Basic information

2014/2077(DEC) DEC - Discharge procedure	Procedure completed
2013 discharge: 8th, 9th and 10th European Development Funds **Subject** 8.70.03.03 2013 discharge	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	DLABAJOVÁ Martina (ALDE)	25/09/2014
	Shadow rapporteur SCHMIDT Claudia (PPE) HOFFMANN Iris (S&D) VISTISEN Anders (ECR) KARI Rina Ronja (GUE/NGL) ŠOLTES Igor (Verts/ALE) VALLI Marco (EFDD) ALIOT Louis (NI)	

Committee for opinion	Rapporteur for opinion	Appointed
DEVE Development	MCAVAN Linda (S&D)	18/11/2014
BUDG Budgets	The committee decided not to give an opinion.	

European Commission

Commission DG	Commissioner
Budget	GEORGIEVA Kristalina

Key events

Date	Event	Reference	Summary
		COM(2014)0487	Summary

17/07/2014	Non-legislative basic document published		
20/10/2014	Committee referral announced in Parliament		
24/03/2015	Vote in committee		
31/03/2015	Committee report tabled for plenary	A8-0102/2015	Summary
28/04/2015	Debate in Parliament		
29/04/2015	Decision by Parliament	T8-0120/2015	Summary
29/04/2015	Results of vote in Parliament		
29/04/2015	End of procedure in Parliament		
30/09/2015	Final act published in Official Journal		

Technical information

Procedure reference	2014/2077(DEC)
Procedure type	DEC - Discharge procedure
Stage reached in procedure	Procedure completed
Committee dossier	CONT/8/01203

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee opinion	DEVE	PE541.410	22/01/2015	
Committee draft report		PE541.389	29/01/2015	
Amendments tabled in committee		PE549.349	06/03/2015	
Committee report tabled for plenary, single reading		A8-0102/2015	31/03/2015	Summary
Text adopted by Parliament, single reading		T8-0120/2015	29/04/2015	Summary

Council of the EU

Document type	Reference	Date	Summary
Supplementary non-legislative basic document	05135/2015	03/02/2015	Summary
Supplementary non-legislative basic document	05136/2015	03/02/2015	Summary
Supplementary non-legislative basic document	05138/2015	03/02/2015	Summary

European Commission

Document type	Reference	Date	Summary
Commission document (COM)	COM(2014)0487	17/07/2014	Summary

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

Final act	
Budget 2015/1631 OJ L 255 30.09.2015, p. 0142	Summary

2013 discharge: 8th, 9th and 10th European Development Funds

2014/2077(DEC) - 29/04/2015 - Final act

PURPOSE: to grant discharge to the European Commission in respect of the implementation of the budget of the European Development Funds for the financial year 2013.

NON LEGISLATIVE ACT : Decision (EU) 2015/1631 of the European Parliament on discharge in respect of the implementation of the budget of the eighth, ninth and 10th European Development Funds for the financial year 2013.

CONTENT : with the present decision, the European Parliament grants the Commission discharge in respect of the implementation of the budget of the eighth, ninth and 10th European Development Funds for the financial year 2013.

This decision is in line with the European Parliament's resolution adopted on 29 April 2015 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 29 April 2015).

Amongst Parliament’s main observations, the latter emphasised that all EDFs activities have to accurately follow the general strategy and priority areas based on political preferences and **aiming to achieve the Millennium Development Goals (MDGs).**

2013 discharge: 8th, 9th and 10th European Development Funds

2014/2077(DEC) - 03/02/2015 - Supplementary non-legislative basic document

Council Recommendation : 10th EDF

Having regard to the Internal Agreement between the Representatives of the Governments of the Member States, meeting within the Council, on the financing of Community aid under the multiannual financial framework for the period 2008 to 2013 in accordance with the ACP-EC Partnership Agreement and on the allocation of financial assistance for the Overseas Countries and Territories setting up, amongst others, the tenth European Development Fund (EDF) and having examined the revenue and expenditure account and the balance sheet relating to the operations of the tenth EDF as at 31 December 2013 and the Annual Report of the Court of Auditors on the activities funded by the 8th, 9th and 10th EDFs concerning the financial year 2013, **the Council recommended that the European Parliament give the Commission a discharge in respect of the implementation of the operations of the 10th EDF for the financial year 2013.**

This recommendation is not accompanied by any further observations. The Council considered that the overall budget implementation by the Commission of the operations of the tenth EDF during the financial year 2013 has been satisfactory.

2013 discharge: 8th, 9th and 10th European Development Funds

2014/2077(DEC) - 03/02/2015 - Supplementary non-legislative basic document

Council Recommendation : 9th EDF

Having regard to the Internal Agreement between Representatives of the Governments of the Member States, meeting within the Council, on the Financing and Administration of Community Aid under the Financial Protocol to the Partnership Agreement between the African, Caribbean and Pacific States and the European Community and its Member States signed in Cotonou (Benin) on 23 June 2000 and the allocation of financial assistance for the Overseas Countries and Territories setting up, amongst others, the ninth European Development Fund (EDF) and having examined the revenue and expenditure account and the balance sheet relating to the operations of the ninth EDF as at 31 December 2013 and the Annual Report of the

Court of Auditors on the activities funded by the 8th, 9th and 10th EDFs concerning the financial year 2013, **the Council recommended that the European Parliament give the Commission a discharge in respect of the implementation of the operations of the 9th EDF for the financial year 2013**.

This recommendation is not accompanied by any further observations. The Council considered that the overall budget implementation by the Commission of the operations of the 9th EDF during the financial year 2013 has been satisfactory.

2013 discharge: 8th, 9th and 10th European Development Funds

2014/2077(DEC) - 03/02/2015 - Supplementary non-legislative basic document

Council Recommendation : 8th EDF

Having regard to the Internal Agreement between the Representatives of the Governments of the Member States, meeting within the Council, on the financing and administration of the Community aid under the Second Financial Protocol to the fourth ACP-EC Convention setting up, amongst others, the eighth European Development Fund (eighth EDF) and having examined the revenue and expenditure account and the balance sheet relating to the operations of the eighth EDF as at 31 December 2013 and the Annual Report of the Court of Auditors on the activities funded by the 8th, 9th and 10th EDFs concerning the financial year 2013, **the Council recommended that the European Parliament give the Commission a discharge in respect of the implementation of the operations of the 8th EDF for the financial year 2013.**

This recommendation is not accompanied by any further observations. The Council considered that the overall budget implementation by the Commission of the operations of the eighth EDF during the financial year 2013 has been satisfactory.

2013 discharge: 8th, 9th and 10th European Development Funds

2014/2077(DEC) - 31/03/2015 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Martina DLABAJOVÁ (ADLE, CZ) recommending that Parliament grant the Commission discharge in respect of the implementation of the budget of the eighth, ninth and tenth European Development Funds for the financial year 2013. It called on Parliament to approve the closure of the accounts of the Funds for the financial year 2013, and made a number of observations to be taken into account regarding the discharge.

Statement of Assurance: Members welcomed the Court of Auditors' opinion that the final annual accounts of the Development Funds for the year 2013 present fairly, in all material respects, the financial position of the EDFs as of 31 December 2013, and that the results of their operations for the year-end, are in accordance with the provisions of the EDF financial regulation and with internationally accepted accounting standards for the public sector. They were satisfied about the improvement achieved as regards the number and value of recoveries increased compared to 2012, with **24 recoveries totaling EUR 4.7 million in 2013** compared to 13 recoveries amounting EUR 1.3 million in 2012. They were concerned, however, that authorising officers in sub-delegations still did not systematically comply with the rule that for pre-financing payments over EUR 750 000 and the Commission was required to recover interest on an annual basis.

Efficacy of the system: whilst Members welcomed the Court’s opinion, according to which revenue and commitments underlying the accounts for the year 2013 were legal and regular in all material aspects, they expressed concern about the Court of Auditors' assessment related to the legality and regularity of payments underlying the accounts whereby the supervisory and control systems at EuropAid’s Headquarters and Union delegations were only partially effective in ensuring the legality and regularity of payments. According to the Court of Auditors' estimation, the most likely error rate for expenditure transactions from the Eighth, Ninth and Tenth EDF was **3.4 %,** which indicated a slight increase compared to 2012 (3 %).

The committee also regretted the fact that despite the corrective action plan which was set up in May 2013, the typology of errors identified was, to a large extent, similar to previous years, namely a **lack of supporting documents, non-compliance by beneficiaries with procurement provisions and ineligible expenditure**. It observed that these errors were also related to transactions linked to the following activities (i) programme estimates, (ii) grants and (iii) contribution agreements between the Commission and international organisations.

It urged the Commission to intensify its efforts in these specific areas of cooperation.

Errors: Members took note that for both budget support (with EUR 718 million of payments made from the EDF in 2013) and Union contributions to multi-donor projects carried out by international organisations such as the United Nations (payments from the EDFs amounted to EUR 458 million in 2013), the nature of the instrument and the payment conditions limited the extent to which transactions were prone to errors. They were worried by the recurring issue that errors concerning final claims had been continuously found, despite external audits and expenditure verifications.

Strategy and priorities: the report emphasised that all EDFs activities had to accurately follow the general strategy and priority areas based on political preferences, as well as economic and financial efficiency criteria, consequently reflected in management performance, including risk-management and controlling activities.

At the same time, Members felt that an intensification of efforts was needed in order to accelerate the achievement of the MDGs in Africa by the target date of 2015 and called on the Commission to take the Post-2015 Development Agenda and the negotiations on the Sustainable Developments Goals (SDG) once adopted into account. They welcomed the fact that the EDFs, which were the main instrument for providing Union aid for development cooperation to the ACP States, accounted for as much as 45 % of the total value of new contracts concluded by DG DEVCO in 2013.

Budget support: the committee welcomed the implementation of the Commission's new budget support approach, noting that in 2013, a total of EUR 660 million was allocated to new budget support operations in Africa. Considering the aim of budget support, with contributions directly transferred to a

recipient countries' general budget or to a budget devoted to a specific general policy or objective, Members insisted that the budget support strictly linked the general eligibility conditions **with substantial progress achieved by partner countries, in particular in public finance management**.

Members again stressed that focus should be put on the differentiation principle in order to avoid a widened interpretation of budget support disbursement conditionality. They also underlined the need to **strengthen anti-corruption measures**. They criticised the fact that the funds made available by the Union were ultimately combined with the partner country's own budget resources and that as a result, **Union funds could not be traced**. Members called for detailed reports to be published on the way funds were used in order to increase transparency and to ensure that the funds were readily traceable. They strongly supported stopping transfers of funds to recipient countries when ex-ante conditionalities, in particular the required macro-economic conditions, were not met.

Cooperation with international organisations: the committee suggested that, during the new parliamentary term, further steps towards a better exchange of information with the World Bank and UN institutions should be found to optimise the cooperation. It recalled Parliament's support for the definition and exchange of good practices in order to set up similar and sustainable core principles of assurance and compliance with Union financial regulations. It supported the enhanced **disclosure of the audit reports of UN institutions** to get a better stewardship of Union funding.

Blended finance: Members acknowledged the increased interest in blending, leading to the development of new financial resources combining Union grant aid and non-grant resources. By blending grants with additional public and private resources, the substantial leverage effect of grants and the development and impact of stronger Union policies could be achieved in order to unlock additional financing. Members stressed that any new financial instruments and blending had to remain in line with Union development policy objectives. They demanded the introduction of common standards of implementation for such financial activities, as well as the definition of best practices and eligibility and evaluation criteria.

The committee also made some observations on Union aid in Haiti.

Future of EDF: the committee recommended that the strategies and priorities of future EDF activities be precisely defined and that a system of financial instruments be built on that basis, respecting the principles of efficiency and transparency. It regretted again that the EDFs had not been included in the general budget of the European Union. Members recalled that Parliament, the Council and the Commission agreed that the financial rules would be revised in order to include amendments made necessary by the outcome of the negotiations on the multiannual financial framework for the years 2014 to 2020, including the issue of the possible inclusion of the EDFs in the Union budget. They repeated their call on the Council and Member States to agree to the **full incorporation of the EDFs in the Union's budget**. Members were of the opinion that the integration of the EDFs in the general budget would strengthen democratic scrutiny of the allocation of funds and lead to a reduction of the risk of errors and inefficiencies.

2013 discharge: 8th, 9th and 10th European Development Funds

2014/2077(DEC) - 17/07/2014 - Non-legislative basic document

PURPOSE: to present the final accounts of the 8th, 9th and 10th European Development Funds (EDF) for the financial year 2013.

CONTENT: this communication presents the final accounts of the 8th, 9th and 10th EDF, which must be presented to the European Parliament, the Council and the Court of Auditors, in accordance with the relevant provisions regarding the EDF.

The document also includes a note accompanying the accounts in which the accounting officer in charge of the EFD audit certifies that the accounts present a true and fair view of the financial position of the European Development Funds in all material aspects (**signed declaration of assurance**).

1. EDF objectives and implementation: the EDF is the main instrument for providing Union aid for development cooperation to the African, Caribbean and Pacific (ACP) States and Overseas Countries and Territories (OCTs). The 1957 Treaty of Rome made provision for its creation with a view to granting technical and financial assistance, initially limited to African countries which at that time were still colonised and with which some Member States had historical links.

The EDF is not funded by the European Union's budget. **It is established by an internal agreement of the Representatives of the Member States, sitting within the Council, and managed by a specific committee**. The European Commission is responsible for the financial implementation of the operations carried out with EDF resources and the European Investment Bank (EIB) manages the Investment Facility.

During the period 2008-2013, the geographic aid granted to ACP States and OCTs will continue to be mainly funded by the EDF. Each EDF is usually concluded for a period of around five years. Since the conclusion of the first partnership convention in 1964, the EDF programming cycles have generally followed the partnership agreement/convention cycles. Each EDF is governed by its own Financial Regulation, which imposes the preparation of financial statements for each individual EDF. Accordingly, financial statements are prepared separately for each EDF in respect of the part that is managed by the European Commission. These financial statements are also presented in an aggregated way so as to provide a global view of the financial situation of the resources for which the European Commission is responsible.

Within the framework of the ACP-EU Partnership Agreement, the Investment Facility was established. This Investment Facility is managed by the EIB and is used to support private sector development in the ACP States by financing essentially – but not exclusively – private investments. The Facility is designed as a renewable fund, so that loan repayments can be reinvested in other operations, thus resulting in a self-renewing and financially independent Facility. As the Investment Facility is not managed by the Commission, it is not consolidated in the first part of the annual accounts – the financial statements of the 8th, 9th and 10th EDFs and the related report on financial implementation.

How is the EDF funded: unlike the EU, the EDF is a fund operating on the basis of **multiannuality**. Each EDF establishes an overall fund to implement development cooperation during a period of usually **five years**. The EDF resources are “ad hoc” contributions from the EU Member States.

Approximately every five years, Member State representatives meet at intergovernmental level to decide on an overall amount that will be allocated to the fund and to oversee its implementation. The Commission then manages the fund. Since Member States have their own development and aid policies in parallel to the Union policy, the Member States must coordinate their policies with the EU to ensure they are complementary.

Discharge procedure: the EDF annual accounts and resource management are overseen by its external auditor, the ECA, which draws up an annual report for the European Parliament and the Council. The final control is the discharge of the financial implementation of the EDF resources for a given financial year. The European Parliament is the discharge authority of the EDF. This means that following the audit and finalisation of the annual accounts it falls to the Council to recommend and then to the **Parliament to decide whether to grant discharge to the Commission for the financial implementation of the EDF resources** for the preceding financial year. This decision is based on a review of the accounts and the annual report of the ECA (which includes an official statement of assurance) and replies of the Commission, and also following questions and further information requests to the Commission.

2. Financial implementation of the EDF in 2013: the report concentrates on the implementation of the EDFs (including previous EDFs).

Previous EDFs

- as the 6th EDF was closed in 2006 and the 7th EDF was closed in 2008, the annual accounts no longer contain implementation tables for these EDFs. However, implementation of the transferred balances can be found in the 9th EDF;
- as in past years, to ensure transparency in the presentation of the accounts for 2013, the tables set out separately for the 8th EDF the part used for Lomé Convention programming and the part used for programming under the Cotonou Agreement;
- in accordance with article 1(2)(b) of the Internal Agreement of the 9th EDF, balances of the EDFs previous to the 9th EDF have been transferred to the 9th EDF, and, during the life of the 9th EDF, has been committed as 9th funds.

10th EDF

The ACP-EC Partnership Agreement signed on 23 June 2000 in Cotonou by the Member States of the European Community and the States of Africa, the Caribbean and the Pacific (ACP States) entered into force on 1 April 2003. The Cotonou Agreement was amended twice, firstly by the agreement signed in Luxembourg on 25 June 2005, secondly by the agreement signed in Ouagadougou on 22 June 2010.

The Internal Agreement on the financing of Community aid under the multiannual financial framework for the period 2008-2013 in accordance with the revised Cotonou Agreement, adopted by the Representatives of the Governments of the Member States of the European Community on 17 July 2006, entered into force on 1 July 2008.

Under the Cotonou Agreement, the second period (2008-2013) of Community aid to the ACP States and OCTs is funded by the 10th EDF to the tune of EUR 22.682 billion, of which:

- EUR 21.966 billion is allocated to the ACP countries in accordance with the multiannual financial framework set out in Annex Ib to the revised Cotonou Agreement, of which EUR 20.466 billion is managed by the Commission;
- EUR 286 million is allocated to the OCTs in accordance with Annex IIAa of the revised Council Decision on the association of the OCTs with the European Community, of which EUR 256 million is managed by the Commission;
- EUR 430 million is for the Commission to finance the costs arising from the programming and implementation of 10th EDF resources, in accordance with Article 6 of the Internal Agreement.

Since the date of entry into force of the 10th EDF, the initial amount allocated to the 10th EDF has been supplemented by decommitments from previous EDF's, interest income and unused cash balances resulting from the system to guarantee the stabilisation of export earnings from primary agricultural products (STABEX) under the Funds prior to the 9th EDF. All funds are managed in accordance with their specific rules as foreseen in the revised Cotonou Agreement and the Internal Agreement.

31 December 2013 was an important target, the "**Sunset clause**" of the 10th EDF. This clause sets a clear cut-off date for commitments under the 10th EDF. During the whole year, every effort has been made in order to commit the maximum of the funds available from the 10th EDF.

Total 10th EDF uncommitted funds at 31.12.2013 amounted to **EUR 74.6 million**.

Called Fund capital and EDF allocations: the document includes a consolidated overview of EDF allocations at 31.12.2013 in the form of called capital.

Called fund capital at 31.12.2013 amounted to EUR 32.529 billion.

The called fund capital represents the amount of the initial allocations which has been called up for transfer to the treasury accounts by the Member States for the 10th EDF. The capital of the 8th and the 9th EDF has been called up and received in its entirety.

Funding of the EDF at 31 December 2013:

- 8th EDF: EUR 10.481 billion;
- 9th EDF: EUR 16.114 billion;
- 10th EDF: EUR 22.433 billion.

Total allocations EUR 49.028 billion.

The report sets out a series of tables showing how these resources were used during the financial year 2013, (by project, country and type of action).

2013 discharge: 8th, 9th and 10th European Development Funds

2014/2077(DEC) - 29/04/2015 - Text adopted by Parliament, single reading

The European Parliament decided by 181 votes to 3 abstentions, to grant the Commission discharge in respect of the implementation of the budget of the eighth, ninth and tenth European Development Funds for the financial year 2013. The vote on the discharge decision approved the closure of the accounts (see Annex V, Article 5(1) of the Rules of Procedure).

In parallel, Parliament adopted by 568 votes to 114, with 17 abstentions, a resolution containing a number of observations to be taken into account regarding the discharge.

Statement of Assurance: Parliament welcomed the Court of Auditors' opinion that the final annual accounts of the Development Funds for the year 2013 present fairly, in all material respects, the financial position of the EDFs as of 31 December 2013, and that the results of their operations for the year-end, are in accordance with the provisions of the EDF financial regulation and with internationally accepted accounting standards for the public sector. It was satisfied about the improvement achieved as regards the number and value of recoveries increased compared to 2012, with **24 recoveries totalling EUR 4.7 million in 2013** compared to 13 recoveries amounting EUR 1.3 million in 2012. It was concerned, however, that authorising officers in sub-delegations still did not systematically comply with the rule that for pre-financing payments over EUR 750 000 and the Commission was required to recover interest on an annual basis.

Efficacy of the system: whilst Parliament welcomed the Court's opinion, according to which revenue and commitments underlying the accounts for the year 2013 were legal and regular in all material aspects, it expressed concern about the Court of Auditors' assessment related to the legality and regularity of payments underlying the accounts whereby the supervisory and control systems at EuropAid's Headquarters and Union delegations were only partially effective in ensuring the legality and regularity of payments. According to the Court of Auditors' estimation, the most likely error rate for expenditure transactions from the Eighth, Ninth and Tenth EDF was **3.4 %,** which indicated a slight increase compared to 2012 (3 %).

Parliament also regretted the fact that despite the corrective action plan which was set up in May 2013, the typology of errors identified was, to a large extent, similar to previous years, namely a **lack of supporting documents, non-compliance by beneficiaries with procurement provisions and ineligible expenditure**. It observed that these errors were also related to transactions linked to the following activities (i) programme estimates, (ii) grants and (iii) contribution agreements between the Commission and international organisations. It urged the Commission to intensify its efforts in these specific areas of cooperation.

Errors: Parliament took note that for both budget support (with EUR 718 million of payments made from the EDF in 2013) and Union contributions to multi-donor projects carried out by international organisations such as the United Nations (payments from the EDFs amounted to EUR 458 million in 2013), the nature of the instrument and the payment conditions limited the extent to which transactions were prone to errors. It was worried by the recurring issue that errors concerning final claims had been continuously found, despite external audits and expenditure verifications.

Strategies and priorities: Parliament emphasised that all EDFs activities have to accurately follow the general strategy and priority areas based on political preferences, as well as economic and financial efficiency criteria, consequently reflected in management performance, including risk-management and controlling activities and the concrete form of financial instruments for this purpose. It drew attention, in light of the increased focus on the performance of Union aid, to the fact that **Sub-Saharan Africa is the region which is lagging behind the most with regard to the Millennium Development Goals** (MDGs) and is the only region worldwide where, according to projections, poverty will most probably not be halved by 2015. Parliament is concerned that declining levels of Official Development Assistance (ODA) for social services over the past few years, particularly in the education and reproductive health sectors, threaten to reverse progress on human capital development.

At the same time, Parliament felt that an intensification of efforts was needed in order to accelerate the achievement of the MDGs in Africa by the target date of 2015 and called on the Commission to take the Post-2015 Development Agenda and the negotiations on the Sustainable Developments Goals (SDG) once adopted into account. It welcomed the fact that the EDFs, which were the main instrument for providing Union aid for development cooperation to the ACP States, accounted for as much as 45 % of the total value of new contracts concluded by DG DEVCO in 2013.

Monitoring and supervision: Parliament is seriously concerned about the remaining weaknesses in the management information system on the results and the follow-up of external audits, expenditure verifications and monitoring visits despite the Commission's commitment to improve the quality of CRIS data in recent years. It recalled that the reliability and accuracy of the management information system plays a pivotal role which require persistent vigilance.

Budget support: Parliament welcomed the implementation of the Commission's new budget support approach, noting that in 2013, a total of EUR 660 million was allocated to new budget support operations in Africa. Considering the aim of budget support, with contributions directly transferred to a recipient countries' general budget or to a budget devoted to a specific general policy or objective, Parliament insisted that the budget support strictly linked the general eligibility conditions **with substantial progress achieved by partner countries, in particular in public finance management**.

Members again stressed that focus should be put on the differentiation principle in order to avoid a widened interpretation of budget support disbursement conditionality. They also underlined the need to **strengthen anti-corruption measures**. They criticised the fact that the funds made available by the Union were ultimately combined with the partner country's own budget resources and that as a result, **Union funds could not be traced**. Parliament called for detailed reports to be published on the way funds were used in order to increase transparency and to ensure that the funds were readily traceable. It strongly supported stopping transfers of funds to recipient countries when ex-ante conditionalities, in particular the required macro-economic conditions, were not met.

Cooperation with international organisations: Parliament suggested that, during the new parliamentary term, further steps towards a better exchange of information with the World Bank and UN institutions should be found to optimise the cooperation. It recalled Parliament's support for the definition and exchange of good practices in order to set up similar and sustainable core principles of assurance and compliance with Union financial regulations. It supported the enhanced **disclosure of the audit reports of UN institutions** to get a better stewardship of Union funding.

Parliament welcomed the deepening of the relationship of the United Nations Children's Fund (UNICEF) and the World Bank with the European Anti-Fraud Office (OLAF) through the adoption of OLAF's guidelines relating to the exchange of information and strategies.

Blended finance: Parliament acknowledged the increased interest in blending, leading to the development of new financial resources combining Union grant aid and non-grant resources. By blending grants with additional public and private resources, the substantial leverage effect of grants and the development and impact of stronger Union policies could be achieved in order to unlock additional financing. Parliament stressed that any new financial instruments and blending had to remain in line with Union development policy objectives. It demanded the introduction of common standards of implementation for such financial activities, as well as the definition of best practices and eligibility and evaluation criteria.

Parliament also made some specific observations on Union aid in Haiti and in the Democratic Republic of Congo.

Future of EDF: Parliament recommended that the strategies and priorities of future EDF activities be precisely defined and that a system of financial instruments be built on that basis, respecting the principles of efficiency and transparency. It regretted again that the EDFs had not been included in the general budget of the European Union. Members recalled that Parliament, the Council and the Commission agreed that the financial rules would be revised in order to include amendments made necessary by the outcome of the negotiations on the multiannual financial framework for the years 2014 to 2020, including the issue of the possible inclusion of the EDFs in the Union budget. They repeated their call on the Council and Member States to agree to the **full incorporation of the EDFs in the Union's budget**. Parliament was of the opinion that the integration of the EDFs in the general budget would strengthen democratic scrutiny of the allocation of funds and lead to a reduction of the risk of errors and inefficiencies.