cumbersome procedures and the weakness of the national administrations in the recipient countries). Apart from its use of fast disbursement instruments, the reforms undertaken by the Commission to improve programming, simplify the public contract procedures, decentralise the management of aid and help strengthen the institutions of the ACP countries will only be able fully to produce results in the medium term. The Court notes once again the difficult transition between the eighth and ninth EDFs and that the ACP Council of Ministers decided to apply the Cotonou agreement without waiting for the entry into force of either the agreement or the financial protocol creating the ninth EDF. To summarise, the Court recognises that development aid policy involves constraints that are likely to make implementation slow. It therefore asks the Commission to show more realism in establishing its forecasts so as not to give rise to unjustified expectations. At the same time, it asks the Commission to give more emphasis to reforms aimed at limiting this slowness, so that the eighth and the ninth EDFs do not suffer from the same excessive implementation delays found for the previous EDFs. The Court also provides a Statement of Assurance on thereliability of the EDF accounts and on the legality and regularity of the underlying transactions. As regards the reliability of the accounts, the Court is of the opinion that the revenue entered in the accounts, the amounts allocated to the EDFs' commitments and payments for the financial year are, taken as a whole, legal and regular. However, because it did not carry out on-the-spot audits and because it cannot rely on the results of the audits initiated by the Commission, the Court is not in a position to provide assurance regarding the reality of work, supplies and services underlying the payments at the level of the local beneficiaries.

2001 discharge: 6th, 7th and 8th European Development Funds EDF

2002/2087(DEC) - 08/04/2003 - Implementing legislative act

PURPOSE: To close the accounts of the 6th. 7th and 8th European Development Funds for the 2001 financial year.

LEGISLATIVE ACT: European Parliament Decision 2003/406/EC on the closing of the 6th, 7th and 8th European Development Funds for the 2001 financial year.

CONTENT: With this Decision, the European Parliament effectively closes the 2001 EDF accounts following the discharge to the Commission. (Please see EP resolution of 8 April 2004).

2001 discharge: 6th, 7th and 8th European Development Funds EDF

2002/2087(DEC) - 29/04/2002 - Non-legislative basic document

PURPOSE : to present the balance sheets and accounts of the 6th, 7th and 8th European Development Funds for the financial year 2001. CONTENT : the balance sheets and revenue and expenditure accounts were drawn up in accordance with the Financial Regulations applicable to the 6th, 7th and 8th EDFs. The relevant documents must be presented to the European Parliament, the Council and the Court of Auditors as provided for in Article 71 of the Financial Regulation applicable to the 7th EDF and Articles 66, 67 and 68 of the Financial Regulation applicable to the to the 8th EDF. The consolidated accounts of the 6th, 7th and 8th EDF is EUR 13.545.263.120 as opposed to EUR 15.186.554.430 at the end of 2000. These Financial Regulations stipulate that the accounts be kept according to the following principles: - Universality : all operations pertaining to each Fund are recorded. Each country has a separate record. There is a single treasury; - Justification : all operations are substantiated by supporting documents; - No set-off policy : there is no set-off between revenue and expenditure; - Calendar year : the accounts are kept by calendar year. All expenditure and revenue is registered according to the value date given on the bank statement. The balances thus established are not adjusted at the year-end; - Double-entry bookkeeping : each operation is registered to the debit of one or more accounts and to the credit of one or more accounts, so that the total amount registered on the debit side is equal to the total amount registered on the credit side; - Unity of currency : the accounts for the various EDFs are kept in euro. Assets denominated in currencies belonging to the euro zone are converted in accordance with the exchange rates fixed by the European Central Bank at 31 December 1998. The other currencies are converted at the rates in force on 31 December 2001; - Revenue : financial contributions are paid either in euro or, where Member States show due reason, in national currencies into special accounts opened with the treasuries of the Member States. The Commission makes transfers from the above accounts to operational accounts held in euro or a Member State's currency to meet the cash requirements of projects and programmes. In addition, the Member States' contributions for an EDF must be used up before the contributions relating to the following EDF are called in; - Expenditure : expenditure takes into account all payment orders executed by banks up to 31 December 2001. However, in the case of local expenditure in the ACP States and for those payments for which information was not communicated to the Commission's accounting departments before the end of the financial year, payments are based on the information received for the latest period prior to 31 December. The amounts of payments in question not included in the 2001 accounts are not considered to be material. Expenditure by delegations is not finally entered into the EDF accounts until validated by the authorising officer and the financial controller. Expenditure not yet validated is shown under the heading "expenditure to be regularised" in the balance sheet; - Payments on account/Advances : payments on account (any amount paid on the basis of supporting documents pending final payment) and advances paid within the framework of the implementation of the contracts are included in the expenditure of the year and do not appear under assets in the balance sheet. However, advances for study awards and advances for technical assistance are regarded as a receivable and consequently appear under assets in the balance sheet; - Recording of operations : EDF appropriations are not subject to any time limit. Once granted, they are available until they are used up or reassigned. Consequently, expenditure and revenue are booked at the time of payment or actual receipt. In addition, the financial statements are drawn up on the basis of the balances as at 31 December of each year without recourse to year-end adjustment; The obligation under the rules to present a balance sheet of the EDF's assets and liabilities means that the entitlements due from the Member States (mainly contributions for which payment has been deferred or interest on late payment) must be entered in the accounts. These headings are contained in the balance sheets for the various EDFs; - Single treasury : for reasons of efficiency, there is a single treasury for all the EDFs being implemented; this leads to operations between the various EDFs, which are balanced out in the liaison accounts between the various balance sheets.

2001 discharge: 6th, 7th and 8th European Development Funds EDF

2002/2087(DEC) - 08/04/2003 - Text adopted by Parliament, single reading

The European Parliament adopted a resolution based on the draft report by Ole SOREBSEN (ELDR, Denmark) on closing the accounts of the sixth, seventh and eighth EDFs for the 2001 financial year discharge. (Please refer to the document dated 19/03/03.) The main points were as follows: - the need to reform the nature of the relationship between donors and developing countries has fostered the concept of "ownership" which should give primacy to the developing countries in the development process; The Commission is asked to interpretation this concept, and whether it has a negative influence on EU priorities for development policy. The Commission is also asked to provide information on the involvement of representative parliamentary institutions, civil society organisations and minorities in the drawing up of the countries' development policies in order to ensure that effective consultation is taking place so as to justify reference to 'national ownership'; - macro-economic budgetary support has become part of the Community's financial cooperation with ACP countries. Since 1992 the Community has provided budgetary support amounting to EUR 2 604 million. In 2001, EUR 270 million was spent on ACP macro-economic support. Parliament noted that EDF budget support is controlled according to national control procedures in the ACP States, and not the EDF procedures. The support, therefore, is subject to the same risks as expenditure financed from national income. Budget support differs in this respect from project aid, which is implemented according to the procedures imposed by individual fund providers. The shift from specific project aid to programme budget support places transparent management of public finance in the developing countries in the centre of the development strategy to provide assurance that resources are used as intended. Parliament wanted the Commission to keep the use of budget support at a minimum until it has evidence that public finance management in beneficiary countries is of such a standard that the inherent risk of the budget support approach has been considerably reduced; - the quality of public finance management was of the utmost importance for the effectiveness with which resources are mobilised and used. A step forward is to support the creation of strong, efficient and independent Supreme Audit Institutions in the beneficiary countries; - on the question of complementarity, the Council must consider whether maintaining roughly 50 management committees is an appropriate way to ensure that EC aid better complements aid from Member States; - Parliament asks the Commission to provide it by 1 June 2003 with satisfactory and detailed information concerning disbursements to these

management committees and to put forward proposals as to how this area may be rationalised; - Parliament expressed its concern about the level of financial expertise in the deconcentrated delegations, especially as they are to be the focus of future audit activity. The Commission is asked to implement effective training programmes, especially in the area of audits.

2001 discharge: 6th, 7th and 8th European Development Funds EDF

2002/2087(DEC) - 08/04/2003 - Final act

PURPOSE : to grant discharge to the Commission on the implementation of the 6th, 7th and 8th EDF for the financial year 2001 and to close the account of the EDF for the year 2001. COMMUNITY MEASURE : European Parliament Decisions 2003/405/EC and 2003/406/EC concerning discharge to the Commission in respect of the implementation of the budget of the sixth, seventh and eighth European Development Funds for the 2001 financial year and on the closing of the account of the sixth, seventh and eighth European Development Funds for the same year. CONTENT : with the present Decisions, the European Parliament grants discharge to the Commission in respect of the implementation of the budget of the sixth, seventh and eighth European Development Funds for the financial year 2001 and closes the accounts for the period in question. There is an accompanying resolution which conforms to the European Parliament's opinion of 8 April 2003.

2001 discharge: 6th, 7th and 8th European Development Funds EDF

2002/2087(DEC) - 07/03/2003 - Supplementary non-legislative basic document

PURPOSE : to present the Council Recommendation concerning the discharge to be given to the Commission in respect of the implementation of the operations of the 7th European Development Funds for the financial year 2001.

CONTENT : having examined the revenue and expenditure account and the balance sheet relating to the three EDFs as at 31 December 2001 and the Court of Auditors' report relating to the financial year 2001, the Council recommends that the European Parliament should give discharge to the Commission in respect of the implementation of the operations of the 7th EDF for the financial year 2001.

It should be noted that this recommendation is not accompanied by any particular comments the Council considers that, for its part, the overall implementation by the Commission of the operations of the budget has been satisfactory.

2001 discharge: 6th, 7th and 8th European Development Funds EDF

2002/2087(DEC) - 07/03/2003 - Supplementary non-legislative basic document

PURPOSE : to present the Council recommendation on the discharge to be given to the Commission in respect of the implementation of the operations of the 6th, 7th and 8th European Development Fund (EDF) for the financial year 2001. CONTENT : having examined the revenue and expenditure account and the balance sheet relating to the operations of the 6th, 7th and 8th European Development Fund as at 31 December 2001 and the Court of Auditors' report relating to the financial year 2001, the Council recommends that the European Parliament give the Commission a discharge in respect of the implementation of the operations of the three EDF for the financial year 2001. This recommendation is not accompanied by any commentary in particular, the Council considers that the implementation is on the whole satisfactory.

2001 discharge: 6th, 7th and 8th European Development Funds EDF

2002/2087(DEC) - 07/03/2003 - Supplementary non-legislative basic document

PURPOSE: to present the Council Recommendation concerning the discharge to be given to the Commission in respect of the implementation of the operations of the 8th European Development Funds for the financial year 2001.

CONTENT: having examined the revenue and expenditure account and the balance sheet relating to the three EDFs as at 31 December 2001 and the Court of Auditors' report relating to the financial year 2001, the Council recommends that the European Parliament should give discharge to the Commission in respect of the implementation of the operations of the 8th EDF for the financial year 2001.

It should be noted that this recommendation is not accompanied by any particular comments. The Council considers that for its part the overall implementation by the Commission of the operations of the budget has been satisfactory.