

[Press release, 10-11-2011](#)

[Committee: Budgetary Control](#)

Current arrangements for managing EU funds in Afghanistan are inadequate. If certain preconditions were met, direct EU budget support to Afghanistan would be more appropriate, as it could achieve sustainable, long-term-oriented results, said the Budgetary Control Committee on Thursday.

Following a critical report by Pino Arlacchi (S&D, IT), entitled "New strategy for Afghanistan", the Budgetary Control Committee decided to look into the budgetary control of EU funds in Afghanistan, where there is a high risk of fraud and corruption.

Rapporteur Jens Geier (S&D, DE), examined audit reports by the European Court of Auditors (ECA) and the US audit authorities.

### **Obstacles to direct budget support**

The committee was especially concerned about the lack of independence of the Afghan Control and Audit Office, as it is tied up with the Afghan administration, which is a serious obstacle to allowing direct budget support. "The US government has learnt its lessons the hard way. Now, after having put management and control systems in place in certain Afghan ministries, direct budget support is starting to work successfully," said the rapporteur.

In cooperating with multi-donor trust funds from UN and World Bank, a specific concern was the difficulty of getting access to internal audit reports. Only recently, a few UN agencies had decided to grant access to these audit reports to EU institutions, but only in the agencies' own premises, which complicates any attempt to make use of this right.

### **Rigorous conditions required**

The committee also called on the Commission to set rigorous and well-defined conditions, and clear and measurable targets, for disbursing budget support. "Direct budget support would enable the government of the Islamic Republic of Afghanistan (GIRoA) to build the long-term capacity the government urgently needs", says the report.

Afghanistan is amongst the recipient countries receiving the most civilian aid from the EU

general budget. The European Commission has committed over €2 billion and disbursed over €1.8 billion in development and humanitarian aid to Afghanistan since 2002. To a large extent, the EU funding for conflict-stricken countries like Afghanistan is channelled through the United Nations Organisations.

### **Next steps**

The plenary vote on this own-initiative report is foreseen for the December II part-session in Brussels.