RESOLUTION (EU) 2020/1936 OF THE EUROPEAN PARLIAMENT

of 14 May 2020

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 2018

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 2018,

— having regard to the answers provided by the Commission to the written questions to then Commissioner for International Cooperation and Development, Neven Mimica, for the hearing before the Committee on Budgetary Control on 28 November 2019;

— 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 (A9-0057/2020),

A. whereas the primary objective of development cooperation is to reduce poverty and, in the long term, eradicate it as set out in Articles 208 to 210 of the Treaty on the Functioning of the European Union (TFEU);

B. whereas the Union must put maximum efforts in assuring that, especially in cases when investing in countries governed by non-democratic regimes, its funds and actions always benefit the people in need and not the governing structures;

C. whereas the overall objective remains to reach 0,7 % of gross national income to official development assistance (ODA) and to leverage private funding;

D. whereas integrating the Sustainable Development Goals and implementing the Paris Agreement on Climate are core objectives to be pursued in cooperation instruments;

E. whereas sustainability is crucial for achieving the set goals and results and especially the long-term impacts of development aid;

F. whereas the principle of 'leaving no one behind' is key in the 2030 Agenda for Sustainable Development;

G. whereas the European Consensus on Development adopted in 2017 provides a common development policy framework for Union institutions and Member States;

H. whereas the alignment of Union development cooperation with the partner countries' own development priorities is the key element of the 2030 Agenda for Sustainable Development;

I. whereas policy coherence and complementarity of various external policies should be steadily looked at, especially when several policies are being implemented in a single partner country, with the view to promoting synergies, reducing trade-offs between those existing policies and avoiding as much as possible unnecessary administrative burdens;

J. whereas good cooperation and coordination with other donors and international financial institutions is of paramount importance for avoiding duplication, ensuring efficient controls, risk sharing, results ownership that reflects true input and aid effectiveness and fostering the capacity to build development aid in beneficiary countries;

K. whereas the Commission is ultimately responsible for the legality and regularity of the transactions underlying the accounts of the European Development Funds (EDFs) and for overseeing the EDFs' financial monitoring and reporting process;

L. whereas transparency, accountability and human rights due diligence are prerequisites for democratic scrutiny and effective development aid;

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

N. whereas a wide range of implementation methods, reflecting the intergovernmental nature of the EDFs, are used in 79 countries with complex rules and procedures with regard to tendering and awarding contracts;

O. whereas budget support, while playing a key role in driving change and addressing the main development challenges, carries a considerable fiduciary risk and should be granted only if the beneficiary state is able to demonstrate a sufficient level of transparency, traceability, accountability, respect for the rule of law and human rights and effectiveness prior to receiving budget support assistance;

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

Q. whereas EDFs activities are implemented in challenging contexts by facing recurrent high-risk exposure of either a geo-political or institutional nature;

R. whereas external factors to the proper implementation of the EDFs may mitigate or annihilate the efforts made in terms of development;

S. whereas Union governance support is a key component of development aid to generate effective governance reforms;

T. whereas the current migratory crises must not overshadow migration waves that are linked to demographic upheavals and call for different responses in the long term;

U. whereas the simplification of implementation processes is a driver for enhancing the effectiveness of the delivery of aid;

V. whereas it is of fundamental importance to promote Union visibility, to ensure a strategic use of Union external financial aid instrument, to communicate on Union funding and to project Union values in all forms of development aid.

Statement of assurance

Financial and project implementation of the EDFs (Eight to eleventh EDF) in 2018

1. Observes that the eleventh EDF represents 65 % of portfolio of the Commission's Directorate-General for International Cooperation and Development (DG DEVCO); notes that EDF commitments reached EUR 4 959 million in 2018, exceeding the annual target of EUR 4 537 million (or 109,3 % of the initial target compared to 95 % in 2017) while EDF payments amounted to EUR 4 124 million (i.e. an execution rate of 98,2 % of the annual target of EUR 4 200 million compared to 98,89 % in 2017); notes in addition that European Investment Bank (EIB) commitments were EUR 880 million (EUR 800 million of which concerned the Investment Facility) while EIB payments amounted to EUR 555 million in 2018 (out of which EUR 525 million was made via the Investment Facility);

2. Welcomes the regular efforts of DG DEVCO to reduce old pre-financing and old unspent commitments with a target of 25 %; notes that DG DEVCO exceeded its 25 % target by reducing old EDF pre-financing by 40,33 % (43,79 % for other domains of aid) and old EDF unspent commitments by 37,10 % (39,71 % for other aid areas);

3. Encourages DG DEVCO to pursue its efforts with regard to EDF old expired contracts as the target value below 15 % was not achieved like in 2017 regardless of the new procedure set up by DG DEVCO (with 17,27 %, a slight but unsatisfactory improvement compared to 18,75 % in 2017); notes that this key performance indicator (KPI) target value below 15 % was achieved for the rest of DG DEVCO's operation with 13,88 %;

4. Regrets in general that the reduction exercise is less performing, with reduction levels that are lower for old EDF pre-financing and unspent commitments or were not achieved for old EDF expired contracts compared to other areas of intervention and responsibility of DG DEVCO; acknowledges, however, that the operational complexity of the EDFs can hamper the achievement of KPI target values, in particular for closing procedures, thereby making it more difficult to issue recovery orders;

5. Calls on DG DEVCO as a matter of priority to close in the short term the remaining operations from the eighth and ninth EDF;

Reliability of the accounts

6. 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 2018, found that the final annual accounts present fairly, in all material respects, the EDFs' financial position at 31 December 2018 and that the results of their operations, their cash flows and the changes in their net assets for the year then ended are in accordance with the provisions of the EDF Financial Regulation and with accounting rules based on internationally accepted accounting standards for the public sector;

Legality and regularity of the transactions underlying the accounts

7. Welcomes the Court's opinion according to which the revenue underlying the accounts for the year 2018 is legal and regular in all material aspects;

8. Expresses its growing concern over the adverse opinion of the Court as to the legality and regularity of expenditure insofar as the expenditure underlying the accounts is materially affected by an increasing level of error;

9. Is deeply concerned that the estimated level of error increased again for a second year in a raw to 5,2 % for expenditure accepted in the accounts for the eighth, ninth, tenth and eleventh EDF (compared to 4,5 % in 2017, 3,3 % in 2016, 3,8 % in 2014 and 2015, 3,4 % in 2013 and 3 % in 2012); expects the Commission to reflect on the reasons and to take the necessary steps to reverse the trend of growing error rate;

10. Notes, that part of the error rates estimated by the Court could be the consequence of very high workload for insufficient staff numbers, in particular in hardship Delegations;

11. Believes it is crucial, when reaching such level of estimated errors, to further invest in the staff awareness and training; calls upon the Commission to find the ways to solve the problem of understaffing, in particular in hardship Delegations;

12. Observes that the United Kingdom's withdrawal from the Union has had no impact on the 2018 EDF financial management and that the 2018 EDF accounts correctly reflect the state of the withdrawal process;

13. Notes with grave concern the fact that out of 125 payment transactions reviewed by the Court, 51 (or 41 %) were affected by errors and, in particular, of the 39 payments with quantifiable errors, nine (23 %) were final transactions authorised after all *ex ante* checks had been performed; calls on the Commission to substantially improve the legality and regularity of the transactions and make sure that the *ex ante* checks are properly followed up;

14. Observes that the de-committed funds from projects under the tenth EDF that are transferred to the performance reserve of the eleventh EDF will not create any treasury issues in view of the United Kingdom's withdrawal from the Union, and that the impact on the contribution of each Member State will be calculated in proportion to their initial contribution to the EDF;

15. Is deeply concerned that, despite the successive corrective action plans implemented by DG DEVCO, the typology of errors identified is, to a large extent, similar to previous years, namely a lack of essential supporting documents (36,6 %), serious failure to comply with public procurement rules (27,1 %), expenditure not incurred (22,7 %), residual error rate (RER) adapted from DG DEVCO's RER study (5,4 %), ineligible expenditure (4,3 %) and other types of error (3,9 %), non-compliance by beneficiaries with procurement provisions and ineligible expenditure;

16. Observes that errors mainly related to transactions linked to programme estimates, grants and contribution agreements with international organisations and delegation agreements with Union national cooperation agencies rather than to other aid instruments;

17. Is deeply concerned about this recurrent situation, despite the successive corrective action plans set up by DG DEVCO, especially when quantifiable errors point to shortcomings in the checks by international organisations; urges the Commission not to under-estimate the seriousness of such errors which could indicate irregularities such as fraud and to address the aforementioned recurrent shortcomings as a matter of urgency, to report clearly on the specific difficulties encountered in the implementation of the action plan and to duly cooperate with both the Court and the European Anti-Fraud Office (OLAF) when necessary;

Effectiveness of the monitoring and assurance systems

18. Is deeply concerned that the Commission had sufficient information to prevent, detect and correct the quantifiable errors before validating and accepting the expenditure, and that using the information available would have reduced the estimated level of error rate by 1,3 percentage points lower; stresses also that certain transactions with errors were not detected by external auditors, representing 1,1 percentage points;

19. Expects DG DEVCO to be more rigorous in its use of the management information available and in the consistent running of its overall control system (*exante* checks and external audit or expenditure verification); stresses the importance of and calls on DG DEVCO's continuous efforts to improve the implementation of its preventive controls, in particular the targeting of high-risk areas related to funds under indirect management through international organisations and development agencies and grants under direct management;

20. Notes the DG DEVCO's seventh RER study resulting in an RER of 0,85 % below the 2 % materiality threshold fixed by the Commission; notes, however, that the methodology used has been based for several years on very few on-the-spot checks on transactions and incomplete checks on public procurement procedures and calls on DG DEVCO to work closely with the Court to improve on the reliability of assessing the error rates;

21. Observes, however, that the results of external audits for operations implemented in the 'grants in direct management' and 'indirect management with beneficiaries countries' domains show that 4,64 % and 3,77 %, respectively, of the total amount audited was identified as non-eligible and that this situation has not led to the issuance of differentiated reservations; asks DG DEVCO to provide a further detailed explanation of the underlying rationale used in those two cases;

22. Recalls that reservation is a keystone in the accountability construction and therefore constitutes a preventive and transparency instrument within the building of the DG DEVCO assurance chain reflecting ongoing challenges or remaining and occurred weaknesses faced at Headquarters or within Union delegations;

23. Calls on DG DEVCO to progressively reinforce its assurance chain in line with the new set of internal control standards putting a greater emphasis both on individual competences and accountability for their roles in materialising controls and on the risk of fraud;

24. Notes that the RER study has become a building block of the DG DEVCO risk assessment, control and auditing strategy, and assurance chain, but invites DG DEVCO to ensure better consistency in the methodological standards used in its RER assessment and, when needed, consult the Court on such issues;

25. Notes the different approaches used by the Court and DG DEVCO, with the Court focusing on ongoing operations or provisional error rates at payment level and DG DEVCO dealing with closed operations; considers and underlines the fact that this duality of estimation methodology should not lead to an equivocal vision of the regularity and legality of operations, which would also prevent the comparability of results over several years;

26. Expects all stakeholders to avoid competing justifications on methodologies of assessing estimated error levels in order to present a reliable and more realistic picture of the situation and to increase confidence and fairness both in the control work performed and in the general control systems; underlines also the fact that the concept of estimated amounts at risk at closure used in various forms of reporting such as DG DEVCO's annual activity report or the Commission's annual management performance report should be duly reconsidered;

27. Calls on DG DEVCO to continue its efforts to improve the efficient implementation of its control framework and KPIs, in particular KPI 21 on undue payments prevented by *ex ante* controls and KPI 25 on ineligible amounts identified by external audits; notes that recovery orders were issued for an amount of EUR 18,22 million for the reimbursement of undue payments;

28. Believes that the targeting of high-risk areas related to funds under indirect management through international organisations and national development agencies and grants under direct management is key and that the level of risks associated to these two domains of operation should be upgraded;

29. Notes that two reservations were issued in 2018, in particular the reconduction of the reservation on the African Peace Facility (APF) initially issued in 2015 and reflecting the ongoing institutional and management weaknesses, the APF not being sufficiently effective for protecting the legality and regularity of EDF expenditure;

30. Notes that 19 fraud investigations were ongoing in 2018;

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

31. Notes that the payments in 2018 from EDFs for projects implemented via indirect management with international organisations and development agencies amounted respectively to EUR 1,074 million and EUR 201 million (out of which EUR 347 million was through the United Nations); notes that EUR 2,6 billion came from the general budget;

32. Notes with concern that for the operations with international organisations 33 out of 61 transactions audited (or 54 %) have quantifiable errors, representing 62,5 % of the 2018 estimated level of errors;

33. Expresses its deep concern over the fact that international organisations once again did not provide supporting documentation on time, which prevented the Commission and the Court from carrying out rigorous audits; calls on the Commission in that regard to strengthen its efforts in ensuring that information is received in a timely manner from the international organisations concerned in order for the Court to be able to present full and accurate data;

34. Notes with concern that the large number of EDF contracts are awarded to a very limited number of national development agencies, with the attendant risk of renationalisation of Union policy contrary to the interests of greater integration of Union external policy;

35. Calls on the Commission to strengthen and consolidate the monitoring of the tendering and contracting procedures to avoid any risk that very few number of public or semi-private Agencies monopolising substantial shares of the EDF projects implemented in developing countries and gain a growing influence on Union development, cooperation and neighbourhood policies, which might endanger the independence of Union policy; calls on the Commission to strengthen and broaden its cooperation also with other public and private entities, such as several NGOs working in the field of development;

36. Recommends that the Commission place a greater emphasis on the promotion of the EDFs' cooperative work with international organisations, Union development agencies and NGOs; expresses concern about the inadequate and insufficient visibility of the EDFs' work to the public;

37. Recalls the fact 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 cooperate in the protection of the financial interests of the Union and must, as a condition for receiving funds, grant the authorising officer responsible, the Court and OLAF with the necessary rights and access required;

38. Calls on the Commission to:

(i) strictly respect and make applicable in contributions and framework agreements the aforementioned responsibilities of entities implementing Union funds and the obligation to provide the Court and OLAF with any requested document needed for audit completion;

(ii) pay regular attention to the pillar assessment requirements and reports of the international organisations and NGOs concerned by this lack of cooperation to review the appropriateness of their accountability tools; to reconsider related provisions or terms of reference when pillar assessment methodology is to be reviewed to comply with the EDF Financial Regulation; calls for an adaptation, where necessary, of the existing delegation agreements in force with those international entities;

(iii) 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 the 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 some years after the completion of the co-financed projects to check the continued impact of EDF interventions and to take the necessary steps to ensure the long-term impact of their operations;

Union budget support

39. Notes that the EDF contribution to budget support activities reached EUR 881,9 million in 2018 out of which EUR 858,6 million amounted to new commitments (with a geographical coverage of 56 partner countries representing 96 budget support contracts); observes that for overseas countries and territories (OCTs) EUR 92,9 million was disbursed through the EDFs for 14 countries, representing 18 budget support contracts;

40. Notes with appreciation that sub-Saharan Africa is the largest recipient of budget support with a share of 41 % and that related contracts concerned state resilience and building contracts; observes also that the share of low income countries increased to 38 % compared to 31 % in 2015 and that lower middle income countries, with 47 % of the total ongoing commitments, are the largest beneficiaries of budget support;

41. Recalls that budget support is an investment in the Union partner countries' public policies and systems and that its core principles are to implement reforms and contribute to the achievement of the Sustainable Development Goals; 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;

42. Notes that in the African, Caribbean and Pacific (ACP) countries and OCTs disbursements are mainly made by fixed tranches; considers, however, that variable tranches might provide a better leverage for deepening the policy and political dialogue with partner countries on the main reforms to be carried out; believes that the disbursement modalities via fixed and variables tranches should be results based and rely on sufficient qualitative data to evaluate the progress achieved; considers the disbursement performance criteria to be a core factor in the management of budget support activities;

43. Calls for a close monitoring and thorough policy dialogue with partner countries regarding objectives, progress towards agreed results and performance indicators; calls once again on the Commission to better define and measure the expected development impact and, in particular, to improve the control mechanism with regard to the conduct of the beneficiary state in the areas of corruption, respect of human rights, rule of law and democracy; remains deeply concerned about the use that can be made of Union budget support in recipient countries where there is limited or no democratic control;

44. Observes a slight overall decrease in risk perception related to budget support in 2018; stresses, however, that corruption, public finance and developmental risks remain the most significant risks while there has been an increasing trend in the macroeconomic risk;

45. Supports the focus on progress achieved in public finance management, budgetary transparency and democratic control and oversight bodies and macro conditionality in partner countries in order to optimise capacity development; calls on the Commission to systematically monitor the reforms undertaken and results achieved, demonstrating that Union budget support has effectively contributed to the recipient countries' own development agenda and strengthened its democratic ownership;

46. Points out that appropriate monitoring tools have to be reinforced to assess the way in which budget support has contributed to improving domestic revenue mobilisation and related reforms; notes with appreciation that domestic revenue mobilisation accounted in 2018 for 19 % of the value of variable tranches (compared to 3 % in 2014); encourages DG DEVCO to continue providing regular information in its budget support reports concerning the use of budget support contracts for domestic revenue mobilisation;

47. Calls on DG DEVCO, 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 DEVCO to assess the fiscal impact and to help with the definition of oriented investment objectives;

Risks and challenges related to EDF aid implementation

48. Expresses great concern about the risk that EDF will be pushed into responding to agendas that distance them from their primary objective of poverty alleviation, that are irreconcilable with the EDF's core values and carry a risk of compromising what was previously done well; notes with concern the risk of diversion and invites the Commission to take this into account in the generation of projects and programmes in line with policy coherence for development; calls on the Commission to select future aid programmes in accordance with the EDF's core values and consider withdrawing subsidy to programmes diverting from those values;

49. Underlines the fact that the EDFs should not go beyond their scope and that the new nexus to face new challenges should not undermine the achievement of other development goals;

50. Appeals to the Commission to put greater emphasis and focus on improving and maintaining well-functioning aid programmes; calls on the Commission to secure greater media coverage and visibility of best practice and success stories;

51. Stresses the significance of the risks to sustainability, transparency and good coordination that the Union aims to address with its development aid funding in the face of a significant increase of emerging donors and new actors such as Russia and China in Africa; calls on the Commission to work towards a better alignment of international cooperation with partner countries' own development priorities;

52. Considers that the relation between the issue of migration and development aid is one of the most important nexuses to manage alongside the security-development and humanitarian-development nexuses; acknowledges, however, that peace building and addressing the root causes of migration are fundamental aspects of sustainable development;

53. Recalls that the effectiveness of aid, the partner country's ownership of development results and the reliance on partner countries' governance frameworks are guiding principles to be regularly refined; highlights further that good governance, the rule of law and the respect for human rights are unavoidable preconditions concurring to the effectiveness of aid; calls upon the Commission to set the rule of law and the respect for human rights as the ultimate precondition for approving financial aid;

54. Stresses that sustainability is crucial for increasing the overall effectiveness of development aid by steadily tracking impacts through all aid delivery modes; recalls the fact that the 2030 Agenda and Sustainable Development Goals place much emphasis on data and indicators, considering that robust monitoring is key for an effective and operational strategy;

55. Reiterates its call on the Commission to include in the next annual activity report a structured assessment of the impact of the activities of the EDFs, with a particular focus on human rights;

56. Asks 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 of decades-long Union investment on the ground and how it has effectively helped beneficiary countries' economic, social and sustainable development; consequently appeals to the Commission to reflect on the result of the evaluation and limit and/or terminate further funding of ineffective projects;

57. Believes that a better focus on local SMEs, 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 Sustainable Development Goals, strategic dialogue with the private sector and civil society organisations must play a crucial role for the development of local economies;

58. Believes that financial inclusion and microfinance are key factors of economic and social progress, having a proven impact on local economic activity and job creation; notes with satisfaction that the EDFs support financial inclusion in Africa through a number of instruments (the European Fund for Sustainable Development (EFSD) Guarantee Fund, the Nasira Risk-Sharing Facility, the Huruma Fund, Boost Africa and the African Guarantee Fund), aiming, inter alia, to provide microloans to underserved farmers in Africa; discourages the Commission and other Union institutions from setting up new financial aid instruments and, instead, encourages them to ensure greater visibility of the financial aid instruments in their respective areas of operation and in the Union;

59. Notes the Internal Audit Service's audit on 'EC-EEAS coordination' and notes with appreciation the audit conclusion that the coordination activities between the Commission services (DG DEVCO, the Directorate-General for Neighbourhood and Enlargement Negotiations (DG NEAR) and the Service for Foreign Policy Instruments) and the European External Action Service (EEAS) are effective and efficient overall; strongly emphasises, however, the need for establishing a non-fragmented view of the overall Union external assistance to a given country and the need to reinforce, in coordination with DG DEVCO and DG NEAR, risk assessment and management in order to develop a common view on uncertainty and mitigating strategies;

Effectiveness of the European Union Trust Fund for Africa

60. Notes that the resources allocated to the European Union Trust Fund (EUTF) by the end of 2018 reached EUR 4,2 billion, of which EUR 3,7 billion came from EDFs and EUR 489,5 million from Member States and other donors (Switzerland and Norway); notes that 187 projects were implemented in 2018; notes the enlargement of the EU-IOM Joint Initiative for Migration Protection and Reintegration Development from 14 to 26 African countries by the end of 2018;

61. 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, and must, in particular, ensure that the security interests of European countries do not override the needs of the recipient populations; encourages the Commission to consider limiting financial aid to EUTF projects that deflect from this centreline;

62. Stresses that 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; notes that the concept and characteristics of the root causes of irregular migration are protean and should be thoroughly adapted and analysed to better design the rationale and added value of project interventions and to better present the results achieved;

63. Notes that the Court concluded that the EUTF for Africa is a flexible tool for providing assistance in areas such as food, education, health, security and sustainable development, but considering the unprecedented challenges that it faces, its design should have been more focused in terms of objectives considered as too broad to efficiently steer action across the African regions and for measuring impact;

64. Notes with concern that the numerous concerns of the Court ([1]) and the authors of the eleventh EDF mid-term evaluation on the implementation of the EUTF are largely unaddressed; reiterates its concerns regarding:

— the absence of a documented criteria for selecting project proposals for the Northern Africa and Horn of Africa windows,

— the absence of a specific risk assessment framework,

— serious flaws in the measurement of the performance of EUTF projects,

— the effectiveness and sustainability of EUTF projects and the ability of the Union to closely monitor their implementation;

— the absence of a constructive strategy regarding dissemination and media coverage of best practice and successful aid programmes;

considers that given such findings, the added value of the EUTF is highly questionable;

65. Recalls the fact that a majority of EUTF funding comes from the EDFs which inevitably implies that development aid is put at the service not of the Union partner countries' development plans but of the short-term objectives of the Union's migration policy, which is contrary to the Lisbon Treaty and the Paris Declaration on Aid Effectiveness; points out that the EUTF was more an instrument focusing on quick-fix projects aiming at stemming migratory mix-flows instead of tackling long-term drivers of migration in line with the principles of development aid;

([1]) Special report 32/2018, *'European Union Emergency Trust Fund: Flexible but lacking focus'*.

66. Points out that pooling resources from the EDFs, the Union budget and other donors in trust funds should not have as a consequence that money flagged for development and cooperation policy does not reach the normal beneficiaries or pursues their original objectives; deplores in that regard the fact that while the Union contribution to the EUTF will be made mostly using ODA resources, the EUTF is not focused exclusively on development-oriented objectives; points out that the migration management thematic window received the biggest share of funds in 2018, rising from 17,3 % in 2016 to 30,8 % of EUTF funds in 2018;

67. Notes that not only did migration management increase as a share in all EUTF-approved projects but funds have also increasingly prioritised North African countries, from 23 % of total migration management funds in 2016 to 52 % in 2018; deplores the fact that while the Union aims to support 'vulnerable and marginalised populations' at the forefront of the EUTF, 55 % of the funding from the migration management window went to projects that aimed to 'restrict and discourage irregular migration through migration containment and control' in 2017; warns that using development aid as a means of addressing migration and security not only undermines Union development priorities but can create more poverty and instability that forces people to leave their communities; encourages the Commission in that regard to consider limiting and/or cancelling financial aid provisions to EUTF projects that disrespect the long-term Union development policies;

68. Recalls the fact that regional and local authorities, civil society organisations and NGOs and the private sector are partners for an effective development policy, and that a constant dialogue with national authorities and local communities is essential in order to establish common strategies and priorities; calls on the Commission to ensure that the EDFs and the Union budget do not finance projects through the EUTF implemented by governmental and local forces (militias) that are involved in serious human rights violations, especially in countries such as Libya and Sudan;

69. Recalls that EUTF funding coming from development budget lines must not be used for security measures jeopardising migrants' rights; calls on the Commission to put in place tangible guarantees that migration-related EUTF projects are not used by the implementing authorities to violate migrants' basic human rights, and that in the long term the EUTF migration-related projects do not contribute to the destabilisation of countries and sub-regions, as has been pointed out more and more by the NGOs and local people in northern Niger; stresses that EUTF projects must integrate human rights at the core of programming and contribute to the realisation of human rights in the countries concerned;

70. Calls on the Commission to include clear and transparent human rights clauses in the contribution agreements it concludes with implementing partners (UN agencies, Member State development agencies) in order to avoid situations whereby the Union could indirectly finance projects that violate human rights; points in that regard to the 'Reconnecting Eritrea and Ethiopia through rehabilitation of the main arterial roads in Eritrea' project, funded by the EUTF and managed by the United Nations Office for Project Services, which finances Eritrean national construction companies using forced labour via national service;

71. Calls on the Commission to ensure that no forced labour and conditions of slavery are used at the working sites of Union co-funded projects, in accordance with international and Union legal frameworks; recommends that the Commission implement a transparent and rigid monitoring system for Union co-funded projects, which should include an anonymous complaints procedure and follow-up;

72. Is concerned by the fact that the Court found examples of projects addressing similar needs to those of other Union instruments with the risk of duplicating other forms of Union support; calls on the Commission to take particular care to ensure that its actions are consistent and coordinated with Regional Development Programmes and to maximise the impact and effectiveness of global aid in order ensure that the main focus is on development and not on border control and security to the detriment of migrants;

73. Notes that the Commission recognises the need to further enhance the common monitoring system; welcomes the adoption of a set of 41 common output indicators during the second quarter of 2018 and that technical assistance has been put in place; notes that the three operational windows of the EUTF for Africa are working to better identify specific objectives and baselines at project level;

74. 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 for Africa 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 African Peace and Security Architecture

75. Notes with concern that the African Peace and Security Architecture (APSA) suffers from a strong dependency on external financial sources due to the low contribution of Member States to the Peace Fund and limited additional funding that the APSA attracts from alternative sources of finance;

76. Acknowledges that the EEAS and the Commission are facing highly complex situations in Africa with numerous political and operational challenges and constraints in many domains, in particular the cooperation of main stakeholders, the funding and shortcomings of the institutions and the political willingness to intervene, prevent and manage conflicts;

77. Regrets the fact that the shortage of African ownership and financial sustainability with a high dependency on donors and international partners leads to operational shortcomings; invites the Commission to foster African Union ownership of the APSA in order to achieve greater financial independence and refocus Union support away from supporting operational costs towards supporting capacity-building measures.

78. Regrets both the fact that Union support for the APSA has had a poor effect and has required refocusing and that Union support had mainly been focusing on contributing to the APSA's basic operational costs and that the APSA has been heavily dependent on donor support for many years;

79. Is seriously concerned by the insufficiencies in the monitoring system with regard to its capability to provide adequate data on the results of activities; asks the Commission to increase the evaluation system's capability of activities and performance to clearly show that Union contributions can be mostly linked to tangible and positive effects on peace and security on the ground; asks the Commission's services to launch a 'Results-Oriented Monitoring' mission and to report to Parliament as soon as possible;

80. Based on the abovementioned concerns, recommends that the Commission consider cancelling all the financial funding to the APSA;

External Investment Plan and the EFSD

81. Recalls the target financial objective to leverage EUR 44 billion in investments; notes that the Union allocated EUR 2,2 billion for 94 blending projects under the EFSD (Pillar 1 of the External Investment Plan) and EUR 1,54 billion for EFSD guarantees to 28 investment programmes;

82. Encourages DG DEVCO to further increase the awareness of the leverage possibilities offered by the External Investment Plan by attracting private sector investment in development partnerships; recalls, however, that specific attention should be given not only to the additionality of the External Investment Plan but also to the criteria applied in its management in order to avoid any diversion of development funding to private investors or to interest or profit outcomes;

83. Observes that through 21 blending projects, the Union also allocated EUR 547 million in sub-Saharan Africa expected to unlock EUR 4 billion for transport, energy, private sector and agriculture; expresses its support for fostering the local dimension of blended finance;

84. Points out that Union regional cooperation was the main financial contributor to biodiversity and forest resource management projects and played a key role in preserving the 16 protected areas in the Central and West Africa Region;

85. Calls on the Commission to place greater focus on the dissemination of successfully implemented projects and to raise public awareness about the Union's investments in global sustainable development;

EIB-ACP investment facility

86. Encourages the EIB to further support local private sector development as a key driver of sustainability and resilience, to support basic social and economic infrastructure of immediate interest for the beneficiaries as well as the search for new local and regional partners in the specific domain of microfinance; invites the EIB to increase additionality through better justification of the use of the funds;

87. Encourages the EIB to increase efforts and take the appropriate measures in order to advertise better EIB instruments in countries where the impact of EIB investments will be higher;

88. Welcomes the Union contribution through the ACP Investment Facility towards microfinance credit lines of EUR 139 million that should result in around 26 300 loans to microenterprises and individuals;

89. Believes that it is crucial for the EIB to continuously invest time in due diligence policy combined with results assessment tools in order to obtain better knowledge of the profile of financial intermediaries and beneficiaries and to also better evaluate the impact of projects on final beneficiaries;

Future of Union-Africa relations

90. Notes the ongoing reflection on the upcoming long-term Union-Africa strategy and partnership while considering this opportunity to bring forward more efficiency in aid delivery modes; considers there is a need to move beyond a traditional aid-centred relationship towards one that is more strategic and integrated;

91. Calls on the Commission to develop a 'more is more approach' with our partners allowing for the possibility to adjust our aid to the respect by third countries of democratic rights, rule of law, respect of the international conventions etc.;

92. Stresses that the EDFs should be incorporated into the Union budget, as previously stated in Parliament's resolutions and in the new 2021-2027 multiannual financial framework proposal, in order to avoid budget fragmentation; points out that including the EDFs will enhance the discharge authority's ability to scrutinise how the Union budget is spent outside the Union.