



# Procedure file

Basic information		
DEC - Discharge procedure	<a href="#">2006/2169(DEC)</a>	Procedure completed
2005 discharge: 6th, 7th, 8th and 9th European Development Funds EDF		
Subject 8.70.03.07 Previous discharges		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	<b>CONT</b> Budgetary Control		20/04/2006
		UEN <a href="#">CAMRE Mogens</a>	
	Committee for opinion	Rapporteur for opinion	Appointed
	<b>DEVE</b> Development		06/11/2006
		PSE <a href="#">WALTER Ralf</a>	
	<b>BUDG</b> Budgets	The committee decided not to give an opinion.	
Council of the European Union	Council configuration	Meeting	Date
	<a href="#">Agriculture and Fisheries</a>	<a href="#">2790</a>	19/03/2007
European Commission	Commission DG	Commissioner	
	<a href="#">Budget</a>	KALLAS Siim	

Key events			
30/07/2006	Non-legislative basic document published	<a href="#">COM(2006)0429</a>	Summary
23/10/2006	Committee referral announced in Parliament		
27/03/2007	Vote in committee		Summary
02/04/2007	Committee report tabled for plenary	<a href="#">A6-0115/2007</a>	
24/04/2007	Results of vote in Parliament		
24/04/2007	Debate in Parliament		
24/04/2007	Decision by Parliament	<a href="#">T6-0112/2007</a>	Summary
24/04/2007	End of procedure in Parliament		
15/07/2008	Final act published in Official Journal		

Technical information	
Procedure reference	2006/2169(DEC)
Procedure type	DEC - Discharge procedure
Legal basis	Rules of Procedure EP 100

Stage reached in procedure	Procedure completed
Committee dossier	CONT/6/39456

Documentation gateway					
Document attached to the procedure		<a href="#">COM(2006)0405</a>	19/07/2006	EC	Summary
Document attached to the procedure		<a href="#">SEC(2006)0977</a>	19/07/2006	EC	Summary
Non-legislative basic document		<a href="#">COM(2006)0429</a> <a href="#">OJ C 263 31.10.2006, p. 0205</a>	31/07/2006	EC	Summary
Court of Auditors: opinion, report		<a href="#">N6-0039/2006</a> <a href="#">OJ C 263 31.10.2006, p. 0001</a>	31/10/2006	CofA	Summary
Committee draft report		<a href="#">PE384.420</a>	09/02/2007	EP	
Supplementary non-legislative basic document		<a href="#">06061/2007</a>	27/02/2007	CSL	Summary
Supplementary non-legislative basic document		<a href="#">06062/2007</a>	27/02/2007	CSL	Summary
Supplementary non-legislative basic document		<a href="#">06063/2007</a>	27/02/2007	CSL	Summary
Supplementary non-legislative basic document		<a href="#">06064/2007</a>	27/02/2007	CSL	Summary
Committee opinion	<b>DEVE</b>	<a href="#">PE382.636</a>	01/03/2007	EP	
Amendments tabled in committee		<a href="#">PE386.377</a>	14/03/2007	EP	
Committee report tabled for plenary, single reading		<a href="#">A6-0115/2007</a>	02/04/2007	EP	
Text adopted by Parliament, single reading		<a href="#">T6-0112/2007</a>	24/04/2007	EP	Summary
Commission response to text adopted in plenary		SP(2007)2625/2	31/05/2007	EC	

Final act
<a href="#">Budget 2008/539</a> <a href="#">OJ L 187 15.07.2008, p. 0189</a> Summary

## 2005 discharge: 6th, 7th, 8th and 9th European Development Funds EDF

**PURPOSE:** presentation of the Commission's Financial Management Report on the 6th, 7th, 8th and 9th European Development Funds for the year 2005.

**CONTENT:** this Report fulfils the Commission's obligations under Articles 96, 102 and 135 of the Financial Regulation applicable to the 9th European Development Fund. Article 96, paragraph 2 requires that the EDF accounts shall be accompanied by a report on financial management containing an accurate description of the achievement of the objectives for the preceding financial year, in accordance with the principle of sound financial management and of the financial situation and the events that had a significant influence on the activities carried out.

The purpose of this document is to concentrate more on the results of the community cooperation with sub-Saharan Africa, the Caribbean and the Pacific under the ACP-EC partnership enshrined in the Cotonou Agreement; the 20 Overseas Countries and Territories (OCTs) linked constitutionally to Member States; and European Investment Bank (EIB) programmes in ACP states.

In addition, some of the Commission's ACP development programmes are funded outside the Cotonou Agreement, from the general EU budget. This report does not cover these programmes. They include:

- the Commission's activities in South Africa;
- thematic budget lines covering food security, democracy and human rights, and the environment;
- support for banana producers under the Special Assistance Framework. The European Investment Bank (EIB) also funds activities in

ACP states from the Investment Facility and its own resources.

To recall, the 9th EDF took effect on 1 April 2003, once all Member States had ratified the agreement. The Commission transferred to the 9th EDF the outstanding balances from previous EDFs. The 9th EDF expires in December 2007.

The Communication focuses on the following main points:

1) Achievement of objectives for the 2005 financial year: in 2005, the Commission devoted the greatest share of EDF resources - 36% - to the provision of basic social services - education, health, clean water and basic sanitation. These are key to achieving the MDGs. The Commission assigned the next largest shares to budget and balance of payments support (figures include food security and Stabex operations) and to transport, communications and energy. Together, these three areas accounted for 84% of EDF global commitments.

The Commission continued to deliver programmes faster in 2005. This was reflected in its strong commitments and payments performance. It made global commitments from the EDF of ?3 511 million - a 33% increase compared to 2004 - and paid out ?2 544 million.

After committing funds for a programme (global commitments), the Commission must then sign contracts (individual commitments) with the entities that will deliver it (government, firms, NGOs, international organisations) and then disburse funds to them (payments). The Commission achieved its second-highest level ever of individual commitments in 2005 - ?3 057 - and record payments of ?2 544 million.

2) Financial situation at the end of 2005: at the close of 2005, the Commission had allocated in total ?44 455 million net to ACP countries under the 6-9th EDFs. This comprised ?29 512 million from the 6-8th EDFs and ?14 943 million from the 9th EDF. Of the total allocated (?44 455 million), the Commission has committed ?38 727 million and paid ?28 403 million. The unspent ?16 052 million comprises uncommitted funds of ?5 728 million and unspent commitments (Restes à Liquider) of ?10 324 million.

3) Events that had a significant influence on activities carried out in 2005:

- Backloading: the uneven spread of global commitments over the year remained a problem in 2005. The Commission committed 38% of the 2005 total by the end of September, against a target of 55%. In response, EuropeAid is monitoring the project pipeline more closely than in the past, and using the Quality Support Group to ensure deadlines are respected in addition to supporting quality.
- Stabex: in 2005, the Commission laid the ground for addressing outstanding Stabex issues, but this will only bear fruit in 2006 and 2007. The Commission clarified legal and budgetary issues to allow outstanding Stabex commitments to proceed. The Commission intends to commit all outstanding Stabex funds for beneficiary countries through Frameworks of Mutual Obligations (FMOs). Target deadlines are: (i) FMOs approved - end 2007; (ii) contracting - end 2008; (iii) disbursement - end 2010.
- Management information: the Commission's management information tools - CRIS and OLAS - do not yet provide the information needed to make fast, accurate EDF forecasts and to monitor and report on EDF performance indicators. This is in part because of incomplete data inputting. The Commission is working to replace OLAS with CRIS-EDF and to introduce a new accounting system, ABAC.
- Regulatory limits to co-financing: the EDF Financial Regulation limits participation in co-financing operations, so the Commission will pursue its proposal for a fast-track revision of the Financial Regulation and 9th EDF Internal Agreement.
- Internal control: in 2005, EuropeAid transferred responsibility for ex-post controls to its geographic directorates. The ACP directorate recruited new staff for this task in September 2005. The Directorate also conducted a detailed risk analysis and applied a representative sampling methodology.
- Resources: to manage EDF funds, the Commission relies on staff both in EuropeAid headquarters and in Delegations. Since its reorganisation in March 2005, EuropeAid has been working at the limits of its staffing capacity, which stood at 194 people in total at end 2005. In addition, several changes of middle management staff responsible for managing the EDF took place between March and year-end. As a result, the Commission has had to prioritise certain activities over others, leading to some slippage, for instance in updating internal and external web sites; monitoring Stabex programmes; and implementing ex-post controls. An important measure of the intensity with which EuropeAid uses its resources is the number of staff that EuropeAid employs on average for every ?10 million in funding which it manages. Accurately allocating ?overhead? staff, and hence the precise ratio, specifically for EDF funds, is difficult. However, the ratio for EuropeAid as a whole fell by 6% between 2004 and 2005, from 4.8 to 4.5. The Commission will continue to deploy staff as efficiently as possible and order its priorities strictly in 2006.

## 2005 discharge: 6th, 7th, 8th and 9th European Development Funds EDF

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In a technical annex to COM(2006)0405 (please refer to the COM document), the Commission outlines the technical and financial aspects of the annual report on the financial management of the 6th, 7th, 8th and 9th European Development Funds (EDFs) in 2005.

To recall, the European Development Fund (EDF) finances community cooperation in:

- sub-Saharan Africa, the Caribbean and the Pacific (ACP) financed under the ACP-EC Partnership (Cotonou Agreement);
- the 20 Overseas Countries and Territories (OCTs) linked constitutionally to Member States;
- European Investment Bank (EIB) programmes in ACP states, under the Investment Facility and Own Resources.

The Commission manages the European Development Fund separately from the EC general budget. EU Member States who joined the Union before 2004 fund the EDF from direct contributions agreed between them. The ten EU Member States who joined in 2004 will contribute for the first time to the next EDF, the 10th, which should enter into force in 2008.

The 9th EDF took effect on 1st April 2003, once all EU and ACP Member States had ratified the Cotonou Agreement. The Commission transferred outstanding balances from previous EDFs to the 9th EDF. These had funded previous EU-ACP agreements. The 9th EDF will expire in December 2007.

## 2005 discharge: 6th, 7th, 8th and 9th European Development Funds EDF

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[PURPOSE: presentation of the annual accounts for the financial year 2005 of the 6th, 7th, 8th and 9th European Development Funds \(EDFs\).](#)

CONTENT: the balance sheets and income and expenditure accounts were drawn up in accordance with the Financial Regulations applicable to the 6th, 7th, 8th and 9th European Development Funds (EDFs) which states that the relevant documents must be presented to the European Parliament, the Council and the Court of Auditors. This year was the first year that the new accounting system has been

New accrual based accounts: in accordance with the provisions of articles 99 and 135.3 of the 9th EDF Financial Regulation, full accrual based accounts have to be prepared for the first time for the 2005 financial year. To ensure the comparability of the information, the EDF Accounting Officer has restated the opening financial statements for the financial year 2005, on a full accrual accounting basis. The accounting information provided by the present IT accounting system (OLAS) has been adjusted, where necessary, in order to provide figures which comply with accrual accounting principles. Additional information in respect of income and expenditure items has also been provided by the Authorising Officer.

These financial statements have been drafted in conformity with a new set of accounting rules and methods for the EDF.

The annual accounts for 2005 are presented as follows:

- the financial statements;
- the reports on financial implementation;
- the financial statements and information supplied by the European Investment Bank (EIB).

It should be noted that the financial statements for 2005 have been prepared on a different basis to that of 2004, i.e. on accrual accounting rather than cash accounting principles. Therefore adjustments were made to the balance sheet as of 31 December 2004 so as to arrive at the opening, accrual compliant, balance sheet as at 1 January 2005 (for example, the inclusion of pre-financing amounts).

1) Consolidated accounts: the EDF consolidated accounts at 31.12.2005 amount to EUR 44.455 billion compared to EUR 28.614 billion at the end of 2004.

The financial statements of the different Funds are as follows :

- 6th EDF: total at 31.12.2005 : EUR 7.415 billion
- 7th EDF : total at 31.12.2005 : EUR 10.782 billion
- 8<sup>th</sup> EDF : total at 31.12.2005 : EUR 11.316 billion
- 9<sup>th</sup> EDF : total at 31.12.2005 : EUR 14.943 billion.

2) Accounting principles: as with previous years, the report respects the main accounting principles and standards. The accounting system of the European Development Funds comprises general accounts and

financial accounts. Both sets of accounts are kept in euro on the basis of the calendar year. The general accounts allow for the preparation of the financial statements as they show all charges and income for the financial year and are designed to establish the financial position in the form of a balance sheet at 31 December. The financial accounts give a detailed picture of the use of EDF resources. They are based on the cash accounting principle. In addition, the Financial Regulation sets out the accounting principles to be applied in drawing up the financial statements, as follows:

- ? going concern basis;
- ? prudence;
- ? consistent accounting methods;
- ? comparability of information;
- ? materiality;
- ? no netting;
- ? reality over appearance;
- ? accrual-based accounting.

These financial statements are also presented in a consolidated way so as to provide a global view of the financial situation of the resources for which the European Commission is responsible.

As regards expenditure, the document concentrates on 2 main types of financial implementation : one concerns the previous EDFs (6th to 8th) and the other concerns the 9th EDF.

Concerning in particular the 9<sup>th</sup> EDF, the report states that it was set at EUR 13.8 billion, including EUR 13.5 billion allocated to the ACP States in accordance with the first Financial Protocol included in the Cotonou Agreement, EUR 175 million allocated to the OCT (provided for by the EU Council Decision on the association of the OCT) and EUR 125 million reserved for the European Commission to cover expenses in connection with implementing the 9th EDF resources (provided for in the internal agreement for the 9th EDF). The total amount of the first Financial Protocol, supplemented by the balances transferred from the previous EDFs, covers the period 2000-2007.

Of the total budget of EUR 13.5 billion for the ACP States, EUR 1 billion was released in 2004 and 2005 after examination by the EU Council, on the basis of a proposal from the European Commission:

- EUR 250 million was released in accordance with Joint ACP-EU Council Decision 01/2004 of 7 May 2004 and allocated to the Intra-ACP Fund (natural resources) to finance the Water Facility operation.
- EUR 18 million was released in accordance with Council Decision 10752/05 of 19 July 2005 and allocated to the envelope for long-term development support to cover the financing of the National Indicative Programme of Timor-Leste for the period 2006-2007.
- EUR 482 million was released in accordance with ACP-EC Council of Ministers Decision No 6/2005 of 22 November 2005 and allocated to the envelope for long-term development support (EUR 352 million), the envelope for regional cooperation and integration (EUR 48 million) and the Investment Facility (EUR 82 million), in order to contribute to financing of the EU Energy Initiative (EUR 220 million), the International Commodity Risk Management Financing Facility (EUR 25 million), adaptation to the new EU feed and food

sanitary and phytosanitary rules (EUR 30 million), strengthening the African Union (EUR 50 million), the "Education for All" Fast Track Initiative (EUR 63 million), tackling HIV/AIDS, tuberculosis and malaria (EUR 62 million), and the operating costs of the CDE/CTA (EUR 32 million).

- EUR 250 million was released in accordance with ACP-EC Council of Ministers Decision No 7/2005 of 22 November 2005 and allocated to the envelope for long-term development support (EUR 185 million), the envelope for regional cooperation and integration (EUR 24 million) and the Investment Facility (EUR 41 million), also to finance the Water Facility operation.

3) Financial information from the EIB : ongoing EIB projects which did not entail payments during the reference period or for which the contract has not yet been signed amount to a total of EUR 98.1 million for the 6<sup>th</sup>, 7<sup>th</sup> and 8<sup>th</sup> EDF.

## 2005 discharge: 6th, 7th, 8th and 9th European Development Funds EDF

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The Council examined the revenue and expenditure account and the balance sheet relating to the 6<sup>th</sup> EDF as at 31 December 2005 as well as the Court of Auditors' report together with the Commission's replies. Given that the overall implementation by the Commission of the operations of the 6<sup>th</sup> EDF have been satisfactory, the Council recommends that the European Parliament give the Commission a discharge in respect of the implementation of the operations of the 6<sup>th</sup> EDF for the financial year 2005.

## 2005 discharge: 6th, 7th, 8th and 9th European Development Funds EDF

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The Council examined the revenue and expenditure account and the balance sheet relating to the 7<sup>th</sup> EDF as at 31 December 2005 as well as the Court of Auditors' report together with the Commission's replies. Given that the overall implementation by the Commission of the operations of the 7<sup>th</sup> EDF have been satisfactory, the Council recommends that the European Parliament give the Commission a discharge in respect of the implementation of the operations of the 7<sup>th</sup> EDF for the financial year 2005.

## 2005 discharge: 6th, 7th, 8th and 9th European Development Funds EDF

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The Council examined the revenue and expenditure account and the balance sheet relating to the 9<sup>th</sup> EDF as at 31 December 2005 as well as the Court of Auditors' report together with the Commission's replies. Given that the overall implementation by the Commission of the operations of the 9<sup>th</sup> EDF have been satisfactory, the Council recommends that the European Parliament give the Commission a discharge in respect of the implementation of the operations of the 9<sup>th</sup> EDF for the financial year 2005.

## 2005 discharge: 6th, 7th, 8th and 9th European Development Funds EDF

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The Council examined the revenue and expenditure account and the balance sheet relating to the 8<sup>th</sup> EDF as at 31 December 2005 as well as the Court of Auditors' report together with the Commission's replies. Given that the overall implementation by the Commission of the operations of the 8<sup>th</sup> EDF have been satisfactory, the Council recommends that the European Parliament give the Commission a discharge in respect of the implementation of the operations of the 8<sup>th</sup> EDF for the financial year 2005.

## 2005 discharge: 6th, 7th, 8th and 9th European Development Funds EDF

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The committee adopted the report by Mogens CAMRE (UEN, DK) granting discharge for the 6<sup>th</sup>, 7<sup>th</sup>, 8<sup>th</sup> and 9<sup>th</sup> European Development Funds for 2005. In its accompanying resolution, the committee recalled that, in its previous discharge report, Parliament had called on the Commission to clarify the breakdown of the Commissioners' responsibilities as regards the EDF and external aid. It urged the Commission to reflect on possible ways to simplify the current management structure in order to minimise the risk of ambiguities as regards responsibilities for the EDF.

The committee reiterated Parliament's previous calls for greater democratic control over EDF funds managed by the European Investment Bank, and stressed that these operations should be subject to a discharge procedure involving Parliament and Council. This issue should be addressed during the forthcoming revision of the EDF financial regulation. The report also repeated Parliament's longstanding position that integration of the EDF into the EU budget would enhance the overall consistency of European development cooperation, ensure greater transparency and effectiveness and facilitate democratic scrutiny.

The report called on the Commission to set more precise objectives, so that progress can be easily and exactly measured at each stage of implementation. Meaningful performance indicators should be included in the programming process right from the beginning. On the implementation of EDF funds, the committee noted the recent achievements in reducing outstanding commitments (RAL), which had been a long-standing concern of Parliament in previous discharge exercises, and called on the Commission to pursue its efforts in this area.

The report noted the Commission's tendency to focus on budget support for the beneficiary countries as an ever more important tool for efficient delivery of development policies, but pointed out that the Court of Auditors' control powers in the field of budget support were limited. The Commission was therefore urged to comply with the Court's request that the 2006 financial management report should set out in detail the criteria leading to the Commission's conclusions on the respective country's eligibility for budget support. Lastly, MEPs once more underlined the "great importance" which Parliament attached to the role of national supreme audit institutions (SAI) in the recipient countries.

## 2005 discharge: 6th, 7th, 8th and 9th European Development Funds EDF

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**PURPOSE:** to grant discharge to the Commission for the implementation of the 6th, 7th, 8th and 9th European Development Funds (EDF) for the 2005 financial year.

**LEGISLATIVE ACTS:** Decisions 2008/539/EC and 2008/540/EC of the European Parliament on the discharge for implementation of the budget for the Sixth, Seventh, Eighth and Ninth European Development Funds for the financial year 2005 and closure of the EDF accounts for the financial year 2005.

**CONTENT:** with the present decisions, the European Parliament grants discharge to the Commission for the implementation of the budget of the sixth, seventh, eighth and ninth EDF for the financial year 2005 and approves the closure of the 2005 accounts.

The accompanying resolution is in line with the European Parliament's opinion of 24 April 2007 (refer to the summary of the opinion dated 24 April 2007).

## 2005 discharge: 6th, 7th, 8th and 9th European Development Funds EDF

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The European Parliament adopted the resolution drafted by Mogens N.J. CAMRE (UEN, DK), approving the position of its budgetary control committee, and granted the Commission discharge for implementation of the budget for the Sixth, Seventh, Eighth and Ninth European Development Funds for the financial year 2005. It approved the accounts for the 4 EDFs for 2005 and recalled that the implementation rate stood at 87% for financial commitments and at almost 64% for payments. At the same time, Parliament indicated that the RAL (reste à payer) remained very high with an average of 23.2% for a global amount of EUR 10.3 billion in 2005. Parliament noted that, in 2006, the RAL was reduced for the first time and that the "old" RAL, i.e. commitments which are over 5 years old, had been reduced from EUR 1.62 billion to EUR 867 million. The dormant commitments, i.e. those for which no contract has been signed and for which no payments have been made over the last two years, have been reduced from EUR 350 million to EUR 285 million, but remain very high.

Parliament made a number of observations and recommendations, which accompanied the discharge. It welcomed the fact that the share of EU funding spent on the basic health and basic education sectors was raised from 4.98% to 6.83%, but regretted the fact that this share is still far removed from the 20% target which it set in the 2005 budget. It could not accept the fact that the Commission is using the legitimate and necessary objective of better donor coordination and work-sharing between donors as an excuse for too low a level of investment in the basic health and basic education sectors and urged it to adopt measures forthwith to achieve the 20% target and inform Parliament in writing at least twice a year about the progress of implementation and about the factors taken into account in the calculation. Parliament also regretted that the Commission had not so far developed any comprehensive strategy together with the beneficiary countries for making the health and education sectors priorities in the new country strategy papers, and that the latter currently under preparation generally lack a clear Millennium Development Goal (MDG) profile.

The statement of assurance: notwithstanding IT problems and incomplete information on bank guarantees, Parliament noted that the ECA was of the opinion that the revenue, EDF allocations, commitments and payments are, taken as a whole, legal and regular. It recalled that about half of the total allocations consist of programmable aid, where the ECA observed an increased risk of errors affecting transactions that fall within the responsibility of the National Authorising Officers. As regards individual legal commitments, the errors detected concerned, for example, the use of appropriate tendering procedures, in particular under the programme estimates and grant agreements, banking guarantees and the failure to meet deadlines for starting the implementation of programmes. With regard to payments, errors concerned the amounts of payments and other errors such as non-compliance with contractual obligations. Parliament recognised, however, the Commission's efforts to build the NAOs' management capacity and asked the Commission to refine its support strategy as regards problematic cases.

Enhancing accountability in the Commission's management of EDF funds: Parliament recalled that, in the previous discharge resolution, it called upon the Commission to clarify the breakdown of the Commissioners' responsibilities as regards the EDF and external aid. Whilst aware that the Commission's position is that the division of responsibilities works well in practice, Parliament called upon the Commission to reflect on possible ways to simplify the current management structure in order to minimise the risk of ambiguities as regards responsibilities.

Stepping up democratic control over EDF funds managed by the European Investment Bank : Parliament noted that, out of the total initial allocation of the Ninth EDF, which amounts to EUR 13.8 billion, the European Investment Bank (EIB) is responsible for EUR 2.2 billion, which is spent through the EDF investment facility, which is not covered by the ECA's statement of assurance or by the Parliament's discharge procedure. It proposed that the EIB give an account of its management of the EDF investment facility before Parliament's Committee on Budgetary Control.

Tackling resource constraints: Parliament concluded once again that integration of the EDF into the EU budget would enhance the overall consistency of European development cooperation, ensure greater transparency and effectiveness and facilitate democratic scrutiny. In line with the ECA, Parliament requested that the Commission, in its financial management report for 2006, indicate the priorities which had been established as a result of the existing resource constraints and the impact on the implementation of the EDFs. The Commission was asked to consider closer cooperation with national experts from the Member States' administrations in the financial management of EDF funds in general and the extended use of well known and highly reputable private enterprises from the Member States in the execution of programmes and individual projects.

Ensuring sound financial management with regard to budget support: Parliament observed that the Commission considered budget support granted to the beneficiary countries to be an ever more important tool for efficient delivery of development policies, and that the share of EDF commitments in the field of general and sectoral budget support rose considerably, from 18% in 2004 to 32% in 2005. However, it pointed out that the ECAs' control powers in the field of budget support are limited, and asked for greater powers of control.

Supervisory and control systems: Parliament noted the ECAs' view that a coherent overall control strategy with regard to the management of EDF funds and external aid has yet to be established, and it welcomed the ECAs' concrete recommendations for elements to be included in

this strategy. Whilst welcoming the fact that the ECA has recorded an improvement in the Commission's supervisory and control systems, Members regretted the fact that this improvement does not extend to supervision, control and audit of the implementing institutions. It was unacceptable that, as a result, such a large number of material errors continue to occur at a central point in the chain between the European taxpayer and the final beneficiary in the developing country. Parliament called on the Commission to develop a comprehensive approach towards supervision, control and audit of the implementing organisations, to ensure that EuropeAid provides better support for the operational financial personnel in delegations and central services, arranges for better risk analysis focusing on particularly high-risk sectors and more monitoring visits, achieves better central supervision of performance and follow-up of external audits initiated by delegations and central services and initiates fewer ex post verifications while at the same time improving their scope, timing and quality control. In general, Parliament strongly supported the ECA's request that the Commission set out in detail how it has followed up the ECAs' audit findings.