# RESOLUTION (EU) 2021/1684 OF THE EUROPEAN PARLIAMENT

## of 29 April 2021

## with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the eighth, ninth, tenth and eleventh European Development Funds for the financial year 2019

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of the eighth, ninth, tenth and eleventh European Development Funds for the financial year 2019,

— having regard to the answers provided by the Commission to the written questions to Commissioner Urpilainen for the hearing before the Budgetary Control Committee on 1 December 2020;

— having regard to Rule 99 and the third indent of Rule 100 of, and Annex V to, its Rules of Procedure,

— having regard to the opinion of the Committee on Development,

— having regard to the report of the Committee on Budgetary Control (A9-0095/2021),

A. whereas the Commission entirely supports the management of the European Development Funds (EDFs), bearing both the ultimate responsibility for the legality and regularity of EDF operations and for overseeing the EDFs' financial reporting process;

B. whereas Parliament will only be able to exercise its role as discharge authority properly if it is kept regularly and comprehensively updated by the Commission, with detailed information regarding EDF-funded projects and their recipients;

C. whereas Parliament is not involved in establishing and allocating EDF resources compared to other development instruments;

D. whereas effective pre-conditionalities and regular checks are key components in ensuring the effectiveness and sound financial management of the EDFs;

E. whereas it is crucial to ensure that development aid is used in accordance with its original purpose, namely to reduce and ultimately to eradicate poverty, as provided for in Article 208 of the Treaty on the Functioning of the European Union (TFEU), with due consideration for aid and development effectiveness principles;

F. whereas European development aid and public investments should promote joint priorities and policy objectives that include the eradication of poverty, climate and environmental action, economic and trade policies and migration management and should be fully aligned with the principles of fundamental human rights, democracy and good governance;

G. whereas the 17 Sustainable Development Goals (SDGs) are core objectives to be pursued in cooperation instruments in both the public and private sector;

H. whereas the existence of a transparent, inclusive and efficient participatory policy framing process is a prerequisite for sustainable development;

I. whereas sustainability is crucial for achieving the set goals and results and, in particular, the long-term impact of development aid;

J. whereas the alignment of Union development cooperation with partner countries' own development priorities should always be fully respected and is a key element of the 2030 Agenda for Sustainable Development (2030 Agenda); whereas cultural and linguistic affinities between Member States and partner countries may encourage adherence to the SDGs set out in the 2030 Agenda;

K. whereas policy coherence and complementarity of various external policies should be carefully looked at, especially when several policies are being implemented in a single partner country, with a view to promoting cooperation between the public and private sectors, encouraging synergies and trade-offs between existing policies and avoiding as much as possible unnecessary administrative burden;

L. whereas the Commission is ultimately responsible for the legality and regularity of the transactions underlying the EDFs' accounts and for overseeing the EDFs' financial monitoring and reporting process;

M. whereas the Commission's monitoring activity would be facilitated by the standardisation of communication channels between partner countries, EDF-funded entities and the Union;

N. whereas the Union's external interventions are channelled through international organisations, which either implement Union funds or co-finance projects together with the Union, and include challenges in terms of oversight and governance;

O. whereas budget support for sustainable development, while playing a key role in driving change and in addressing the main development challenges, carries a considerable governance risk and should be granted only if the beneficiary state is able to demonstrate a sufficient level of transparency, accountability, respect for the rule of law and human rights prior to receiving budget support assistance, followed by thorough *ex-post* checks;

P. whereas fostering transparency and fighting corruption and fraud are key for the success of the Union's budget support operations;

Q. whereas Union governance support is a key component of development aid in generating effective governance reforms;

***Statement of assurance***

*Financial and project implementation of the EDFs (eighth to eleventh EDF) in 2019*

1. Observes that the eleventh EDF represents 45,5 % of the portfolio of the Commission's Directorate-General for International Partnerships (DG INTPA) in terms of payments in 2019; notes that the EDFs' commitments reached EUR 3 986 million in 2019, just under the annual target of EUR 4 057 million (98,25 % of the annual target, compared to 109,3 % in 2018); observes that payments amounted to EUR 3 910 million, representing an execution rate of 88,9 % of the target of EUR 4 057 million (compared to 98,2 % in 2018); notes, in addition, that European Investment Bank (EIB) commitments amounted to EUR 156 million, all of them concerning the investment facility, while EIB payments amounted to EUR 40 million in 2019, all of them also concerning the investment facility;

2. Welcomes the regular efforts of DG INTPA to reduce old pre-financing and old unspent commitments with a target of 25 %; notes that DG INTPA exceeded the target by reducing the EDFs' old pre-financing by 37 % (40 % for other domains of aid) and by 36 % for the EDFs' old unspent commitments (35 % for other aid areas);

3. Notes that DG INTPA achieved its target of having not more than 15 % of old expired contracts for the EDFs, a modest improvement in comparison to 2018 when that figure was 17 %; notes that it achieved a score of 13 % across its entire area of responsibility; notes that the improvements result from the introduction of new procedures introduced in September 2017;

4. Notes the closure of the eighth EDF and the Commission's intention to close the ninth EDF by the end of 2020; calls on the Commission to keep the discharge authority informed about the achievement of that intention;

***Reliability of the accounts***

5. Welcomes the fact that the Court of Auditors (the 'Court'), in its annual report on the activities funded by the eighth, ninth, tenth and eleventh EDFs for the financial year 2019, concludes that the accounts for the financial year ending 31 December 2019 present fairly, in all material respects, the EDFs' financial position, the results of their operations, their cash flows and the changes in their net assets for the year then ended, in accordance with the provisions of the Council Regulation (EU) 2018/1877 [1] (EDF Financial Regulation) and the accounting rules adopted by the accounting officer;

[1] Council Regulation (EU) 2018/1877 of 26 November 2018 on the financial regulation applicable to the 11th European Development Fund, and repealing Regulation (EU) 2015/323 (OJ L 307, 3.12.2018, p. 1).

***Legality and regularity of the transactions underlying the accounts***

6. Welcomes the Court's opinion, according to which the revenue underlying the accounts for the year 2019 is legal and regular in all material aspects;

7. Expresses concern over the adverse opinion of the Court on the legality and regularity of expenditure due to the fact that the expenditure accepted in the accounts for the year ended 31 December 2019 is materially affected by error;

8. Is concerned that the estimated level of error surpassed the materiality threshold, with 3,5 % of expenditure affected for the eighth, ninth, tenth and eleventh EDFs (compared to 5,2 % for 2018, 4,5 % in 2017, 3,3 % in 2016, 3,8 % in both 2014 and 2015, 3,4 % in 2013 and 3 % in 2012); notes that the growing trend of the estimated level of error has temporary stopped; expects, nevertheless, that the Commission reflect on the root causes of the succession of adverse opinions and take all steps necessary to further reduce the estimated level of error;

9. Notes that, according to the Commission's reply to the Court's conclusion, the biggest portion of the errors relates to expenditure not incurred and that, as shown in the past, most of that expenditure might be incurred at a later stage; calls on the Commission to perform thorough controls in order to correct the errors as far as possible;

10. Stresses that out of 126 payment transactions reviewed by the Court, 37 (or 29 %) were affected by errors; notes that 28 errors were quantified by the Court and adjusted by the results of the 2019 Residual Error Rate (RER) study performed by the Commission, resulting in an estimated level of error of 3,5 %;

11. Regrets to note that the typology of errors identified is similar to previous years, namely expenditure not incurred (43,6 %, up from 22,7 % in 2018), serious failure to comply with public procurement rules (22,1 %, down from 27,1 % in 2018), ineligible expenditure (12,7 %, up from 4,3 % in 2018), an RER adapted from the DG INTPA study (9,6 %, up from 5,4 % in 2018), expenditure outside the implementation period (6,1 %) and the absence of essential supporting documents (5,9 %);

12. Is deeply concerned by the recurrent character of those errors; notes that the Commission included the Court's findings in its analysis supporting the 2020-2024 Control and Monitoring Strategy, adopted in June 2020, resulting in a strategic objective specifically addressing those errors; encourages the Commission to report to the discharge authority on its performance as regards that strategic objective in terms of result or outcome indicators;

13. Agrees with the Court that the controls carried out abroad remain insufficient;

14. Regrets that, as in previous years, the Commission made more errors in transactions relating to estimates, grants, contribution agreements concluded with international organisations and delegation agreements concluded with the cooperation agencies of the Member States;

15. Strongly regrets that additional measures are not being taken to increase *ex-ante* controls;

***Transparency and effectiveness of the monitoring and assurance systems***

16. Notes with concern that out of the 28 payments with quantifiable errors, in 9 cases (32 %) the Commission had sufficient information to prevent, or to detect and correct, the error before accepting the expenditure; calls on the Commission to substantially improve its processes to verify the legality and regularity of transactions and to make sure that the verifications are properly followed-up; regrets to note that this lack of verification is similar to previous years.

17. Considers that monitoring activities will be more effective if Commission intelligence is regularly published and shared with the discharge authority in advance;

18. Notes that the Court found that the Commission and its implementing partners committed more errors in transactions relating to programme estimates, grants, contribution agreements with international organisations and delegation agreements with Member States' cooperation agencies than they did with other forms of support, such as those covering works, supply and service contracts; notes that of the 65 transactions of that type examined by the Court, 25 (38 %) contained quantifiable errors, which accounted for 71,7 % of the estimated level of error; calls on the Commission to publish comprehensive, updated and detailed information regarding funded projects and recipients, enhance its risk-based approach and invest control capacity in areas that are more error prone;

19. Calls on the Commission to proceed with a pre-established format for communication between partner countries, EDF beneficiaries and the Union with a view to reducing the errors found by the Court;

20. Is worried about the Court's observation, as in previous years, that the frequency of identified errors, including some contained in final claims which had been subject to *ex-ante* external audits and expenditure verifications, points to weaknesses in those checks; notes with concern that this is not only problematic in terms of the effectiveness of the checks but also in terms of the efficiency of the management and control system because the checks performed did not prevent or correct the error; reiterates its expectation that the control system be more rigorous and calls on DG INTPA to continue efforts to improve the assessment of both the effectiveness and efficiency of its control system by identifying key performance indicators for both, by setting realistic and ambitious targets and by monitoring and improving its control system; calls, furthermore, on the Commission to set up a platform covering EDF-funded projects by country, focusing on the final recipients, general and specific project goals and, above all, their practical results in terms of the desired increase in development indices;

21. Notes DG INTPA's eighth RER study, which resulted in an RER of 1,13 %, up from 0,85 % in 2018 and below the 2 % materiality threshold fixed by the Commission; notes the Court's observation that four major factors distort the RER, contributing to the underestimation of the RER, namely the insufficient coverage of certain aspects of procurement procedures, the very low number of on-the-spot-checks in the country of project implementation, which is deemed insufficient to detect errors that are not apparent in documents, the method for determining the RER, which results in a rate that does not necessarily reflect the actual residual errors, and the possible overreliance on previous control work, which is contrary to the purpose of the RER study, namely to identify the errors that have evaded precisely those controls; calls on DG INTPA, as in previous years, to liaise with the Court and to address those issues in an update of the methodology and in a more thorough performance of next year's RER study;

22. Notes with concern the Court's statement that the absence of reservations in the 2019 annual activity report is unjustified; further notes the Court's consideration that that results partly from the limitations of the RER study and partly from the introduction of a *de minimis* rule, which states that a reservation is not needed if the individual spending area it would cover represents less than 5 % of total payments and has a financial impact of less than EUR 5 million; notes that, consequently, reservations are no longer made in some cases where they were made in previous years, even if corresponding risks remain and the errors remain the same; recalls that a reservation is a keystone in the accountability construction and therefore constitutes a preventive and transparency instrument within the assurance building of DG INTPA, reflecting ongoing challenges or remaining and recurring weaknesses faced at headquarters or within Union delegations;

23. Notes that no reservations were issued in 2019 by applying, *inter alia*, a *de minimis* threshold for reservations; further notes that DG INTPA integrated unimplemented actions following reservations in previous annual activity reports into one action plan to strengthen the control system, paying specific attention to high risk areas such as grants in direct and indirect management, programme estimates in indirect management with beneficiary countries, indirect management with third organisations and cross-cutting actions;

24. Notes that 19 fraud investigations were ongoing in 2019, the same number as in 2018;

25. Welcomes the update of DG INTPA's anti-fraud strategy in 2019 to emphasise the role of the Early Detection and Exclusion System (EDES) as a fraud sanctioning tool and encourages DG INTPA to continue to raise awareness among its staff about that system and to cooperate closely with the Commission's Directorate-General for Budget and the EDES panel when notifying cases for registration in EDES, in particular when the ongoing 19 fraud investigations have been concluded;

26. Notes with satisfaction the continued commitment of the United Kingdom to pay all its obligations under the current multiannual financial framework and previous financial perspectives as if it were still a Member State, as expressed in the Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community (the 'Withdrawal Agreement'); notes furthermore that the Withdrawal Agreement states that the United Kingdom is to remain party to the EDFs until the closure of the eleventh EDF and all previous unclosed EDFs, and is to, in this respect, assume the same obligations as the Member States under the Internal Agreement by which it was set up, as well as the obligations resulting from previous EDFs until their closure, and that the United Kingdom may participate, as an observer, without voting rights, in the EDF Committee;

27. Emphasises the need to honour all of the Union's financing for development commitments; calls on the Commission to return to its earlier practice of preparing annual accountability reports in order to ensure the transparency and efficiency of Union spending and to focus those reports on progress towards fundamental objectives to which the Union has committed itself, rather than on technical details;

***Cooperation with international organisations, Union development agencies and non-governmental organisations***

28. Notes that, following the entry into force in 2018 of the Financial Regulation, on 17 April 2019, a revised pillar assessment methodology was adopted; welcomes the new compulsory pillars that have been added to the assessment, namely pillar 7: exclusion from access to funding, pillar 8: publication of information on recipients, and pillar 9: protection of personal data; welcomes the fact that all pillar assessed entities have been notified of the requirement to undertake the complementary assessment on the new pillars and the target to have them completed by the end of 2020; calls on the Commission to keep the discharge authority informed about the progress and the results;

29. Notes that the Commission issued new pillar assessment reports for eight entities, four international organisations and four national agencies, and welcomes the fact that the outcome was positive in the majority of cases and that roadmaps for improvements have been implemented where needed; underlines the importance of properly conducted *ex-ante* pillar assessments, both in terms of qualitative delivery of the expected development-related outcomes and the protection of the Union's financial interests;

30. Welcomes the replacement of the EDFs, the DCI and other instruments with the *Neighbourhood, Development and International Cooperation Instrument* (NDICI) because NDICI allows for budgetary scrutiny by Parliament and supports the wider strive towards joined-up policy-making towards third countries; emphasises that far more effective policy coherence for development (PCD) must be an important objective of the joined-up approach; stresses that more efforts are still needed to comply with PCD principles, in particular as regards Union trade, agricultural, fisheries, environment, climate, migration and foreign and security policies, in order to achieve aid effectiveness objectives; calls for the systematic treatment of identified PCD issues in impact assessments, inter-service consultations and implementation and monitoring arrangements so as to help increase the efficiency of the Union's pursuit of its development policy objectives, in accordance with Article 208 TFEU; reiterates, in that regard, its call for an in-depth analysis of the impact of economic partnership agreements on local economies and intra-regional trade in order to address concerns about their implementation in terms of regional integration and industrialisation;

31. Reiterates the necessity to ensure full transparency and access to data, in accordance with existing Union legislation, on projects implemented by international organisations and civil society organisations, as well as providing clear rules on governing control and monitoring;

32. Stresses that entities entrusted with the implementation of Union funds must, as a general principle, respect the principles of sound financial management and transparency; stresses that any entity must fully contribute to the protection of the financial interests of the Union and must, as a condition for receiving funds, grant the necessary rights and access required for the authorising officer responsible, for the Court and for the European Anti-Fraud Office (OLAF); notes, in that regard, the difficulty faced by the Court in getting visas for a duly announced and planned on-the-spot-visit to projects in Burundi and the resulting limitations faced by the Court; calls on the Commission and the European External Action Service (EEAS) to raise that issue and remind their counterparts in Burundi of their obligations as recipients of Union funding;

33. Notes that there is still a need for a more systematic approach to the communication of the Union's grant-funded activities to enhance the Union's visibility and to strengthen transparency, accountability and human rights due-diligence along the chain of funding; calls on the Commission to introduce in framework agreements the obligation for the leading agency to ensure the visibility of the Union in multi-donor projects; calls on the Commission to carry out sample-based on-the-spot controls years after the completion of the co-financed projects to check the continued impact of the EDF interventions and to take the necessary steps to ensure the long-term impact of its operations;

***EU budget support***

34. Notes that the EDFs' contribution to budget support activities in 2019 reached EUR 790,3 million (compared to EUR 881,9 million in 2018), of which EUR 366,8 million represented new commitments (compared to EUR 858,6 million in 2018), with a geographical coverage of 55 partner countries, representing 82 budget support contracts (14 less than in 2018); observes that for overseas countries and territories (OCTs), EUR 70,0 million (compared to EUR 92,9 million in 2018) were disbursed through the EDFs for 12 countries and representing 13 budget support contracts;

35. Notes with appreciation that sub-Saharan Africa is still the largest recipient of budget support with a share of 36 %; observes with concern that the share of low income countries decreased to 32 % (compared to 38 % in 2018) and that lower middle income countries, with 47 % of the total ongoing commitments, represent the largest beneficiaries of budget support;

36. Recalls that budget support aims to strengthen the partnership with the Union partner countries, promote sustainable development, eradicate poverty, reduce inequalities and consolidate peace and democracy, ultimately to contribute to the achievement of the SDGs; notes that Union budget support is to be guided by the internationally agreed Busan effectiveness principles such as ownership by partner countries, results focus, inclusiveness and accountability; highlights that, because it fosters transparency and good governance, budget support also contributes to the fight against corruption and fraud;

37. Notes that, in terms of relative contribution to the SDGs, budget support programmes strongly contribute to SDG 16 (peace, justice and governance), SDG 17 (partnerships), SDG 5 (gender equality) and SDG 1 (no poverty); welcomes the strong multi-dimensional scope of budget support programmes and considers that they should support entrepreneurship and private initiative in order to leverage economic and social development as advocated in SDG 9 ( build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation) and SDG 17 (strengthen the means of implementation and revitalise the Global Partnership for Sustainable Development);

38. Notes that in African, Caribbean and Pacific countries and OCTs, disbursements are mainly done by fixed tranches, as has been the case in past years; recalls its position that variable tranches might provide a better leverage for deepening policy and political dialogue with partner countries on the main reforms to be carried out;

39. Calls once more on DG INTPA, however, to strictly assess in its policy dialogue the risks related to corporate tax avoidance, tax evasion and illicit financial flows affecting, in particular, developing countries; encourages DG INTPA to assess the fiscal impact and to help establish oriented investment objectives;

40. Considers that needs assessments in connection with NDICI programming should take into account countries' debt situations and how those situations influence the possibility of pursuing the SDGs; stresses the need for donors to prioritise grant-based financing as the default option, especially to LDCs, and not favour blending, guarantees or any loans that could increase the burden of debt over grants; urges the Union and the Member States to develop, as a first step, and in addition to its pledges on a debt moratorium, a new debt relief initiative regarding heavily indebted poor countries; calls, more broadly, for the creation of a multilateral debt workout mechanism to address both the impact of the crisis and the financing requirements of the 2030 Agenda.

***Performance***

41. Welcomes the results achieved as regards the intention that inclusive public policies promote shared growth and help tackle social or geographical disparities (SDG 10), where statistics indicate that the income share of the bottom 40 % of the population in countries receiving Union budget support increased from 15,6 % to 17,4 % of gross national income between 2004 and 2019, while it decreased slightly in other developing or emerging countries; considers it also essential to raise awareness among local interlocutors about the growing importance of private partners in economic, social and territorial development;

42. Acknowledges the emphasis on the SDGs, increased cooperation with local partners and field consultation in the Commission's Guidelines for the Programming of the NDICI and looks forward to the full translation of those matters in the programmes so that the NDICI actively contributes to the achievement of the SDGs and the full implementation of the 2030 Agenda; calls for proper implementation of, and reporting on, horizontal spending targets set in the NDICI, in particular the biodiversity-related spending target, which is not a stand-alone target in the NDICI but aims to contribute to the overall biodiversity target of the 2021-2027 multiannual financial framework, with the ambition of allocating 7,5 % of annual spending to biodiversity objectives in 2024 and allocating 10 % of annual spending to biodiversity objectives in 2026 and 2027;

43. Welcomes the results achieved by the Union's contribution to SDG 16 in pursuit of controlling corruption, where the worldwide governance indicators indicate that countries receiving budget support perform better in controlling corruption than other developing or emerging countries (with an average score of – 0,35, compared to – 0,56 in 2019) and with an improving trend over time (from a score of – 0,50 in 2005);

44. Welcomes the results achieved by domestic revenue mobilisation, as part of the Union's contribution to SDG 17 (partnerships) where, according to data from the International Monetary Fund, African countries in which the Commission introduced DRM indicators as part of budget support programmes saw an increase of 2 percentage points of the ratio tax to gross domestic product;

45. Calls for close monitoring and thorough policy dialogue with partner countries regarding objectives, progress towards agreed results and performance indicators; calls once more on the Commission to better define and measure expected development impact and, especially, to improve the control mechanism with regard to the conduct of the beneficiary state in the areas of corruption, respect for human rights, good governance and democracy; stresses the need to include the private sector in that strategic dialogue; remains deeply concerned about the use that could be made of Union budget support in recipient countries where there is no or only limited democratic control;

46. Reiterates its call on the Commission to carry out an evaluation on a country-by-country basis of the long-term on-going EDF-financed projects in order to demonstrate the true impact on the relevant country of decades-long Union investment and how it has effectively helped beneficiary countries' economic, social and sustainable development; calls the Commission to limit or terminate the funding of ineffective projects in the future;

47. Regrets the fact that the Court did not include the performance of the EDFs in Chapter 6, entitled 'Global Europe', of its report on the performance of the EU budget; welcomes the inclusion of a paragraph on the performance of the EDFs in the Court's annual report; notes that that report contains individual observations on projects; notes with concern the finding of the Court that there were cases where the efficiency and effectiveness of the observed actions were compromised; calls on the Commission to look into the individual projects observed by the Court and to take action to safeguard the intended results of the actions and to protect the financial interests of the Union; calls on the Court to extend its work on the performance of the EDFs;

48. Notes with concern the conclusion of the Court, in Special Report 14/2020 entitled 'EU development aid to Kenya', that the programming of the eleventh EDF does not sufficiently demonstrate that aid is channelled to where it can do most to reduce poverty; notes, in particular, that funds were spread across many areas, and that there was an unclear assessment as to how the aid could reach a critical mass to achieve significant results; notes the recommendation of the Court that the Commission and the EEAS assess whether, and explain how, the amounts allocated to and within each focal sector are likely to reach a sufficient critical mass to achieve significant results; notes the acceptance of that recommendation by the Commission and the EEAS;

49. Regrets to note the Court's conclusion that the process of allocating funding to Kenya did not include a specific assessment of the country's development obstacles and objectives; notes the reply of the Commission and the EEAS that the amounts of funding were decided on the basis of composite indicators that assessed many needs and performance dimensions with regard to Kenya; notes that the Court issued a recommendation calling on the Commission and EEAS to examine the Union's method for allocating funding between African, Caribbean and Pacific countries, involving Parliament, the Council and Member States, as appropriate, and welcomes its acceptance by the Commission and the EEAS; notes that the second part of the recommendation, which called on the Commission and the EEAS to introduce specific conditions to establish a clear link between financial allocations and the country's past performance and government's commitments to structural reforms, was not accepted by the Commission and the EEAS;

50. Is disappointed by the absence in the Court's Special Report on Union development aid to Kenya of a proper understanding of the poverty reduction primary objective of the Union's development policy and the failure of the Court to even note the existence of the UN's 2030 Agenda and the flawed conclusions resulting from those serious omissions; recalls that according to the FAO small-scale family farmers produce 80 % of the world's food; in that regard is concerned by the Court's position regarding the significant share of Union support towards Kenyan agricultural communities in arid and semi-arid land regions and smallholder farmers and by the Court's call for further industrialisation of the local agri-food sector as this might endanger food security and those communities' way of living;

51. Is particularly concerned by the case of the Mombasa- Nairobi road financed via the EU-Africa Infrastructure Trust Fund (EUTF), a Union blending instrument with donor contributions from the EDF budget, several Member States and the EIB; recalls that more than 100 families were forcibly evicted from their homes on the roadside in order to make way for construction works for that project and that more than 500 complaints have been submitted to the EIB regarding human rights abuses for that project alone, including forced evictions by armed police; calls for the suspension of that project until a proper human rights impact assessment has been delivered; stresses that this example echoes the shortcomings recently reported on blending and guarantee mechanisms to contribute to the SDGs or to the implementation of the Paris Climate Agreement and to demonstrate financial additionality;

52. Calls on the Commission to encourage international institutions, in particular in the case of co-funded and multi-donor initiatives, to approximate their results management frameworks with the Union;

53. Believes that a better focus on local SMEs and private sector and civil society organisations should be a core axis of cooperation in the management of the Union delegations' pipelines of projects; stresses that, given the funding gap required to reach the ambitious SDGs, strategic dialogue with the private sector and civil society organisations must play a crucial role for the development of local economies;

54. Considers that due care is needed to ensure better communication among the Commission, Parliament and Member States concerning the implementation of the EUTF and sufficient public reporting, oversight and audit of their operations and performance; invites the Court to consider an audit of the impact of the implementation of the EUTF on Union development policy both from a budgetary and results point of view; calls, therefore, on the Commission to draw conclusions from the audit and ensure that EUTF projects that have been inefficiently implemented are terminated or greatly limited in funding;

***The European Union Trust Fund for Africa***

55. Recalls Parliament's regular stance that the Commission should ensure that any trust fund established as a new development tool must always be in line with the Union's overall strategy and development policy objectives, i.e. the reduction and eradication of poverty;

56. Stresses that in order to meet the policy objectives, the EUTF must address the root causes of destabilisation, forced displacement and irregular migration by promoting resilience, economic opportunities, equal opportunities, security of populations and human and social development;

***Risks and challenges related to the EDF aid implementation***

57. Recalls that good governance, the rule of law and the respect for human rights are unavoidable preconditions for aid effectiveness; calls on the Commission to set the rule of law and the respect for human rights as the ultimate precondition for approving financial aid; invites the Commission to make more stringent use of the clause included in the financial agreements with partner countries that enables the Commission to suspend or to terminate the agreement in the event of the breach of an obligation relating to respect for human rights, democratic principles and the rule of law (Article 26.1 of the General Conditions);

58. Is concerned by the Commission's rejection of a recommendation of Parliament to include in the next annual activity report a structured assessment of the impact of the activities of the EDFs; invites the Commission to revise its position and respond positively to Parliament's specific request;

59. Reiterates its concerns about the inconsistency between the budgetary process of the EDFs where Parliament is not involved in establishing and allocating EDF resources, and the necessary accountability process where Parliament is the discharge authority, with the exception of the Investment Facility, which is managed by the EIB and therefore outside the scope of the audit.