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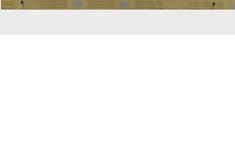
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- Danièle Lamarque, ECA Member

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# Conférence sur l'aide au développement après 2015

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Par Danièle Lamarque, Membre de la Cour, organisatrice de la Conférence



Ouverture de la Conférence

Dans le cadre de l'année européenne du développement et de la présidence luxembourgeoise du Conseil, la Cour des comptes européenne a accueilli les 20 et 21 octobre une Conférence internationale sur l'aide au développement après 2015.

Ouverte par Vitor Caldeira, président de la Cour, Romain Schneider, ministre de la coopération du Luxembourg, Linda McAvan, présidente de la commission du développement du Parlement européen, Neven Mimica, commissaire européen pour le développement et Grete Faremo, secrétaire générale adjointe des Nations Unies, la Conférence a réuni un panel prestigieux de hautes personnalités luxembourgeoises et européennes, d'universitaires et de représentants d'institutions internationales dans trois tables rondes consacrées, respectivement, aux perspectives de l'aide après 2015, aux instruments et aux nouveaux acteurs de l'aide, et aux modalités de contrôle de son efficacité.

## ***L'aide au développement après 2015 : penser et agir autrement***

L'année 2015 est une année clé pour l'aide au développement : elle est marquée par plusieurs événements majeurs comme la Conférence d'Addis Abeba de juillet sur le financement de l'aide, la prochaine conférence internationale sur le climat (COP 21) à Paris, enfin et surtout l'adoption, en octobre, des nouveaux objectifs du développement durable des Nations Unies pour la période 2015-2030. Plus ambitieux que les objectifs du Millénaire qui les ont précédés, les 17 objectifs du développement durable, définis au terme d'une large consultation, s'attachent à bâtir un cadre de vie pour l'humanité tout entière et renouvellent profondément les concepts de l'aide au développement. En témoigne la place donnée à l'environnement, à la construction d'un espace de paix et de justice et à la lutte contre les inégalités

dans la politique de développement. Ils nous conduisent à « penser et agir différemment », selon les mots de Grete Faremo. Si l'Union européenne, dont le commissaire européen a présenté la stratégie d'aide au développement, est appelée à rester le principal bailleur mondial, d'autres sources de financement doivent être mobilisées, y compris les ressources nationales des pays bénéficiaires, ainsi que l'a exposé Cihan Sultanoğlu, directrice régionale du PNUD, administratrice associée du secrétaire général des Nations Unies. L'évaluation, la mesure, l'*accountability* sont donc des dimensions essentielles de la gestion de l'aide dans ce nouveau contexte : le commissaire européen comme la directrice adjointe du centre de développement de l'OCDE, Nicola Harrington, ont insisté sur cette nécessité, qui implique d'améliorer aussi l'information des citoyens, en Europe ou dans le monde.

## ***Nouveaux acteurs, nouveaux instruments***

L'aide au développement est confrontée à de nouveaux défis : celui de la cohérence avec d'autres politiques (environnement, énergie, migrations ...) qui constituent des enjeux majeurs pour les années à venir, et dont les objectifs du développement durable reflètent la complexité et les interactions ; celui des partenariats entre les acteurs traditionnels du développement et de nouveaux acteurs, pays émergents ou acteurs privés, qui ont leurs stratégies propres ; celui enfin de la mobilisation de nouveaux instruments de financement. Présidée par le Dr Patrick Ignatius Gomes, secrétaire général du groupe ACP, la deuxième table-ronde a réuni sur ces thématiques Jean-Christophe Laloux, directeur général de la Banque européenne d'investissement, Thembekile Kimi Makwetu, auditeur général d'Afrique du Sud, président de l'axe stratégique de renforcement des capacités de l'Organisation internationale des institutions supérieures de contrôle (INTOSAI), le Dr Christof Beier, directeur

général de l'agence de développement allemande (GIZ) et Andrew Rogerson, directeur de recherche de l'Overseas development institute (ODI) britannique.

Parallèlement à l'aide publique, qui devrait rester stable, d'autres sources de financement se développent, conduisant les agences de développement à adapter leurs stratégies à ce nouveau contexte, et au niveau de développement des pays bénéficiaires, en réservant l'aide concessionnelle aux pays les plus vulnérables, et les prêts ou financements privés aux pays plus développés. L'aide au développement s'inscrit dans un contexte de grande diversification des instruments financiers : financements mixtes, partenariats public-privé, garanties, avances, ainsi que des solutions innovantes comme les fonds ou les obligations pour le changement climatique, ou les couvertures d'emprunt en monnaie locale. Cette diversification a pour but d'accroître les effets de levier et de rapprocher les financements des conditions du marché. Les décisions financières, comme l'évaluation de la valeur ajoutée de l'aide, s'en trouvent toutefois compliquées.

### **Des institutions de contrôle plus fortes**

Le renforcement des capacités des institutions de contrôle externe des finances publiques est donc essentiel pour une meilleure maîtrise de l'aide par les pays bénéficiaires. Les travaux conduits par le Comité d'INTOSAI présidé par l'Afrique du sud s'inscrivent dans l'objectif de renforcement de la gouvernance, de la démocratie et de l'état de droit des Nations unies, qui ont par ailleurs reconnu, dans deux résolutions successives, l'indépendance des institutions supérieures de contrôle. L'INTOSAI fournit un cadre d'échanges d'expérience favorable au développement d'institutions de contrôle indépendantes, professionnelles et dotées des ressources humaines nécessaires, grâce à divers outils innovants, parmi lesquels un fonds multidonateurs, une base de données, ou la coopération entre pairs. Pour être pleinement efficaces, les programmes de coopération doivent toutefois tenir compte des besoins et des priorités nationales, provenir de l'initiative des institutions elles-mêmes, ne pas se fixer d'objectifs trop ambitieux et donner lieu à des évaluations régulières.

### **L'aide au développement : quelle efficacité ?**

La troisième table ronde, consacrée à l'évaluation de l'efficacité de l'aide, a permis au directeur adjoint du budget de la Commission, Manfred Kraff, de présenter le projet de budget de performance en cours d'élaboration, destiné à permettre de mieux

identifier où et comment sont dépensés les fonds européens, rendre compte des résultats obtenus et développer « la culture de la performance, sans le culte des indicateurs », selon l'expression du président de la commission du budget du parlement européen, Jean Arthuis. La Cour des comptes européenne a accepté de participer au groupe de travail interinstitutionnel mis en place à cet effet.

Mark Sundberg, directeur du groupe d'évaluation indépendante de la Banque mondiale, a présenté la méthodologie d'évaluation de l'aide budgétaire, en soulignant la difficulté de l'attribution des résultats constatés, au pays bénéficiaire ou à la Banque. Au-delà de la méthodologie, la question de l'utilité même de l'aide est plus radicalement posée par les économistes. François Bourguignon, professeur émérite à l'Ecole d'économie de Paris, en a souligné les principaux écueils : les incertitudes liées à l'identification du lien de causalité entre l'aide et les résultats, la concurrence entre bailleurs de fonds, la pertinence des conditionnalités attachées à l'aide ou la difficulté à suivre, sur une période longue, son évolution. Faut-il attribuer l'aide selon un critère de bonne gouvernance, au risque de favoriser des pays plus développés ? Ou bien selon les besoins, ce qui permet de toucher les pays les plus pauvres, mais avec un risque de déperdition de l'aide ?

Les axes de réforme de la Cour des comptes du Cap Vert, présentés par le juge Horacio Dias Fernandes, illustrent les enjeux d'une meilleure gouvernance, en matière de contrôle des fonds publics : établissement d'une base légale pour la conduite d'audits de performance, allègement des contrôles *a priori*, élargissement du champ de compétence à l'ensemble des entités bénéficiaires de fonds publics, indépendance renforcée en matière de recrutement des juges et de ressources financières, pouvoirs de sanction.

Marc Angel, président de la commission des affaires étrangères du Parlement luxembourgeois, a synthétisé les conclusions des deux jours de débat et annoncé la réunion interparlementaire des présidents des commissions de l'aide au développement qui se tiendra au Luxembourg en décembre, en clôture de la présidence du Conseil et de l'année européenne du développement.

Tenue devant un public nombreux d'ambassadeurs et de représentants d'ONG, la Conférence a aussi été largement suivie en webstreaming, à l'intérieur et à l'extérieur de la Cour. L'audience peut ainsi être estimée à un millier de personnes. La troisième chambre, dont le doyen Karel Pinxten a modéré la troisième table ronde, y a été étroitement associée.

# Questions pour M. Romain Schneider, Ministre de la Coopération au développement et de l'Action humanitaire 4

Par Rosmarie Carotti



Romain Schneider Ministre de la Coopération au développement et de l'Action humanitaire

**R.C.:** Quelles ont été, selon vous, les questions les plus marquantes évoquées lors de la Conférence internationale sur l'aide européenne au développement après 2015?

**Romain Schneider :** J'ai beaucoup apprécié que la Cour des comptes européenne prenne cette initiative au cours de l'année européenne pour le développement de réunir de hauts responsables européens, mais aussi des représentants de la société civile et des parlementaires pour débattre d'un sujet si important qu'est l'agenda de développement de l'après 2015. Aujourd'hui cet Agenda 2030 couvre l'ensemble des secteurs, comme le veut le concept-même de développement durable, et son application est universelle. Nous devons donc tous, dans toutes nos politiques, adapter nos priorités et objectifs, et surtout les mettre en cohérence.

Ce sont ces volets de la mise en cohérence et de la complémentarité de nos actions qui fait l'objet des discussions les plus engagées. Ce n'est qu'en fait qu'au fur et à mesure que nous préparons à tous les niveaux la mise en œuvre des 17 nouveaux objectifs du développement durable que nous nous rendons vraiment compte du changement de paradigme qu'ils représentent.

**R.C.:** Les ODD s'appliquent dans les pays développés comme dans les pays en

**développement. Comment le Luxembourg répondra-t-il à ces objectifs et quelles retombées sont-ils susceptibles d'avoir?**

**Romain Schneider :** Les ODD sont d'application universelle, ce qui signifie que le Luxembourg doit, sous la responsabilité de la ministre de l'environnement revoir son plan national de développement durable. Pour la partie concernant la coopération au développement qui est sous ma responsabilité, nous devons revoir nos différentes stratégies pour les mettre en cohérence avec ces nouveaux objectifs et nous devons être prêts à soutenir nos pays partenaires dans la préparation de leurs stratégies de développement.

**R.C.:** Quels sont, pour vous, les principaux rôles que peuvent jouer les institutions supérieures de contrôle en matière de développement durable aussi bien dans les pays en développement que dans les pays développés?

**Romain Schneider :** Le rôle des institutions de contrôle des comptes à tous les niveaux est déjà essentiel et le deviendra encore plus. La coopération luxembourgeoise attache une grande importance à la quantité de son engagement, mais aussi à la qualité. Nous avons renforcé notre service des évaluations pour appréhender mieux les leçons à tirer de nos actions et les intégrer dans notre manière de travailler par après. Les interventions de la Cour des comptes représentent une étape supplémentaire de ce contrôle, sachant que tout Euro dépensé doit pouvoir être retracé quant à son utilisation et aussi son impact. La transparence et la responsabilité financière sont les principes qui doivent guider toute notre action. En agissant de cette sorte nous sommes crédibles face aux contribuables.

Nous travaillons aussi étroitement avec les institutions en charge de la gestion des finances publiques dans certains de nos pays partenaires, et notamment avec la Cour des comptes du Sénégal.

# Questions for Grete Faremo, Under Secretary-General of the UN and Executive Director of UNOPS

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By Rosmarie Carotti



Grete Faremo, Under Secretary-General of the UN and Executive Director of UNOPS

## **R.C.: What for you were the most striking issues raised by the international conference on European Development Aid Post 2015?**

**Grete Faremo** : Certainly the situation for the refugees! Globally next to 60 million people are on the move from conflict and war. Europe is facing its biggest challenge with the large numbers of refugees coming – especially from Syria - since 2<sup>nd</sup> world war. The newly adopted Sustainable Development Goals (SDG) will guide the development agenda towards 2030. UN member states must address the root causes of poverty, conflicts, inequality and lack of respect for human rights in a more forceful and coherent manner and still address the immediate humanitarian challenges. The European countries would benefit from working together to come up with better solutions that we see today. I think the conference illustrated the long term vision as well as the short term challenges in a solid manner.

## **R.C.: In your speech you said that you look forward to working with the European Union on the most effective way to utilise Overseas Development Assistance. In which ways can the EU and UN work most closely together to increase effectiveness?**

**Grete Faremo** : We can only succeed if we build on each other's strengths. The SDGs will require that governments work with the international

society on the implementations. EU working with UN to provide solid advice to governments on how to set policies right, is one example. Working with an implementing organization like UN Office for Project Services (UNOPS) is a second. UNOPS works in more than 80 countries and have solid experience and presence on the ground in infrastructure projects, project management and procurement. More than 7000 personnel stand ready to support EU in helping people in need in some of the most fragile areas in the world.

## **R.C.: What are the main roles you see for supreme audit institutions in sustainable development in both developing and developed countries?**

**Grete Faremo** : Supreme audit institutions can guide and help the parties involved develop a solid and transparent framework for the cooperation. This is required to be able to hold the parties accountable for what they have agreed to do and the outcomes of the cooperation.

## **R.C.: As auditors we advocate clear objectives and measurable targets as essential for monitoring progress and achieving performance. How far have the new Sustainable Development Goals been devised with this in mind?**

**Grete Faremo** : The SDGs were adopted by the 193 UN member countries. The global approach is new and different from the MDG that only targeted the developing countries, and represents a significant step forward. To achieve the SDGs will require a strong commitment, not only from governments and the international society, but also from the private sector. It remains to be seen how interaction between all parties will enable clear objective and measurable targets. The first test will come with the COP 21 in Paris in December. If we reach a global agreement on how to fight climate change it will represent a very encouraging step in the right direction!

# Conference on post-2015 development aid

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By Danièle Lamarque, ECA Member, Conference organiser



On 20 and 21 October, in the context of the European Year for Development and Luxembourg's presidency of the Council, the European Court of Auditors hosted an international conference on post-2015 development aid.

The conference, which was opened by Vítor Caldeira, President of the Court, Romain Schneider, Luxembourg's Minister for Cooperation, Linda McAvan, President of the European Parliament's Committee on Development, Neven Mimica, European Commissioner for International Cooperation and Development, and Grete Faremo, Under-Secretary-General of the United Nations, brought together a prestigious panel of high-profile guests, both from Luxembourg and elsewhere in Europe, academics, and representatives of international institutions at three round table discussions concerning, respectively, the future of aid post-2015, aid instruments and new donors, and effectiveness-checking methodology.

## ***Post-2015 development aid: thinking and acting differently***

The year 2015 is a key year for development aid, marked by several major events such as the conference on financing aid held in Addis Ababa in July, the forthcoming international conference on climate change (COP 21) to be held in Paris, and last but not least the adoption in October of new UN sustainable development goals for 2015-2030. The 17 sustainable development goals, which were established following broad consultation, are more ambitious than the millennium objectives that preceded them and constitute an in-depth renewal of the concepts of development aid, with the aim of creating a life framework for the whole of humanity. This is shown by the attention paid to the environment, the construction of an area of peace and justice and the fight against inequality in

development policy. They lead us to 'think and act differently', in the words of Grete Faremo. While the European Union, whose Commissioner presented the development aid strategy, will remain the principal donor worldwide, other sources of financing need to be mobilised, including the national resources of the beneficiary countries, as explained by Cihan Sultanoğlu, UN Assistant Secretary-General and UNDP Regional Director. Evaluation, measurement and accountability are therefore the watchwords of aid management in this new context: both the European Commissioner and the Deputy Director of the OECD Development Centre, Nicola Harrington, emphasised this need, which also means improving the provision of information for citizens, in Europe and worldwide.

## ***New actors, new instruments***

Development aid is facing new challenges: consistency with other policies (environment, energy, migration, etc.), which constitute major issues for the years to come, and whose sustainable development goals reflect their complexity and interactions; partnerships between the traditional development actors and new stakeholders, emerging countries or private entities, with their own strategies; and lastly the mobilisation of new financing instruments. The second round table, which, was led by Dr Patrick Ignatius Gomes, ACP Secretary-General, addressed these issues. It brought together Jean-Christophe Laloux, Director-General of the European Investment Bank, Thembekile Kimi Makwetu, Auditor-General of South Africa, and chair of the capacity-building committee of the International Organisation of Supreme Audit Institutions (INTOSAI), Dr Christof Beier, Chief Operating Officer of the German Development Agency (GIZ), and Andrew Rogerson, Senior Research Associate of the British Overseas Development Institute (ODI).

In parallel with public aid, which should remain stable, other sources of financing are evolving, leading the development agencies to adapt their strategies to the new context and the level of development of the beneficiary countries, reserving concessional aid for the most vulnerable countries, and private financing or loans for more developed countries. Development aid is embedded in a context of vast diversification of financial instruments: mixed financing, public-private partnerships, guarantees, advances, and innovative solutions such as climate change funds or bonds, or local currency hedging. The aim of this diversification is to increase leverage and bring the financing closer to market conditions. This does, however, complicate financial decisions and the assessment of the added value of the aid.

### ***Supreme audit institutions' capacities building***

It is therefore essential to strengthen the capacities of the external audit institutions for public finances in order to improve the control of aid to beneficiary countries. The aim of the work carried out by the INTOSAI committee chaired by South Africa is to strengthen governance, democracy and Rule of Law in line with the UN SDGs. Indeed, in two successive resolutions, the UN has recognised the independence of the supreme audit institutions. INTOSAI provides a framework for experience-sharing to foster the development of independent, professional audit institutions, equipped with the necessary human resources, thanks to a variety of innovative tools, such as a multidonor fund, a database, and peer to peer cooperation. For maximum effectiveness, the cooperation programmes must, however, take account of national needs and priorities, be instigated at the initiative of the institutions themselves, avoid setting excessively ambitious objectives, and be the subject of regular evaluations.

### ***Is development aid effective?***

At the third round table, concerning the issue of evaluating the effectiveness of aid, the Commission's Deputy Director-General of DG Budget, Manfred Kraff, presented the draft performance budget currently being drawn up with the aim of identifying more clearly where and how EU funds are spent, presenting the results achieved and developing 'a performance culture, without the cult of indicators', in the words of Jean Arthuis, Chair of the European Parliament's Committee on Budgets. The European Court of Auditors agreed to take part in the interinstitutional working group set up for this purpose.

Mark Sundberg, Manager of the Independent Evaluation Group of the World Bank, presented the budgetary aid assessment methodology, emphasising how difficult it is to attribute the results noted to the beneficiary country or the Bank. Beyond the methodology itself, economists have more radically questioned the very usefulness of aid. François Bourguignon, professor emeritus at the Paris School of Economics, highlighted the main pitfalls: uncertainty regarding the identification of causality between aid and results; competition between donors; the relevance of the conditions attached to aid; the difficulty of monitoring long-term changes in aid. Should aid be awarded on the basis of good governance, at the risk of favouring more developed countries? Or should it be awarded according to need, thus allowing the poorest countries to receive aid, but at the risk of wastage?

The reform priorities of the Cape Verdean Court of Auditors, presented by Horacio Dias Fernandes, a judge at the National audit office of Cape Verdean, illustrate the challenges of better governance with regard to the control of public funds: establishing a legal basis for carrying out performance audits; reducing ex ante checks; extending the sphere of competence of the SAI on all beneficiaries of public funds; increasing independence with regard to the recruitment of members and financial resources; powers of sanction.

Marc Angel, President of the Foreign and European Affairs and Defence Committee in the Chamber of Deputies of Luxembourg, summarised the conclusions of the two days of discussions and announced that the interparliamentary meeting of chairs of the aid and development committees would take place in Luxembourg in December, to mark the closing of the presidency of the Council and the European Year for Development.

The conference was well-attended by ambassadors and representatives of NGOs and was also streamed by a significant number of people both at the Court and externally. The estimated audience was therefore around one thousand people. Chamber III, whose dean Karel Pinxten moderated the third round table discussion, was closely involved in the event.

# The EU and the post-2015 Global Development Agenda<sup>1</sup>

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By Dr Kamil Zajączkowski, assistant Professor at the Centre for Europe, University of Warsaw<sup>2</sup>



Dr Kamil Zajączkowski

The year 2015 was the target date for the Millennium Development Goals (MDGs). New sustainable development goals (SDGs) were adopted at the UN summit in New York between 25 and 27 September 2015, setting the course for international development cooperation up to 2030.

The determination and consistency with which the EU and its Member States kept declaring that they were trying to reach the millennium financial commitments should be discussed in the context of the EU's striving to maintain the leading role and position in international development cooperation. It shows the importance of global development in the EU policy, despite the pressure to reduce aid-related expenditure resulting from the economic

<sup>1</sup> The opinion expressed in this article is based on the author's personal views and in no way represents the opinion of the European Court of Auditors.

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crisis in the world and in the euro area. At the same time, the European Union actively participates in the debate on the post-2015 framework. The voice and position of the EU in this debate reflect its ambition and aspirations as the provider of more than a half of Official Development Assistance (ODA) and a global actor who has its own interests and objectives in the modern world. We should also remember, however, that the new architecture of development cooperation will require a compromise, both of the traditional donors, including the EU, and of the new players – the emerging markets. The Rio+20 Conference, the Busan Forum and the debates in the UN prove that all parties agree on the main objective: the elimination or, at least, significant reduction of poverty. Nevertheless, the countries of the North, understood as the EU and the USA, and of the South differ in the choice of preferred methods. The position and place of the EU in the post-2015 global system of development assistance depends, to a considerable degree, on its strength and cohesion.

The initiatives taken by the EU are meant to result in better coordination of the actions of the Commission and the Member States, making them more effective, as well as in best possible usage of the limited funds. Europe faces the challenge of devising the target vision of its global development assistance. At the same time, the EU should emphasise to a greater extent the multidimensional aspect of its activity and take into account the dynamically changing international reality. Lack of progress in this respect will have an adverse impact on the position and role of the EU in the global system of development assistance, and will negatively affect international relations.

## Development assistance as an instrument of EU foreign policy

Development assistance is one of the key areas of the European Union's external relations. Since their establishment, the European Communities/ European Union have been supporting the development of many regions of the world – initially Africa, the Caribbean and the Pacific, and later all the developing countries. As the provider of the largest assistance in the world (approximately

58.2 billion euro was allocated for this purpose in 2014), financing more than 50 % of global Official Development Assistance, the European Union and its Member States confirm their long-term dedication to combating poverty, which is the main objective of the European development policy. At the same time, development assistance is an important element through which the EU is expanding on its role as an active entity in the international arena. A characteristic feature of the EU is that it plays the role of a civilian power, as it interacts with the international environment principally through economic, financial and political instruments, and not military ones. One of them is development assistance, which belongs to the economic instruments of foreign policy<sup>3</sup> and constitutes the *soft power* of the EU.

Thus, the EU provides development assistance in order to, first, eliminate deprivation and poverty in the modern world and, second, pursue its political and economic goals (e.g. reduce migratory pressure on Europe, stabilise regions that are of strategic importance, support EU-friendly democratic governments and invest in prospective markets). It would be unjustified to claim that EU development assistance is functioning independently of any political and economic goals and that it is only driven by motives related to the desire to mitigate the dissonance resulting from the existence of poverty and underdevelopment. G. R. Olsen notes that *'it is increasingly inappropriate to see the aid policy of the European Union in isolation from its other external activities'*<sup>4</sup>. He stresses that especially after the end of the Cold War, we have been discovering numerous evidence supporting the thesis that *development assistance is an integral component of the political and economic relations between the EU and the developing countries. Consequently, instruments of development assistance used by the EU are one of the elements defining its external actions*

3 O. Stokke notes that *'The aid policy is part of the foreign policy of a donor country'*. O. Stokke, *The Changing International and Conceptual Environments of Development Co-operation in: Perspectives on European Development Co-operation. Policy and performance of individual donor countries and the EU*, P. Hoebink, O. Stokke (eds.), London-New York 2005, pp. 33, 53.

4 G.R. Olsen, *The European Union's ...*, op.cit., p. 573.

*and one of the main factors shaping its position in the world. As P. Hoebink and O. Stokke note, especially after the establishment of the common foreign policy under the Treaty of Maastricht, the political significance of development assistance has been increasing*<sup>5</sup>. Other EU documents prove this as well (e.g. the conclusions of the EU summit in Seville of June 2002 or Article 58 of the European Consensus on Development) and point to the important role of development assistance as an important instrument in the totality of EU foreign policy.

### **Towards changes: EU development policy 2005-2015 and beyond**

EU policy in 2005-2015 should be seen in the context of changes and reforms in the European and global aid systems, fulfilment of MDGs, financial savings and new trends in development policy.

The European Consensus on Development, ratified on 20 December 2005<sup>6</sup>, defined for the first time the values, principles, means and methods of eliminating poverty in the developing world at the European level. The Treaty of Lisbon, in turn, put development cooperation in the framework of EU foreign policy. This meant that reducing and ultimately eliminating poverty became one of the aims of the EU's international policy and not

5 P. Hoebink, O. Stokke, *Introduction:...*, op.cit., p. 18.

6 Until 2005 the most important document determining EU development cooperation strategy was the joint position of the Council and of the Commission on development policy of 10 November 2000. This was the first attempt at a strategic approach to a Community aid programme. However, it was more of a statement of intent and did not adequately translate into rules for allocating aid among the specified partner countries and areas or into the EU aid management process. An important argument in favour of updating the position was that it lacked any mention of the MDGs, which had been adopted two months earlier. *Joint statement by the Council and the representatives of the Governments of the Member States meeting within the Council, the European Parliament and the Commission on European Union Development Policy: 'The European Consensus'*, OJ C 46, 24.2.2006.

merely of its development policy<sup>7</sup>. The European Consensus and the Treaty of Lisbon also stated the necessity of strengthening the procedures concerning complementarity, coordination, coherence (added to the Maastricht Treaty) and consistency, which were contained in the Amsterdam Treaty. An important role in shaping EU policy in this regard is played by the decisions of the High Level Forum on Aid Effectiveness, such as: the Rome Declaration on Aid Harmonisation of 2003; the Paris Declaration on Aid Effectiveness of 2005, the Accra Agenda for Action of 2008 and the Busan Partnership for Effective Development Co-operation of 2011. Furthermore, in February 2007 the European Commission approved and in May 2007 the Council endorsed the EU Code of Conduct on Complementarity and Division of Labour in Development Policy<sup>8</sup>. The principle of cohesion policy was incorporated into the Cotonou Agreement, revised in 2010 (Article 12). It should be added that this was previously omitted in ACP-EU relations. In addition to the above documents, the Commission, the European Parliament and the Council prepared numerous other documents, resolutions and strategies aimed at increasing the effectiveness of EU aid activities around the world. This process was accelerated particularly after 2010.

The desire to improve the EU aid system should be seen in the context of two processes: the overall reform of EU development policy and the dialogue on the direction of the global development framework after 2015, i.e. the post-MDG process, which was launched at the Rio+20 Conference in 2012. The activities undertaken by the Union at both the EU and the global level were intended to prepare it for the post-millennial international order and to secure a continued leading role in the international system of development cooperation.

The main ideas concerning the shape and vision of the EU's development policy after 2015 were set

7 K. Zajączkowski, *European Union's Development Assistance – Framework, Priorities and Directions* in: D. Milczarek, A. Adamczyk, K. Zajączkowski (eds.), *Introduction to European Studies. A New Approach to Uniting Europe*, Warsaw 2013, p. 627-664; M. Broberg, *Something Old, Something New, Something Borrowed, Something Blue - EU Development Cooperation After Lisbon*, <http://www.uaces.org/pdf/papers/1102/broberg.pdf>.

8 *EU Code of Conduct on Complementarity and Division of Labour in Development Policy - Conclusions of the Council and of the Representatives of the Governments of the Member States meeting within the Council*, Brussels, 15.05.2007, doc. 9558/07.

out in documents such as the Agenda for Change of 2011<sup>9</sup>, A Decent Life for All of 2013 as well as a number of conclusions of the EU Council. What remains the most important aim of the Union in development policy after 2015 is to eliminate absolute poverty, but greater weight will be given to sustainable growth and the promotion of good governance and human rights. The EU is also introducing a differentiated approach to aid recipients with increased support for the least developed countries, for unstable countries and for those undergoing democratic transformation. It focuses on the need to obtain greater external funding for development. This includes support for tax systems in developing countries (for example, by combating corruption), increasing the share of private funding in development assistance and intensifying work on innovative and sustainable development funding mechanisms at a global level. Improving the effectiveness, cohesion and transparency of aid remains an important aim as well.

The EU's aims conform with the new development goals – the SDGs, and the EU has played a key role in their adoption. Both the premises underlying EU development policy after 2015 and the SDGs emphasise the need for global partnership based on mutual responsibilities and obligations among all partners (instead of the old division into donors and recipients) and covering three dimensions: the socio-economic, political and environmental dimensions. In particular, development policy and climate policy are being increasingly combined in a single objective: supporting sustainable and inclusive growth. There is growing agreement on the need of an integrated approach to climate change and development (which was neglected in the MDGs). The appointment of a separate Directorate General for climate issues (DG CLIMA) and the inclusion of climate change in the activities of the EEAS and DG DEVCO (under the Treaty of Lisbon) aims to highlight these issues in EU foreign policy. It should be noted that the issue of climate change and environmental protection is an important element of the Joint Africa-EU Strategy (JAES).

9 Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee, and the Committee of the Regions, *Increasing the impact of EU Development Policy: an Agenda for Change*, Brussels, 13.10.2011, COM (2011) 637 final.

How important development cooperation is to the EU can be seen by the Union's expenditure in this field. As mentioned at the beginning, together the EU and its Member States are the largest development assistance donors in the world. The vast bulk (about 90 %) of the EU budget for foreign relations (Heading 4: Global Europe) is spent on ODA. In the multiannual financial framework (MFF) for 2014-2020, the agreed expenditure on ODA is EUR 58.7 billion (in 2011 prices), or 6 % of the total EU budget – (see Table 2).

**Table 2. The EU's multiannual financial framework (MFF) 2014-2020 and 2007-2013**

- comparative table (in 2011 prices)

	New MFF 2014-2020	Last MFF 2007-2013	Comparison 2014-2020 and 2007-2013	
			EUR	%
<b>Commitment appropriations</b>	EUR million	EUR million	EUR	%
1. Smart and Inclusive Growth	450 763	446 310	+4,5 bn	+1,0
2. Sustainable Growth: Natural Resources	373 179	420 682	-47,5 bn	-11,3
3. Security and Citizenship	15 686	12 366	+3,3 bn	+26,8
4. Global Europe	58 704	56 815	+1,9 bn	+3,3
5. Administration	61 629	57 082	+4,5 bn	+8
6. Compensations	27	n/a	+0,0027 bn	n/a
<b>Total commitment appropriations</b>	959 988	994 176	-35,2 bn	-3,7
<b>Outside the MFF</b>				
Emergency Aid Reserve	1 960	1 697	+0,3 bn	+15,5
European Globalisation Fund	1 050	3 573	- 2,5 bn	- 70,6
Solidarity Fund	3 500	7 146	- 3,6 bn	- 51,0
Flexibility Instrument	3 300	1 429	+1,9 bn	+130,9
European Development Fund	26 984	26 826	+0,2 bn	+0,6
<b>Total Outside</b>	36 794	40 670	- 3,9 bn	- 9,5
<b>Total MFF + Outside</b>	996 782	1 035 031	- 38,2 bn	- 3,7

Source: [http://www.consilium.europa.eu/uedocs/cms\\_data/docs/pressdata/en/ecofin/139831.pdf](http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ecofin/139831.pdf) (last visited 10.10.2015)

At the same time, EUR 26.9 billion in 2011 prices were allocated from the MFF to the EDF – an extra-budgetary instrument – for funding aid to ACP countries. The 11th EDF will be the last one remaining outside the general EU budget. From 2021 the EDF will be incorporated in the EU budget. Furthermore, in the new financial perspective for 2014-2020, the EU undertook to allocate at least 20 % of the external relations budget to environmental protection and climate change issues (through the EDF and the Development Cooperation Instrument – DCI).

**Table 3. Financing of development cooperation for ACP countries by the European Development Fund and European Investment Bank, 1958-2020 (in current prices)**

Convention	FUND	Date	EDF (EUR million)	EIB (EUR million) (bank's own resources)	TOTAL
<b>Treaty of Rome</b>	EDF 1	1959–1964	581	-	581
<b>Yaoundé I</b>	EDF 2	1964–1970	666	64	730
<b>Yaoundé II</b>	EDF 3	1970–1975	843	90	933
<b>Lomé I</b>	EDF 4	1975–1980	3 072	390	3 462
<b>Lomé II</b>	EDF 5	1980–1985	4 724	685	5 409
<b>Lomé III</b>	EDF 6	1985–1990	7 400	1100	8 500
<b>Lomé IV</b>	EDF 7	1990–1995	10 800	1200	12 000
<b>Revised Lomé IV</b>	EDF 8	1995–2000	12 967	1658	14 625
<b>Cotonou Agreement</b>	EDF 9	2000–2007	13 500	1700	15 200
<b>revised Cotonou Agreement</b>	EDF 10	2008–2013	21 966	2000	23 966
<b>revised Cotonou Agreement</b>	EDF 11	2014–2020	30 500	2500	33 000

Source: [http://europa.eu/legislation\\_summaries/development/overseas\\_countries\\_territories/r12102\\_en.htm](http://europa.eu/legislation_summaries/development/overseas_countries_territories/r12102_en.htm) (last visited 10.10.2015)

A distinctive element of the EU development assistance financing system is the activity of the European Investment Bank. The EIB started its activity in 1963, at the time of the first Yaoundé Convention. Nowadays it operates and manages the Investment Facility and loans made from its own funds. The Investment Facility is a revolving fund created under the Cotonou Agreement and is financed by the EU Member States using the EDF<sup>10</sup>. The low-interest loans from the EIB's own funds are, in turn, designated primarily for financing projects in those ACP countries whose economies are ready to make proper use of them. They usually concern the energy sector, restructuring of the industry, development of tourism, and upgrading the transport system. EIB loans are usually granted for periods of less than 25 years<sup>11</sup>.

However, we should also note that the costs of funding external activities under the MFF have been reduced considerably – by more than 15 % compared with the Commission's initial proposal. This shows clearly that additional, alternative funding for development purposes will have to be sought.

<sup>10</sup> This is intended as support for investments of private enterprises or public enterprises conducting business activity, including investments in economic and technological infrastructure that yields income and is important to the private sector.

<sup>11</sup> *EIB and European Commission welcome adoption of new mandate for lending outside the EU*, 13 October 2011, <http://www.eib.org/about/press/2011/2011-146-eib-and-european-commission-welcome-adoption-of-new-mandate-for-lending-outside-the-eu.htm> [last visited 20.10.2015].

## Conclusions

The European Union is in the process of re-defining its development policy, which will need to be adapted more closely to the new and increasingly complex international situation. The new approach is to better address the challenges and problems of the present-day world as well as its underlying mechanisms.

The EU's development cooperation after 2015 is based on numerous vectors and variables, such as:

- a) Multidimensional nature of poverty. There are close interrelations between security and development, between trade and development, and between the environment and development. The Arab Spring, the wave of terrorist attacks in the Horn of Africa and in the Sahel (by such groups as Boko Haram and Al-Shabaab) and the wave of migrants coming to Europe have highlighted the need for a comprehensive approach to development issues even more starkly.
- b) External environment. It is important to note the increasing role of new (non-traditional) donors in the international aid system, particularly in the emerging markets<sup>12</sup>. In recent years, their position has fundamentally changed from being some of the top recipients of aid to being some of the leading donors and investors in the countries of the global South.
- c) Internal environment. In addition to ODA, the role in mobilising resources of other financial flows and the engagement of new partners – business and the society – has been stressed.

At the same time, the new situation raises many questions and doubts. No global standards concerning the provision of aid have been adopted so far (due to resistance from new donors, in particular China)<sup>13</sup>.

<sup>12</sup> An analysis of data concerning assistance is insufficient in this case because some states – especially the largest donors in the South-South cooperation group, such as China, India, Venezuela – do not give the OECD/DAC information regarding the amount of development assistance they provide.

<sup>13</sup> China and the other emerging markets are imposing provisions describing South-South cooperation as supplementary to, rather than as a substitute for, North-South cooperation.

The framework for an effective private-sector role in the provision of aid has not yet been defined either. The simultaneous appearance of new donor countries from the emerging markets and the private sector is resulting in a significant expansion of the international system of cooperation, which may make coordinated activities even more difficult. Furthermore, closer links between aid and other areas of life create a threat to the quality and amount of ODA and may lead to funds being diverted from combating poverty to, for example, combating terrorism or climate change. What remains important, however, is that despite numerous doubts, the EU and other donors are aware of the fact that after 2015, development cooperation will enter a new framework. In the formal, legal and institutional sense, the EU seems prepared for this. It remains to be seen, however, whether it is also prepared for implementation.

# Le rapport annuel 2014 présenté au Luxembourg par Henri Grethen, Membre de la Cour et Doyen de la Chambre II 14

Par Rosmarie Carotti



Présentation du RA 2014 par M. Henri Grethen à la Cour des comptes luxembourgeoise et à COMEXBU  
De gauche à droite: Joëlle Elvinger, Diane Aehm, Présidente de COMEXBU, Ildikó Preiss, Attaché du cabinet de M. Grethen, Henri Grethen, Membre de la Cour des comptes européenne, Marc Hostert, Chef de cabinet de M. Grethen, Marc Gengler, Président de la Cour des comptes luxembourgeoise, Patrick Graffe, Vice-Président de la Cour des comptes luxembourgeoise

## La publication du rapport annuel 2014 le 10 novembre 2015

En même temps de la présentation à la Commission du contrôle budgétaire du Parlement européen à Bruxelles le 10 novembre 2014 par le Président de la Cour, Vítor Manuel da SILVA CALDEIRA, Monsieur Henri Grethen, Membre de la Cour, doyen de la Chambre II et membre du Comité administratif de la Cour, a présenté aux députés de la Commission du Contrôle de l'exécution budgétaire (COMEXBU) luxembourgeoise et à la presse luxembourgeoise le rapport annuel de la Cour des comptes européenne sur l'exécution du budget 2014 de l'UE et les Fonds européens de développement. À la présentation, qui a eu lieu dans la salle des Membres de la Cour, ont assisté la Présidente COMEXBU, les membres de la COMEXBU, le Président et le collège de la Chambre des comptes luxembourgeoise ainsi que les journalistes de la presse résidente.

## Le rapport annuel 2014

2014 est le premier exercice financier du cadre financier pluriannuel 2014-2020, mais la plupart des dépenses avait été programmée pendant la période 2007-2013.

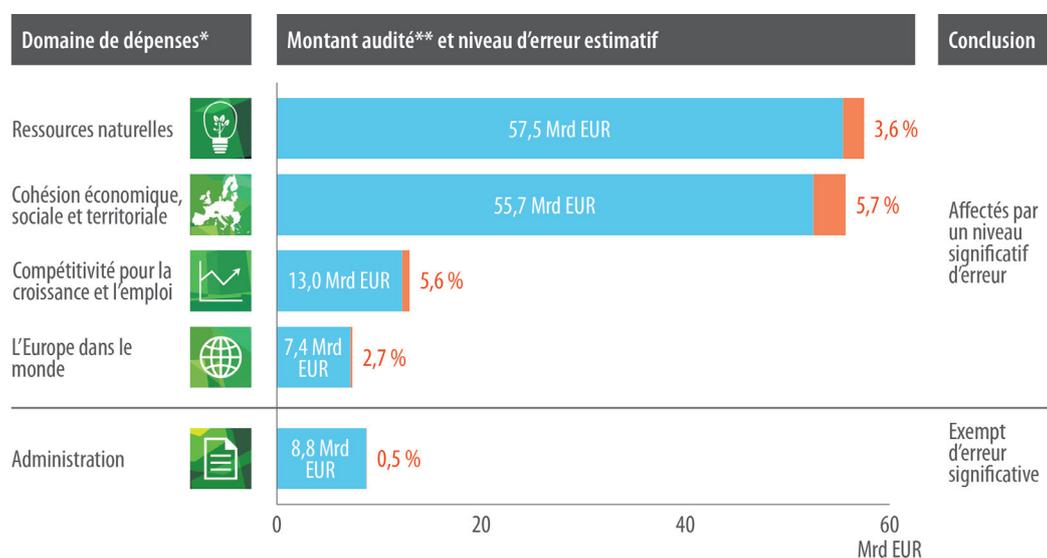
Si les recettes de l'exercice 2014 sont dans leur ensemble légales et régulières les paiements de l'exercice continuent à être affectés par un niveau significatif d'erreur.

Le niveau d'erreur estimatif pour 2014 s'élève à 4,4%, un chiffre proche de celui de 2013 et demeure supérieur au seuil de signification de 2%. Il faut pourtant souligner qu'il ne s'agit pas de fraude ou de gaspillage mais de fonds dépensés sans respecter les règles financières.

Les mesures correctrices appliquées par les autorités des États membres et par la Commission ont d'ailleurs eu un impact favorable sur le niveau d'erreur estimatif. Sans elles, le niveau d'erreur estimatif global aurait atteint 5,5% au lieu de 4,4%.

Il existe une forte corrélation entre le type de régime ou de programme et le niveau d'erreur. Le niveau d'erreur estimatif est plus élevé pour la Compétitivité et la Cohésion, des domaines où la plupart des dépenses consistent en des remboursements de coûts, que pour les Ressources naturelles et l'Europe dans le monde, dont une proportion plus importante des dépenses porte sur la gestion partagée.

### Résultats des tests sur les opérations de 2014 ventilés par domaine de dépenses de l'UE



\* Le niveau d'erreur estimatif est fondé sur les erreurs quantifiables détectées dans le cadre de nos travaux, notamment les tests d'un échantillon d'opérations. Nous utilisons des techniques statistiques standards pour sélectionner cet échantillon et estimer le niveau d'erreur (voir l'annexe 1.1 du chapitre 1 du rapport annuel 2014).

\* Nous ne consacrons pas d'appréciation spécifique ou de chapitre distinct aux dépenses des rubriques 3 (*Sécurité et citoyenneté*) et 6 (*Compensations*) du CFP, ni aux autres dépenses (instruments spéciaux en dehors du CFP 2014-2020 comme la réserve pour aides d'urgence, le Fonds européen d'ajustement à la mondialisation, le Fonds de solidarité de l'Union européenne et l'instrument de flexibilité). Toutefois, les travaux concernant ces domaines contribuent à notre conclusion générale sur les dépenses relatives à l'exercice 2014.

\*\* La différence entre les montants des diagrammes 1 et 3 tient au fait que nous examinons les opérations de paiement au moment où les dépenses ont été exposées, enregistrées et acceptées. Les paiements d'avances sont examinés au moment où le destinataire des fonds justifie leur utilisation et au moment où le paiement est apuré ou devient récupérable.

#### Une nouvelle approche

Le prochain examen à mi-parcours du cadre financier pluriannuel 2014-2020 constitue une belle occasion de reconsidérer les priorités en matière de dépenses et de repenser certains régimes.

Il importe que la Commission examine les possibilités de réduire les niveaux d'erreur tout en renforçant l'attention portée à la performance.

La période couverte par la stratégie Europe 2020 et les cycles budgétaires de l'UE ne coïncident pas. Parallèlement, les États membres ne portent pas toute l'attention requise à la réalisation des objectifs de la stratégie Europe 2020.

En conclusion, l'UE doit mieux investir son argent et faire en sorte que :

- ses investissements correspondent davantage à ses priorités ;
- ses règles soient plus simples et axées sur les résultats ;
- ses ressources soient gérées de manière plus efficiente.

#### Le Luxembourg

L'année passée, Monsieur Henri Grethen avait encore déclaré : « *Le hasard ne veut pas du bien au Luxembourg, si l'on prend la fréquence avec laquelle on retrouve ce petit pays dans les échantillons d'audit de la Cour.* »

En 2014, par contre, le Luxembourg n'est pas tombé dans l'échantillon aléatoire des contrôles sur place.

Le Luxembourg reste un bon élève qui dans le cadre des programmes cofinancés par l'UE n'a pas de problèmes d'absorption des fonds tandis que certains États membres ont éprouvé des difficultés à sélectionner un nombre suffisant de projets et à trouver le financement nécessaire comme contribution nationale.

# ECA participates in the 67th Governing Board meeting of INTOSAI

By Wilfred Aquilina, assistant to the Director of the Presidency



The ECA delegation, led by Members Igors Ludboržs and Danièle Lamarque, participated in the capacity of special observer, in INTOSAI's 67<sup>th</sup> Governing Board meeting that was held between 10 and 11 November in Abu Dhabi in the United Arab Emirates (UAE).

The INTOSAI Governing Board represents all member supreme audit institutions (SAIs), each of INTOSAI's seven regional working groups and the main types of public auditing systems. It convenes annually between INTOSAI congresses to take key decisions and report on the measures being taken to achieve INTOSAI's aims, including, the progress being made on the tasks assigned to it in the last congress. The 2015 Governing Board meeting covered a broad range of issues, including the preparations for the XXII INCOSAI to be held in UAE in December 2016, progress on the development of INTOSAI's Strategic Plan 2017-2022, and activities under each of the three INTOSAI goals.

During the meeting, the INTOSAI Governing Board appointed the ECA as Vice-Chair of the Professional Standards Committee (PSC) as from XXII INCOSAI, to work alongside the Brazilian SAI as Chair, after the SAI of Denmark steps down. This prestigious appointment comes at a critical time when INTOSAI is reviewing the organisation framework for its standard-setting processes, with the aim of further improving and strengthening this core

activity. The ECA has been an active and committed member of the PSC subcommittees on financial, compliance and performance audit standards for many years. Contributing to the development of auditing standards remains a key strategic priority for the ECA. This appointment in one of the most important organs of INTOSAI will serve as an excellent opportunity for the ECA to pursue this goal as well as ensure continued momentum and progress in the development and adoption of high quality standards for public sector auditing.

A day before the Governing Board meeting, the ECA delegation was also actively involved in discussions organised by SAI of the UAE on the XXII INCOSAI themes. The two themes to be covered in the congress, namely INTOSAI's contribution on the United Nations' post-2015 agenda and the Sustainable Development Goals, as well as the role of regions in the strengthening of the public sector audit profession, were extensively discussed. The ECA was also invited to share its insights and moderate discussions on the role that SAIs can play in follow-up and review of progress toward meeting national sustainable development goals. These discussions will continue in the coming months, and the ECA will directly support this process through its contributions and involvement.



# The added value of the European Court of Auditors' performance audits

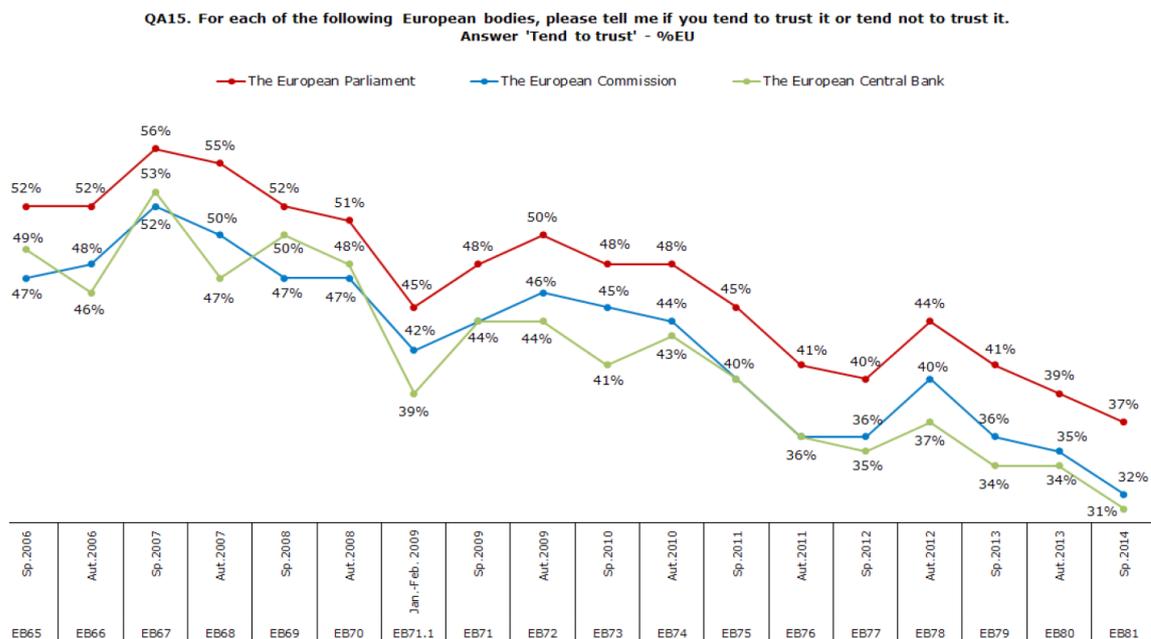
By Dr Lorenzo Pirelli, ECA auditor



Dr Lorenzo Pirelli

## 1. Introduction: the need for performance audit

In times of financial constraints and dramatic decrease of citizens' trust in the European institutions (see the 2014 Eurobarometer graph below), getting value for money from the EU budget has become more imperative than ever.



Source: Standard Eurobarometer 81 – Spring 2014: Public opinion in the European Union

Still, the EU budget remains a mystery to many Europeans<sup>1</sup>: although around 80% of the EU budget is managed at Member States' level, only 34% of Europeans have heard about any EU co-financed projects to improve the area in which they live<sup>2</sup>. In addition, since 2003, the European Parliament has noted that "the focus actually given to the legality and regularity of the spending does not help to inform the legislator and the public as to whether the money has been spent effectively"<sup>3</sup>.

1 G. Cipriani (2010:66), "The EU budget: responsibility without accountability?" – Centre for European Policy Studies.

2 European Commission – Eurobarometer (2013:31), "Spotlight on European public opinion in 2013".

3 European Parliament 2003 discharge: section III of the general budget, par. 32(d).

ECA's performance audits are meant to shed the light on the use of the EU budget<sup>4</sup>. This has been acknowledged by the European Parliament in various occasions by asking the Court to "devote more resources to the examination of whether economy, effectiveness and efficiency have been achieved in the use of public funds entrusted to the Commission". In its role of EU's 'financial watchdog', the ECA is in a prominent position to provide EU policymakers and citizens with valuable opinions

4 See A. De Bondt (2014:14), "Performance audits by the European Court of Auditors: time for a rebalancing": "Whatever type of transparency one might prefer to use, it is clear that this concept is crucial for enhancing accountability. This leads us to the concept of performance audits, which serve exactly to disclose information".

on results achieved by the EU policies, in order to improve the performance and effectiveness of EU-financed activities<sup>5</sup>.

This article depicts the current state of performance audit in the EU context (Section 2), provides examples of the added value brought by ECA performance audits (Section 3), reviews ECA's role in triggering a performance culture (Section 4), and discusses prospects for performance audit (Section 5).

## 2. Performance audit generally underdeveloped at Commission and Member States level

Performance audit is a relatively recent tool to assess in practice the application of the concept of sound financial management, stated in the Treaty on the Functioning of the EU<sup>6</sup>.

At international level, the 1977 INTOSAI Lima Declaration<sup>7</sup>, that all major Supreme Audit Institutions follow, established that:

"Audit is not an end itself but an indispensable part of a regulatory system whose aim is to reveal deviations from accepted standards and violations of the principles of legality, efficiency, effectiveness and economy of the financial management early enough to make it possible to take corrective action in individual cases, to make those accountable accept responsibility, to obtain compensation, or to take steps to prevent – or at least render more difficult – such breaches".

and that, next to audit on legality and regularity of financial management and accounting,

"...there is another equally important type of audit – performance audit – which oriented towards examining the performance, economy, efficiency and effectiveness of public administration".

5 European Parliament (2014), "Report on the future role of the Court of Auditors", paragraphs 1 and 9.

6 Article 317 of the consolidated text of the Treaty on the Functioning of the EU (TFEU) states that "The Commission shall implement the budget...on its own responsibility...having regard to the principles of sound financial management" and that "Member States shall cooperate with the Commission to ensure that the appropriations are used in accordance with the principles of sound financial management".

7 International Organisation of Supreme Audit Institutions (INTOSAI, 1977), "The Lima Declaration" – International Standards of Supreme Audit Institutions (ISSAI 1, Sections 1 and 4).

At EU level, only with the 1992 Maastricht Treaty and the 2002 reform of the Financial Regulation, the concept of 'value for money' became an institutional principle for the budget implementation<sup>8</sup>.

The concept of sound financial management – often used a synonym of 'value for money' – is nowadays understood as comprising the principles of economy (requiring appropriate resources to be available at the best price), efficiency (requiring the best relationship between resources employed and results) and effectiveness (achieving the intended results)<sup>9</sup>

Yet, the concepts of 'value for money' and 'sound financial management' lack a practical and measurable definition. This prevents them from being effectively applied as legally-binding requirements for EU spending, confining them to an ancillary aim of EU spending.

"Not everything that can be counted counts, and not everything that counts can be counted"- attributed to A. Einstein

At Commission level the emphasis on performance remains negligible. Main reports in which the Commission is required to report on performance issues contain "no or little performance information"<sup>10</sup>, while performance audits are not developed yet. The main – or only – incentive for Member States to focus on performance achievement is the performance reserve, a 6% reserve that Member States can decide to release in favour of best-performing spending programmes. However, "in the 2007-2013 period, only two Member States, Poland and Italy, chose to make use of this possibility, in both cases with little or no genuine focus on performance"<sup>11</sup>.

At EU Member States level, performance audit is generally less developed than financial and compliance ones, since "external audit is still excessively focused on monitoring legality and regularity, whereas the evaluation of management

8 For a historical evolution on sound financial management and value for money concepts see G. Cipriani (2010:55), "The EU budget: responsibility without accountability?" – Centre for European Policy Studies.

9 See Article 30 of the Financial Regulation (966/2012) applicable to the general budget of the European Communities.

10 European Court of Auditors: 2013 Annual Report, paragraph 10.19 – 10.24.

11 European Court of Auditors: 2013 Annual Report, paragraph 10.13.

and results is insufficient<sup>12</sup>. By calculating an error rate annually, ECA is also likely to contribute to a focus on legality and regularity instead of performance<sup>13</sup>. It seems that the learning role of audit has been lost in the excessive focus on financial issues: “We may need to ... give up on the ritualistic details in which accountability is discharged by audit. In doing so we need to reposition audit as a local and facilitative practice, rather than one that is remote and disciplinary, so as to enable rather than inhibit public dialogue<sup>14</sup>. Generally “accountability is an art which is too much internally oriented and messages are hardly comprehensible for the outside world. The ECA is no exception in this and too remote from its citizens. Accountability should not only be in place but also comprehensible to ordinary people<sup>15</sup>.”

Also through its performance audit, the ECA commits itself to being at the forefront of developments in public audit and administration, and aims at providing EU budgetary authorities and citizens with useful information on results achieved by the EU policies, to close the existing accountability gap and help to bring Europe closer to its citizens and to make it more transparent.

### 3. Examples of the added value brought by ECA performance audits

As stated by the European Parliament, “the added value of the Court is directly linked to the use made of its work by Parliament and other stakeholders in the accountability process<sup>16</sup>. This section provides a few examples of the added value brought by recent ECA performance audits in the transport and energy infrastructure sectors. These domains represent areas of spending of the EU budget with clear cross-border relevance and of vital importance for the European cohesion.

12 European Court of Auditors (2012), “Reflections based on experience”, by Antoni Castells, Member of the ECA in 1994-2000.

13 C. Mendez and J. Bachtler (2011), “Administrative reform and unintended consequences: an assessment of the EU Cohesion policy audit explosion”, *Journal of European Public Policy*, 18(5), pages 746-765; see also F. A. Gal (2013), “Does an audit explosion distort the objectives of the EU’s regional policy?”, page 38.

14 M. Power (1994), “The audit explosion”, page 40.

15 Speech by Alex Brenninkmeijer, ECA Member, at a seminar on public accountability and banking on 10 June 2015, reported in the European Court of Auditors journal (July/August 2015), page 11.

16 European Parliament (2014:5), “Report on the future role of the Court of Auditors”, paragraph 16.

The performance audit on seaports infrastructures<sup>17</sup> revealed that none of the 27 audited projects financed during the 2000-2006 period was embedded in a long-term port development plan and no needs assessment had been carried out. Member States focused on absorbing funds without monitoring the project results and impact. This resulted in long delays before infrastructures could enter into operation, several empty ports and unused infrastructures.

As a consequence, the ECA recommended to make 2014-2020 EU funding to seaports infrastructures “conditional upon the existence of a comprehensive long-term port development strategy (based on an assessment of needs) for all the ports of the region”. This became indeed a requirement – part of the so-called “ex-ante conditionalities<sup>18</sup> – for 2014-2020 European Regional Development Fund and Cohesion fund spending. The ECA also recommended to “strengthen the assessment procedure for major projects and Cohesion Fund projects”. This recommendation was somehow implemented by deciding to transfer 11.3 billion euro of the Cohesion Fund allocation to the Connecting Europe Facility<sup>19</sup>, under Commission’s direct management via its TEN-T agency.

The recent performance audit on airport infrastructures<sup>20</sup> highlighted even more evidently the poor value for money of the investments. The audit concluded that “the EU funding was not cost-effective” and “too many airports (which were often in close proximity to each other) were funded and in many cases the EU-funded infrastructures were over-sized. Only half of the audited airports succeeded in increasing their passenger numbers”.

Similarly to the seaports audit, the Court recommended that during the 2014-2020 period “Member States only allocate EU funding to airport infrastructures in those airports which are financially viable and for which investment needs have been properly assessed and demonstrated” and that “Member States should have coherent regional, national and supranational plans for

17 European Court of Auditors, Special Report 4/2012, “Using structural and cohesion funds to co-finance transport infrastructures in seaports: an effective investment?”

18 Regulation 1303/2013, Article 19 and Annex XI – ex-ante conditionalities 7.1 and 7.3.

19 Regulation 1316/2013, establishing the Connecting Europe Facility, Article 5.1.(a).

20 European Court of Auditors, Special Report 21/2014, “EU-funded airport infrastructures: poor value for money”.

airport development to avoid over-capacity, duplication and uncoordinated investments in airport infrastructures". The report attracted unprecedented media visibility<sup>21</sup> in ECA history and was highly appreciated by the European Parliament, which included it in the 2013 Commission discharge<sup>22</sup>. The European Parliament fully supported ECA recommendations and required the Commission to "report back to Parliament's Committee on Budgetary Control within a year from the adoption of this resolution with progress against the ECA recommendations".

In the energy field, the performance audit on energy efficiency<sup>23</sup> concluded that the "cost-effectiveness concept ... was not a determining factor when Member States allocated funding to energy efficiency measures and concrete projects. Neither was this concept part of the Commission's assessment prior to approval of the operational programmes". Also in this case, the project results reflected the lack of attention to cost-effectiveness: 18 out of 24 audited projects could not demonstrate energy savings and the average payback period was around 50 years, which is far too long considering the lifetime of the refurbished components and buildings.

The ECA recommended to make 2014-2020 EU funding for energy efficiency "subject to the establishment of a proper needs assessments... , the use of transparent selection criteria and standard investment costs per unit of energy to be saved, .... and energy audits". This recommendation was followed up in the form of ex-ante conditionality 7.4 for 2014-2020 European Regional Development Fund, requiring Member States to present plans including "measures to optimise the use of energy and promote energy efficiency, in line with Article 3(11) of Directive 2009/72/EC and Article 3(8) of Directive 2009/73/EC".

#### **4. ECA's role in triggering a performance culture at the Commission and in the Member States**

21 The Special Report 21/2014 got more than 10.000 downloads from the ECA website and more than 500 web press-articles and 800 social media posts in the six months following its publication.

22 European Parliament resolution of 29 April 2015 on the Court of Auditors' special reports in the context of the 2013 Commission discharge (2014/2140(DEC)), paragraphs 291-294.

23 European Court of Auditors, Special Report 21/2012, "Cost-effectiveness of Cohesion Policy Investments in Energy Efficiency".

Apart from the impact of performance audits described above, the ECA is adding value in the EU context by triggering a performance culture at the Commission and in the EU Member States. This takes place through a number of initiatives, briefly presented here below.

First of all, the ECA presents the outcomes of its performance audits not only at the European Parliament and at the Council, but also at national and sectoral conferences<sup>24</sup>. This allows the broader public to learn about best practices and common weaknesses of audited projects and to become more aware of the increasing relevance of performance aspects in EU-funded projects.

Secondly, the ECA coordinates with national Supreme Audit Institutions to evaluate the performance of the EU budget, avoiding duplication of control work and sharing information, identifying risk areas, conducting joint audits and/or audit missions. This results in the sharing and exchange of working methods and greater effectiveness at each control level. For example, in the three performance audits mentioned in the previous section, the ECA auditors involved closely in their missions both the national Supreme Audit Institutions and the national audit units.

Thirdly, the ECA aims at triggering a performance culture at the Commission and in the Member States by inviting their officials to take part in the performance audit training that ECA regularly organises for its staff. This recent activity is steadily increasing and in 2015 two courses on ECA performance audit with the participation of more than 50 national administration officials have been organised.

#### **5. Future prospects for performance audit**

With an increasing pressure for the EU budget to demonstrate that any money spent is used to deliver tangible results, the relevance and

24 For example the above mentioned transport performance audits have been presented at various national and sectoral conferences, such as: - the conference "Perché investire in Sicilia?" in Palermo (Italy), March 2012, intervention of Mr Pietro Russo, the Italian Member of the European Court of Auditors; - the European Sea Ports Organisation 2012 Annual conference "Port financing and investment" in Sopot (Poland), May 2012; - the European Ports Policy Review Conference, in Brussels (Belgium), September 2012; - the Motorways of the Sea conference in Venice, March 2015, interventions of Luc T'Joens, Team Leader of the transport audits quoted.

consensus around the use of performance audit methods is growing. The new Juncker Commission recognised very explicitly that “we need a budget aimed at results, rather than rules. A road to nowhere built according to the rules, is still a road to nowhere” and “the budget for us is therefore not an accounting tool, but a means to achieve our political goals”<sup>25</sup>.

The 2014-2020 Multiannual Financial Framework has introduced or reinforced some mechanisms in favour of performance orientation, such as a performance framework based on more sound results indicators, the introduction of ex-ante conditionalities, the performance reserve (whereby 6% of the European Regional Development Funds, European Social Fund and Cohesion Fund will be allocated in 2019 only to programmes and priorities which have achieved their milestones<sup>26</sup>).

However, the impact of these new arrangements “is likely to be marginal as there are still no real incentives or sanctions in the 2014-2020 framework relating to the results achieved with the EU funding”<sup>27</sup>. For example, the performance reserve “will make only limited use of result indicators as the Commission does not plan to use results indications for any areas other than ESF... The Regulation also specifies that results indicators cannot be taken into account when deciding on whether to suspend performance reserve payment or to issue financial corrections”<sup>28</sup>.

The Commission itself admits that a “progressive development of a performance culture will take several years to come to full effect”<sup>29</sup> and that there is a “limited development of mechanisms to reward performance and penalise non-effective use of the funds. The predominant attention to the legality and regularity of expenditure... further shifts the focus away from the results and the effectiveness of the interventions... Incentives to reward performance in cohesion policy, but more broadly in other EU spending programmes, in practice do

not exist”<sup>30</sup>. The unfortunate conclusion is that “in the absence of reliable information on results, the discharge process is focused on compliance issues”<sup>31</sup>.

In such a scenario, much room remains for developing and spreading the use of performance audit methods. As noted by the budget review, “controls have also had a tendency to assess programmes on the basis of inputs rather than performance, reducing the incentives for effective results”<sup>32</sup>. Therefore, control authorities are expected to play their role in becoming more performance-oriented in their audits and evaluations, in line with the European Parliament requests to put “greater effort and more resources to improve quality further, primarily with respect to the ECA’s performance audit work, which provides information on the EU budget results”<sup>33</sup>. Also financial and compliance audits could focus more on assessing the impact of an irregularity on performance rather than just reporting ‘errors’, which have often little to do with achieving results.

The enlarged role of control authorities could take form in guiding the Commission and Member States to develop performance audits and strengthen the link between performance audit results and the application of performance mechanisms, such as rewards and penalties. For example, performance audit results could be taken into account when deciding to which programmes and actions allocate performance reserves. Control authorities could also get involved earlier in the EU funding process, for example by auditing projects selected for EU funding following a call for project proposals but not yet implemented, to check whether SMART<sup>34</sup> objectives have been set, RACER<sup>35</sup> indicators have been used and to what extent the cost-effectiveness concept has been systematically applied in selecting projects.

Another direction for the European Parliament and ECA could be to get more involved with Member

25 Speech by President Juncker at the Conference “EU budget focused on results” – Brussels, 22 September 2015.

26 Regulation 1303/2013, articles 19-22.

27 European Court of Auditors: 2013 Annual Report, paragraph 10.16.

28 European Court of Auditors: 2013 Annual Report, paragraph 10.15.

29 European Court of Auditors, “Annual Report concerning the financial year 2012”, Commission’s reply to paragraph 10.1.

30 Commission Staff Working paper SEC(2011) 868, “A budget for Europe 2020”, page 16.

31 G. Cipriani (2014:84), “Financing the EU budget: moving forward or backwards?” – Centre for European Policy Studies.

32 Commission Staff Working paper SEC(2011) 868, “A budget for Europe 2020”, pages 17-18.

33 European Parliament (2014), “Report on the future role of the Court of Auditors”, paragraph 8.

34 Specific, Measurable, Achievable, Relevant and Timely.

35 Relevant, Accepted, Credible, Easy, Robust.

States' authorities, considering that 80% of the EU budget flows through shared management. Under this type of management the Member States have direct responsibility for a number of key activities (e.g. needs assessment, project selection, management, reporting...), which are often the areas of most serious weaknesses identified in ECA's performance audits. This option can be operationalised by discussing ECA's performance audit reports in national parliaments<sup>36</sup>, as it is already the case for the ECA Annual Report<sup>37</sup>, and by requiring Member States' managing authorities to provide joint replies with the Commission to ECA's performance audit reports as well as subsequent responses on the implementation of the audit recommendations – following the model of the UK National Audit Office.

Whatever option will be prioritized, there seems to be much room for enhancing the role of performance audits on improving the use of the EU budget. A greater role for such audits would allow the ECA to overcome its 'Achilles Heel', i.e. the fact that its conclusions and recommendations are not legally-binding and, therefore, are implemented only on a voluntary basis. By increasing the visibility of its performance audit reports in Member States and, more generally, by spreading a performance culture, the ECA may significantly help to bridge the gap between EU citizens and institutions and restore citizens' trust in the EU. As acknowledged

36 Some ECA performance audit reports have already been presented in national parliaments in the recent past, for example:  
- Sir David Bostock, previous ECA Member, presented the ECA Special Report 13/2012 "European Union development assistance for drinking water supply and basic sanitation in sub-saharan countries" to the UK House of Lords on 27 June 2013 (<http://www.parliament.uk/business/committees/committees-a-z/lords-select/eu---foreign-affairs-defence-and-development-policy-sub-committee-c/news/eu-wash-2nd-evidence-session/>);  
- Mr Brenninkmeijer, ECA Member, sent 16 performance audit reports to the Dutch Parliament in in 2014-2015, which led to several presentations, 23 parliamentary questions to the Dutch Ministers and 6 motions to the Dutch Government related to ECA performance audit reports;  
- Mr Herics, ECA Member, presented the ECA's performance audit work to the Austrian Parliament's *Rechnungshofausschuss* on 3 December 2014 and on 24 June 2015 ([http://www.ots.at/presseaussendung/OTS\\_20150624\\_OTS0249/eu-rechnungshof-will-umfassendes-pruefmandat-zur-ebb-bankenaufsicht](http://www.ots.at/presseaussendung/OTS_20150624_OTS0249/eu-rechnungshof-will-umfassendes-pruefmandat-zur-ebb-bankenaufsicht));  
- Mrs Ivanova, ECA Member, presented the ECA Special Report 3/2015 "EU Youth Guarantee: first steps taken but implementation risks ahead" to the Bulgarian Assembly in Spring 2015.

37 In line with article 7 of the Lisbon Treaty (2007) – Protocol 1 on the role of national parliaments in the European Union

by academic scholars, "by going beyond the conduct of mere financial audits Supreme Audit Institutions have stepped into dialogue with a wider public"<sup>38</sup>. Finally, a greater impact of performance audits would help better fulfilling the role of Supreme Audit Institutions in enforcing their recommendations, as expressed in the 1977 INTOSAI Lima Declaration<sup>39</sup>.

At this point in time, the most promising prospect for performance audit seems to evolve as a widespread tool to be used not only for ex-post examination of EU spending but also for improving funding allocation, project selection and a performance-based reward or sanction system. Until EU budget disbursements remain largely disconnected with results and no real incentives for effective spending or sanctions based on performance audit outcomes will be implemented, achieving results will remain an optional noble aim of the EU budget rather than its *raison d'être*.

"We need to be the change we wish to see in the world" – Gandhi

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38 J. Lonsdale, P. Wilkins, P. and Tom Ling (2011), "Performance auditing contributing to accountability in democratic government".

39 International Organisation of Supreme Audit Institutions (INTOSAI, 1977), "The Lima Declaration" – International Standards of Supreme Audit Institutions (ISSAI 1, Section 11): "The audited organisations... shall indicate the measures taken as a result of the audit findings. To the extent the findings of the Supreme Audit Institutions are not delivered as legally valid and enforceable judgements, the Supreme Audit Institutions shall be empowered to approach the authority which is responsible for taking the necessary measures and require the accountable party to accept responsibility".

**Special Report**  
N°14/2015**The ACP Investment Facility: does it provide added value?**

The ACP Investment Facility, managed by EIB, is a risk-bearing revolving fund supporting investments by private and commercially run public entities in the African, Caribbean and Pacific Group of States. It provides medium- to long-term financing through various financial instruments and thereby aims at delivering sustainable economic, social and environmental benefits.

The Court concludes that the Investment Facility adds value and its operations are overall coherent with the EU development cooperation with ACP countries. The contractual obligation to inform the end beneficiaries about EIB/Investment Facility funding is however not always followed and technical assistance does not always target small and medium-sized enterprises.

This report was published on 18 November 2015 and is available on our website [www.eca.europa.eu](http://www.eca.europa.eu) in 23 EU languages.

**The ECA says:****Hello to:**

Paulo BRAZ  
Maria DOMINGUEZ  
Ioulia PAPTAEODOROU  
Michal Tomasz SZWED

**Goodbye to:**

Naima DJIDEL

ECA staff were invited by the Professional Training Unit to a presentation by Christian Bason, Chief executive of the Danish Design Centre on 12 November 2015.



Christian Bason has an M.Sc. in political science from the University of Aarhus, and is currently a Doctoral Fellow at the Copenhagen Business School's Department of Management, Politics and Philosophy. Alongside his research, he also worked as Director of MindLab, a cross-governmental, citizen-centred innovation unit in Denmark. He is now Chief executive of the Danish Design Centre, which works to incorporate the principles of good design into business and policy-making.

Christian Bason was Chair of the European Commission's High-Level Expert Group on Public Sector Innovation. His most recent books include *Design for Policy* and *Leading Public Sector Innovation*.

## In the light of the coming ECA reform

Christian Bason came to the ECA on 12 November 2015 as an expert in innovation in the public sector and spoke about possibilities and barriers to innovation within governmental organisations, and explained how design methodologies offer powerful tools for policy-makers and public managers who wish to bring about meaningful change to their institution.

He spoke as a public servant who has the opportunity to talk to public servants about how design thinking can help drive public sector innovation.

The aim of his work is to strengthen the ability of institutions and their people to work more openly, collaboratively, effectively and legitimately to make better decisions and solve problems. And he suggests a new way of fighting barriers to innovation in government like politics, reluctance to innovation, fear of divergence, the hierarchical structure. A big public institution, as it seeks new ways to innovate, may often look like an orchestra without conductor.

The topic is of particular interest to the ECA as on 1 January 2016 our reform towards a task-based organisation and its emphasis on output and results comes into effect.

## What is a design exercise?

Innovation labs like the Danish Design Centre favour collaboration as a tool. Multiple stakeholders engage in interaction, dialogue, and development activities. Innovation labs are meant to facilitate the process of innovation all over the world including within the European institutions. Design for Europe, for example, is an initiative by the Commission to support design-driven innovation in the Union.

It is a three-year programme co-funded by the European Union as part of the EU's Action Plan for Design-Driven Innovation.

Public innovation entails not only a theoretical analysis how to improve services, making them more effective and efficient but also about implementing new solutions. Different approaches have to be tried out. The needs of users shall be put first.

## How to make the most of human talent

Innovation and change can be alarming and may often seem like navigating in a fog. Problem solving is an ongoing process with managers as designers who aim to bring change and innovation in government methods and tools while building new capabilities. They have to support change without causing a revolution. Management and designers can come together to decide, design and promote change.

“Nudging”, a term taken from behavioural science, argues that indirect suggestions can influence decision making and bring a change to the environment as least as effectively as legislation or its enforcement.

Combining designed thinking with insights from behavioural science can show the way in designing the future. Methods will have to be reviewed, new practices enacted. It is not enough to write a report or define a strategy. Institutions need to enact new practices, and prototyping moves an idea or innovation through concrete steps.

We follow up the discussion with an interview with Christian Bason:

**R. C.: The ECA is undergoing a major reform starting from 1 January next year. How would you suggest continuing this pace of change and innovation into the future?**

**Christian Bason :** I believe the overall key to all good change processes is that they must be perceived as meaningful by the people who are going to carry them through in practice. What I have learned from working with collaborative approaches to designing public services is that powerful change is both a top-down and bottom-up process. It is top-down because ultimately change must be driven by a long term vision, and ambition, in terms of the impact the organisation should have on the world. It is bottom-up because meaningful change requires the discovery, by employees and managers, of how the organisation today makes a difference to its end-users – as experienced by the end-users themselves. Based on such insights, managers and staff must be empowered to develop ideas and suggestions on how changes in organisational structures, processes, systems, skills etc. could improve the outcomes of their work. And they must be supported to test and try out their new ideas for solutions together with internal and external partners and users.

**R. C.: What could we learn as an institution from change and reform in other public and private institutions?**

**Christian Bason :** Successfully changing a public organisation to truly create better outcomes for its end-users and simultaneously become more

efficient is a hard and long-term task. Often the investments made in terms of time and energy on supporting change, communicating it, building new skills and capacities, and sometimes recruiting new types of skills, are insufficient. Leading organisations around the world (both public and private) are creating innovation labs – or design studios – which provide environments where managers and staff can obtain specialized support, insight and facilitation to better understand their end-users and test and try out potential new solutions. The UK innovation foundation NESTA has recently produced a nice report, iTeams, about these labs.

**R. C.: As someone interested in the effectiveness of government policy and institutions, how would you like to see public audit develop in order to be most useful?**

**Christian Bason :** I believe that ideally public audit should leave the organisations that are audited better off than before the audit. In other words, the objective should be, in addition to the traditional audit process, to build capacity and ability for an organisation to not only follow the correct and legal procedures, but also to become more self-reliant and professional for the long-term. Also, I believe that audits should focus not only on adherence to procedures around budgeting and activities, but also to the ultimate outcomes generated by the audited organisation.

# Clear language event at the European Court of Auditors 26

By Veronica Ardelean, head of the Romanian translation unit

On 27 October 2015 the ECA hosted the second annual Clear language event, organised by Mr Alex Brenninkmeijer and the Translation Directorate. Entitled "Getting the message across?", the event had as its guest speaker Mr Karl Hendrickx, a professor at the Catholic University of Leuven and an adviser at the Belgian Court of Audit.



From left to right:  
James Verity, auditor, CEAD Chamber;  
Veronica Ardelean, HoU, DTR; Eduardo Ruiz-Garcia,  
Secretary General; Alex Brenninkmeijer, ECA  
Member; Karl Hendrickx, Belgian Court of Audit;  
Gaile Dagiliene, Director, DTR; Zoe Bolanaki, HoU,  
DTR; Adrian Williams, HoU, DTR

## "Mokusatsu"

*Have you heard this word before? A simple search on the web will take you to articles such as "An ambiguous word with drastic consequences"; or "The translation error which changed the course of World War II". This word was used by the Japanese Prime Minister Kantaro Suzuki in response to the Potsdam Declaration by which the Allies called for the unconditional surrender of Japan. In Japanese, "mokusatsu" has two meanings, one being "No comment" (I am going to remain silent), and the other "This is not worthy of comment" (i.e. I am treating it with contempt). Apparently, Prime Minister Suzuki intended the first meaning, but the word was translated into English on the basis of the second, which allegedly enraged the Americans and prompted their decision to bombard Japan<sup>1</sup>. This example speaks for itself.*

<sup>1</sup> [https://www.nsa.gov/public\\_info/\\_files/tech\\_journals/mokusatsu.pdf](https://www.nsa.gov/public_info/_files/tech_journals/mokusatsu.pdf)

## Why the need for clear language?

While tragic, this example illustrates perfectly the potentially harmful consequences of unclear language. Although often used by politicians seeking to avoid taking a clear line or to evade the facts, ambiguity has had its day. In a society in which citizens are becoming increasingly engaged and responsible, there is a need for plain language, meaningful words and clear messages.

The same is true at the EU institutions. Having often been criticised in the past for their opaque, technocratic language, the EU institutions have recently adopted a new communication strategy. The time when the EU was merely a single market handling the adoption of common industrial standards has long gone. We are living in difficult times: facing one crisis after another, EU citizens have many questions and expect plain-spoken and frank answers.

The ECA takes the need for clear communication very seriously. Thanks to its unique role as a neutral observer, the ECA is best placed to identify instances where things are not going well and to recommend changes. Citizens' expectations are very high and, as bold as it may sound, we might say that the future of Europe is being shaped as we speak. So, it is vital that we pay attention to what we are saying and how we are saying it.

### **What are the risks in case of unclear language?**

As Mr Brenninkmeijer pointed out at the Clear language event, a poorly written text may as well not exist, for the simple reason that nobody will read it, or, if someone does read it, they are likely to misunderstand it. What is more, an unclear text is also at risk of mistranslation, thus multiplying the potential for ambiguity by 23. The ultimate risk is that the ECA will fail to convey its message to Europe's citizens.

In order to mitigate these risks, the ECA, like the other EU institutions, has developed several tools aimed at helping those drafting documents to write clearly.

### **What should we consider at the drafting stage?**

#### ***Tools at our fingertips***

These tools include a wide range of documents (such as the guide for writing reports, the list of misused English words and expressions, both produced by the ECA, or the Commission's "How to write clearly" and the Translation Centre's "Writing for translation") and training courses, some of which are tailored to suit specific needs.

Then, of course, there is the English-language services team, which is ready and willing to help whenever needed. The English translators have experience in helping to draft projects (such as the special reports on incubators and technical assistance), and can provide drafting assistance upon request. They should be brought on board as early as possible in the drafting process and allowed to get involved. Ideally, they should be invited along to audit meetings; this way, they can become more familiar with the findings and will have a better grasp of the message to be conveyed.

We can look to the Belgian Court of Audit for an example of good practice in this area. As Mr

Hendrickx told us, one of the main objectives of his institution is to ensure clear communication with stakeholders. In view of this, the Belgian Court of Audit employs a team of communication experts (Dutch, French and German native speakers) whose role it is to support the auditors in drafting reports.

At the ECA, another useful instrument is the Collation Forum, a communication platform for translators and auditors. As the first readers of the ECA's reports, translators often spot possible ambiguities and their questions may prompt authors to rethink certain formulations.

### **What happens in the translation stage?** ***Localisation***

Having a clear "original" is not enough in a multilingual institution targeting a multilingual and multicultural readership. That is why the translation stage sees the text reshaped through various forms of linguistic and cultural mediation, in order to obtain a product that has been adapted for its intended readership. This process, called "localisation", is particularly important because each language is governed by its own rules, meaning that what is considered to be clear in one language may not necessarily be clear in another.

At the ECA, the vast majority of documents are drafted in English, and so adhere to the rules of this language. However, when transposed literally into another language, plain English may sound too simple, simplistic or even banal. That is why the ECA's translators "localise" when translating reports, and, in so doing, adapt the ECA's documents to their intended readership.

But who are the recipients of our reports for whom we have to write clearly?

### **What about our readership?**

#### ***Different strokes for different folks***

According to the Performance Audit Manual, our reports are intended "for the attention of an interested but non-expert reader who is not necessarily familiar with the detailed EU or audit context" (PAM, 5.3.1).

These "non-expert" readers are living in a new communication world, in which new trends

appear every day; electronic communication is superseding paper, information is circulating faster and is steadily growing in volume. How can we navigate such a context and how should we adapt our products? Perhaps it would help if we think of presenting a report like building a Russian doll. The first, smallest doll would be a short document outlining the context and the main findings; the second doll would be a summary document, which briefly presents the report, is well-structured and drafted without technical jargon; the third, largest doll would be the report itself. With all of these documents presented as interactive content on the web, the information is condensed and readers have the freedom to access as much or as little information as they require.

### **Conclusion**

The Clear language event provided us with an opportunity to reflect and look for ways forward. For example, do we need “text doctors” to diagnose a lack of clarity in a text and prescribe a cure? Should we appoint a Member to be responsible for clear language? Should we perhaps try different approaches for different categories of readers? Could we design our reports like Russian dolls, with a core basis for the general public and a detailed presentation for specialists? These are all questions we will have to consider in the future.



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