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II

(Acts adopted under the EC Treaty/Euratom Treaty whose publication is not obligatory)

DECISIONS

EUROPEAN PARLIAMENT

DECISION OF THE EUROPEAN PARLIAMENT

of 24 April 2007

on the discharge for implementation of the European Union general budget for the financial year 2005, Section I — European Parliament

(2008/497/EC, Euratom)

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2005 ⁽¹⁾,
- having regard to the final annual accounts of the European Communities for the financial year 2005 — Volume I (SEC(2006) 0915 — C6-0465/2006) ⁽²⁾,
- having regard to the Report on budgetary and financial management for the financial year 2005, Section I — European Parliament ⁽³⁾,
- having regard to the Internal Auditor's annual report for 2005,
- having regard to the Annual Report of the Court of Auditors on the implementation of the budget for the financial year 2005, together with the institutions' replies ⁽⁴⁾,
- having regard to the statement of assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors pursuant to Article 248 of the EC Treaty ⁽⁵⁾,
- having regard to Articles 272(10) and 275 of the EC Treaty and Article 179a of the Euratom Treaty,
- having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁶⁾, and in particular Articles 145, 146 and 147 thereof,

⁽¹⁾ OJ L 60, 8.3.2005.

⁽²⁾ OJ C 264, 31.10.2006, p. 1.

⁽³⁾ DV/614096EN.doc.

⁽⁴⁾ OJ C 263, 31.10.2006, p. 1.

⁽⁵⁾ OJ C 263, 31.10.2006, p. 10.

⁽⁶⁾ OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).

- having regard to Article 13 of the Internal Rules for the implementation of the European Parliament's budget ⁽⁷⁾,
 - having regard to Article 147(1) of the Financial Regulation, which requires each Community institution to take all appropriate steps to act on the observations accompanying the European Parliament's discharge decision,
 - having regard to Rules 71 and 74(3) of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0094/2007),
- A. whereas the Court of Auditors' audit did not reveal any material errors (paragraph 10.4),
- B. whereas the Court of Auditors pointed to persistent weaknesses in supervisory and control systems (paragraphs 10.5-10.10),
- C. whereas the Parliament in its replies outlined the measures taken to overcome the weaknesses observed by the Court of Auditors,
- D. whereas Parliament's Rules of Procedure were amended on 23 October 2002 to provide that discharge is to be given to the President rather than to the Secretary-General,
1. Grants its President discharge for implementation of the European Parliament budget for the financial year 2005;
2. Sets out its observations in the Resolution below;
3. Instructs its President to forward this Decision and the Resolution that forms an integral part of it to the Council, the Commission, the Court of Justice, the Court of Auditors, the European Ombudsman and the European Data Protection Supervisor and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President

Hans-Gert PÖTTERING

The Secretary-General

Harald RØMER

⁽⁷⁾ PE 349.540/Bur/ann/def.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 24 April 2007****with observations forming an integral part of the Decision on the discharge for implementation of the European Union general budget for the financial year 2005, Section I — European Parliament**

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2005 ⁽¹⁾,
 - having regard to the final annual accounts of the European Communities for the financial year 2005 — Volume I (SEC(2006) 0915 — C6-0465/2006) ⁽²⁾,
 - having regard to the Report on budgetary and financial management for the financial year 2005, Section I — European Parliament ⁽³⁾,
 - having regard to the Internal Auditor's annual report for 2005,
 - having regard to the Annual Report of the Court of Auditors on the implementation of the budget for the financial year 2005, together with the institutions' replies ⁽⁴⁾,
 - having regard to the statement of assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors pursuant to Article 248 of the EC Treaty ⁽⁵⁾,
 - having regard to Articles 272(10) and 275 of the EC Treaty and Article 179a of the Euratom Treaty,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁶⁾, and in particular Articles 145, 146 and 147 thereof,
 - having regard to Article 13 of the Internal Rules for the implementation of the European Parliament's budget ⁽⁷⁾,
 - having regard to Article 147(1) of the Financial Regulation, which requires each Community institution to take all appropriate steps to act on the observations accompanying the European Parliament's discharge Decision,
 - having regard to Rules 71 and 74(3) of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0094/2007),
- A. whereas the Court of Auditors' audit did not reveal any material errors (paragraph 10.4),
- B. whereas the Court of Auditors pointed to persisting weaknesses in supervisory and control systems (paragraphs 10.5-10.10),

⁽¹⁾ OJ L 60, 8.3.2005.

⁽²⁾ OJ C 264, 31.10.2006, p. 1.

⁽³⁾ DV/614096EN.doc.

⁽⁴⁾ OJ C 263, 31.10.2006, p. 1.

⁽⁵⁾ OJ C 263, 31.10.2006, p. 10.

⁽⁶⁾ OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).

⁽⁷⁾ PE 349.540/Bur/ann/def.

- C. whereas the Parliament in its replies outlined the measures taken to overcome the weaknesses observed by the Court of Auditors,
- D. whereas Parliament's Rules of Procedure were amended on 23 October 2002 to provide that discharge is to be given to the President rather than to the Secretary-General,
- E. whereas its Resolution of 26 September 2006 ⁽⁸⁾ on the discharge for the financial year 2004 should be followed up and progress in implementing its recommendations assessed,
- F. whereas the Statute for Members of the European Parliament of 28 September 2005 ⁽⁹⁾, following the Council's agreement on 19 July 2005, will enter into force on the first day of the parliamentary term commencing in 2009,
- G. whereas the Codex for Parliamentary Assistants was adopted by the Bureau on 25 September 2006 ⁽¹⁰⁾,

The European Parliament's accounts, focusing in particular on property policy

- Notes that in 2005 Parliament received revenue amounting to EUR 112 393 557 (2004: EUR 117 409 824);
- Takes note of the figures with which Parliament's accounts for the financial year 2005 were closed, namely:

(in EUR)

Use of appropriations	Appropriations for the 2005 financial year		Appropriations carried over from the 2004 financial year
	Appropriations 2005	Appropriations from assigned revenue	Article 9(1) and 9(4) of Financial Regulation
Appropriations available	1 264 024 722 (100 %)	31 412 881 (100 %)	281 461 344 (100 %)
Commitments entered into	1 249 096 468 (98,82 %)		—
Payments made	941 932 832 (75,40 %)	29 679 028 (94,48 %)	259 853 230 (92,32 %)
Appropriations carried over to 2006			
Article 9(1) and (2) of the Financial Regulation	307 163 636		
Article 9(1), 9(2)(a) and 9(5) of the Financial Regulation	200 000		
Cancelled appropriations	14 728 254	—	21 608 114 (7,68 %)

Balance sheet at 31 December 2005: 1 520 822 777

- Notes that, in 2005, 98,82 % of the appropriations entered in Parliament's budget were committed with a cancellation rate of 1,18 % and that, as in previous years, a very high level of budget implementation was achieved;
- Recalls, however, that this high level of implementation is partly attributable to the consistent practice since 1992 of making 'mopping-up' transfers for the purposes of transferring any appropriations available at year-end to the budget lines for buildings and, in particular, for advance capital payments to reduce future interest payments; in this context EUR 124 144 556 (approximately 10 % of the

⁽⁸⁾ OJ L 177, 6.7.2007, p. 3.

⁽⁹⁾ OJ L 262, 7.10.2005, p. 1.

⁽¹⁰⁾ PE 377.686/BUR.

appropriations) were made available by means of a mopping-up transfer at the end of 2005; of this amount:

- EUR 75,7 million were used to for the purchase of the Winston Churchill (WIC) and Salvador de Madariaga (SDM) buildings in Strasbourg,
- EUR 46,2 million were transferred for an early disbursement against the annual lease payment due for the D4 and D5 buildings in Brussels,
- and EUR 2,3 million were set aside for the Europe House in Valetta;

in addition, by means of normal transfers, the Parliament purchased — jointly with the Commission — the Europe Houses in Copenhagen (EUR 10,6 million) and The Hague (EUR 7,4 million);

5. Reminds its competent bodies of its decision that ‘... repayment on buildings ... should be set as part of the budgetary strategy’⁽¹⁾; criticises therefore its competent bodies for continuously failing to budget with sufficient clarity Parliament’s property policy for future acquisitions (the budget line ‘acquisition of immovable property’ only shows token entries for 2005, 2006 and 2007);
6. Restates its demand to amend Article 16 of the Internal Rules for the implementation of the European Parliament’s budget with a view to making building projects with significant financial implications for Parliament’s budget subject to the agreement of the Committee on Budgets;
7. Calls yet again on the budgetary authority to establish budget forecasts ensuring that the amounts entered in the draft budget reflect real requirements in Parliament’s various policies; asks the authorising officers by delegation to state clearly in their annual activity reports the annual appropriations received, commitments entered into, payments made and unused amounts; furthermore calls on authorising officers by delegation to set out the reasons — as has already occurred to some extent — why budget appropriations have not been fully utilised;
8. Is aware of the fact that the Court of Auditors will publish a special report on the buildings policies of the Institutions in the near future; calls for its competent committee to draw up an own-initiative report on the basis of this special report; is furthermore of the opinion that this committee should have the right to draw up own-initiative reports without prior authorisation and outside the set quota for such reports, on any special report of the Court of Auditors should the committee so decide;
9. Regrets that the budget line for the EP Information Offices remains undifferentiated and expresses its wish for having a best practices review of all the Information Offices taking into account the cost-benefit ratio;

Court of Auditors’ comments on the financial year 2005

10. Welcomes that the Court’s audit did not reveal any material errors (paragraph 10.4);
11. Notes the Court’s observations with regard to the new computer application for the calculation of staff remunerations and also the reply of the competent Parliament service underlining that systematic ex-post controls have been in place since March 2006;
12. Acknowledges the Court’s criticism with regard to the flat-rate payments for staff travels between the three usual work-places; accepts, however, that it was the intention of Parliament’s administration to strike a balance between the requirements of the regulatory framework and the demands of the institution’s particular working environment; asks the Court to monitor the functioning of the flat-rate system and alert the discharge authority if it finds any indication of misuse;

⁽¹⁾ See paragraph 7 of the above mentioned Resolution of 26 September 2006.

13. Notes that the Court pointed to weaknesses in supervisory and control systems (paragraph 10.9) relating to the payment of allowances of Members of the European Parliament; considers it worrying that by mid-2006 only 54 % of the service providers, and only 29 % of the paying agents had submitted invoices relating to the period July 2004 to June 2005; notes that the internal audit of Members' parliamentary assistance allowance will be finalised in time for the 2006 discharge procedure;

The Internal Auditor's annual report

14. Notes that, in 2005, the Internal Audit Service finalised 7 reports: the Internal Auditor's annual report, reports on the follow-up to its review of the Internal Control Framework of directorates-general, on the procurement process, and on two of Parliament's Information Offices (it also adopted two reports on the European Ombudsman);
15. Welcomes the fact that the Internal Auditor was not only prepared to assist Parliament's discharge *rapporteur*, but also to present — for the first time in person — the findings of his 2005 annual report officially to the Committee on Budgetary Control, thereby establishing that his report is not only an internal management tool, but an important point of reference in the annual discharge;
16. Underlines that the audits have confirmed that the institution is still in a phase of transition between two fundamentally different concepts of internal control, and that it will take more time for full implementation of the Internal Control Framework (ICF) in all departments;
17. Welcomes the fact that the Internal Auditor concentrated his work in 2005 on the procurement process and on the follow-up to the agreed action plans resulting from the review of the ICF in 2003 and 2004;
18. Highlights in the area of procurement the following:
 - reasonable assurance must be obtained that the tender will meet underlying needs, be regular, cost-effective and transparent,
 - clear and comprehensive tender documentation must be provided,
 - adequate exclusion, selection and award criteria must be established,
 - timeliness, equal treatment and transparency in contacts with tenderers must be ensured,
 - transparent and consistent decisions by the opening committee must be guaranteed,
 - the evaluation of tenders must be based on the announced criteria,
 - a complete audit trail in the awarding of contracts must be kept,
 - contractual provisions must comply with the tender specifications,
 - achievement of these objectives implies adequate controls at the early critical stage of the procurement process,

- the effectiveness of the ex-ante verification of budgetary commitments for procurements must be enhanced;
19. Asks the Court of Auditors to assess, at the latest in the financial year 2008, to what extent these targets in the area of procurement have been achieved;
20. Reiterates that ICFs put in place by authorising officers by delegation have the following control objectives: compliance with applicable legislation, rules and practices, the reliability of management information and records, and the economy, effectiveness and efficiency of operations;
21. Recalling furthermore that authorising officers must comply with 22 minimum standards in order to realise the control objectives; those standards can be grouped into five control categories: control environment, performance and risk management, information and communication, control activities and monitoring (audit and evaluation);
22. Underlines in the area of the ICF the following (the Internal Audit Service agreed 454 actions with authorising departments in 2003/2004 and has carried out follow-up procedures to determine whether these were properly implemented; so far, the status of 341 actions has been thus validated):
- of the 37 actions from the review of the computerised system used to manage budgetary transactions, only 3 were not yet implemented by the end of 2005, and a further 9 were partly implemented,
 - of the 304 actions reviewing the degree of compliance with minimum standards of internal control and control objectives 150 were fully implemented, 86 implemented in part and no action had yet been taken by departments on the other 68,
 - for all other actions that have not yet been fully implemented, the Internal Audit Service has agreed a revised schedule with the authorising departments, which it will follow up in 2007;
23. Regrets that the audit of Members' parliamentary assistance allowances was not ready in time for the 2005 discharge procedure; calls on its competent committee to pay due attention to the findings of this audit at a later stage;

The European Parliament's financial management

24. Notes that the analysis of financial management accompanying the 2005 accounts provides a useful statement of the principal financial events of the year under review;
25. Points out that a proportion of management activity in Parliament in 2005 was still geared to adjusting to the new requirements of the Financial Regulation, setting up new control systems, methodologies and working methods, devising training programmes and establishing new lines of responsibility;
26. Notes that initial experience with applying the terms of the new Financial Regulation in an institution such as Parliament, with an administrative budget to manage, indicates in some cases that overly complex systems and financial circuits have been set up;
27. Notes that some directorates-general continue to hold the view that certain provisions of the Financial Regulation and its implementing rules lead to excessive bureaucratisation of the overall internal control process and constitute an undue burden on management;

28. Notes that in the former Directorate for Financial Control 18 staff members (out of a total staff complement of 20) were engaged in control duties, whereas under the new structure, introduced by the new Financial Regulation, 44 staff members are assigned to these tasks in the different directorates-general; in addition to which there are 10 auditors (out of a total staff complement of 12) working in the Internal Audit Service;
29. Reaffirms, yet again, the view expressed in its Resolutions of 26 September 2006, 12 April 2005 ⁽¹²⁾, 21 April 2004 ⁽¹³⁾ and 8 April 2003 ⁽¹⁴⁾ that 'the scope of the discharge procedure should cover not only the management activities of Parliament's Secretary-General and Administration, but also the decisions taken by its governing bodies, i.e. its President, Bureau and Conference of Presidents';
30. Emphasises that Parliament grants discharge not to the Secretary-General, but, rather, to the President as it is elected members, not officials, who are ultimately politically responsible for the preparation and implementation of the budget; therefore invites the President and the Vice-President responsible for the budget to participate in future meetings of the Committee on Budgetary Control as appropriate and to agree with the Committee on an appropriate format to have a fruitful political dialogue during the discharge procedure;
31. Welcomes that the Bureau has started discussions about its relations with the budgetary and discharge authority with a view to clarifying the precise practical meaning of the political responsibility attaching to the Members of Parliament's governing bodies as regards the exercise of powers and the taking of decisions with significant financial consequences; calls on the newly-elected Bureau to resume this discussion involving the committees concerned in this debate;
32. Welcomes the fact that the Secretary-General has drawn up a brief and easy-to-read document explaining the budget of 2004 and 2005, which is also available on Parliament's website;

The activity reports of the directors-general

33. Points out that Parliament's Secretary-General forwarded the 2005 activity reports of the directors-general to the Committee on Budgetary Control on 10 April 2006; in that connection the Secretary-General, in his capacity as authorising officer by delegation, declared that he had reasonable assurances that Parliament's budget had been implemented in accordance with the principles of sound financial management and that the control framework put in place afforded the requisite guarantees as to the legality and regularity of the underlying transactions;
34. Welcomes the fact that all directors-general have issued an unqualified declaration of assurance for their departments' financial transactions;
35. Appreciates the progress which has been made in harmonising the presentation and structure of the annual activity reports; remains however of the opinion that further progress should be possible to improve readability and comparability; asks its services to include a one-page executive summary stating the appropriations received, commitments entered into, payments made and what use was made of amounts not spent (i.e. carry-overs, transfers, mopping-up, etc.), as well as major events of the past financial year;
36. Notes that the conclusions in the activity reports identify the following general challenges:
 - putting the internal control framework into practice is more time-consuming than was originally assumed,
 - implementing the budget execution under the new Financial Regulation,

⁽¹²⁾ OJ L 196, 27.7.2005, p. 28.

⁽¹³⁾ OJ L 330, 4.11.2004, p. 160.

⁽¹⁴⁾ OJ L 148, 16.6.2003, p. 62.

- implementing political requests at short notice,
- recruiting and integrating new staff;

Procurement

37. Recalls that according to Articles 54 and 119 of the implementing rules for the Financial Regulation ⁽¹⁵⁾ institutions forward reports to the budgetary authority on negotiated procedures and on contracts not coming under public procurement directives; a list of contractors awarded contracts worth more than EUR 50 000, but less than the threshold under the directives referred to, is published in the Official Journal, and contracts worth between EUR 13 800 and EUR 50 000 are published on institutions' websites; in addition, in 2003 Parliament called on its Secretary-General to report annually on contracts concluded ⁽¹⁶⁾;
38. Notes that the annual report contains the following information on contracts of a value equal to or greater than EUR 13 800 awarded in 2005:

Type of contract	Number [2004 in ()]	Percentage [2004 in ()]	Amount in EUR [2004 in ()]	Percentage [2004 in ()]
Services	199 (229)	64 % (58 %)	89 551 639 (180 927 304)	44 % (75 %)
Supplies	53 (99)	17 % (25 %)	29 036 604 (26 500 867)	14 % (11 %)
Works	48 (60)	15 % (15 %)	13 763 856 (18 876 271)	7 % (8 %)
Buildings	12 (4)	4 % (2 %)	73 149 658 (15 593 025)	35 % (6 %)
Total	312 (392)	100 %	205 501 756 (241 897 467)	100 %

Type of procedure	Number [2004 in ()]	Percentage [2004 in ()]	Amount in EUR [2004 in ()]	Percentage [2004 in ()]	Avg amount [2004 in ()]
Open	64 (95)	21 % (24 %)	94 187 176 (157 909 034)	71 % (70 %)	1 471 675 (1 662 200)
Restricted	112 (110)	37 % (28 %)	26 676 276 (39 897 441)	20 % (18 %)	238 181 (362 704)
Negotiated	124 (183)	42 % (48 %)	11 488 646 (28 497 967)	9 % (12 %)	92 650 (155 727)
Total	300 (388)	100 %	132 352 098 (226 304 442)	100 %	441 174 (585 259)

39. Points out that of the 312 contracts awarded 147 were worth at least EUR 50 000 whereas 165 were worth between EUR 13 800 and EUR 50 000; asks its administration whether it considers the procedures in place to award the latter kind of contracts under the revised Financial Regulation to be sufficiently effective;

⁽¹⁵⁾ Commission Regulation (EC, Euratom) No 2342/2002 of 23 December 2002 laying down detailed rules for the implementation of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities (OJ L 357, 31.12.2002, p. 1).

⁽¹⁶⁾ Paragraph 90 of its 2001 discharge Resolution (OJ L 148, 16.6.2003, p. 62).

40. Recalls that the Internal Auditor has completed an institution-wide audit of the procurement process; his recommendations can be found above;
41. Welcomes that — with regard to value — 91 % of the contracts were awarded under open (71 %) and restricted (20 %) procedures;
42. Takes note of the Secretary General's reply ⁽¹⁷⁾ setting out the measures taken to establish the contracts database pursuant to Article 95 of the Financial Regulation; acknowledges at the same time that the revised Financial Regulation now envisages a single central database for all institutions, managed by the Commission;

Political groups (review of accounts and procedures — budget Item 3701)

43. Recalls that paragraph 2.7.3 of the Rules on the use of appropriations from budget Item 3701 ⁽¹⁸⁾ requires the Bureau and the Committee on Budgetary Control to deal with the audited annual accounts of the political groups in accordance with the powers conferred upon them by the Rules of Procedure;
44. Reiterates that the political groups are themselves responsible for the management and use of their funds from Parliament's budget and that the remit of Parliament's Internal Audit Service does not extend to the conditions under which use is made of the appropriations against budget Item 3701;
45. Welcomes the fact that the political groups have published their internal financial rules and accounts for 2005 on Parliament's website;
46. Records the following outturn figures for appropriations entered against budget item 3701 in 2005:

(in thousands of EUR)

Total available in budget			61 973			
Non-attached Members			1 329			
Amount available for groups			60 644			
Group	Allocated from Parliament's budget	Groups' own resources and carry-forwards	Expenditure in 2005	Utilisation rate	Carry-forward ceiling (*)	Carried forward to 2006
EPP-ED	17 282	4 510	15 066	69 %	8 641	6 727
PSE	13 107	5 447	11 679	63 %	6 554	6 554
ALDE	5 783	2 251	4 354	54 %	2 892	2 892
Verts/ALE	2 712	777	2 448	71 %	1 356	1 040
GUE/NGL	2 726	1 223	2 735	69 %	1 363	1 214
UEN	1 672	284	1 525	78 %	836	430
IND/DEM	2 182	688	2 044	71 %	1 091	826
NI	1 110	219	986	74 %	555	260
Total	46 575	15 399	40 837	66 %	23 287	19 942

(*) As per implementing provisions for budget Item 3701.

47. Notes the confirmations by the political groups' external auditors that the accounts complied with current rules and international accounting standards;

⁽¹⁷⁾ Letter to the chairman of the Committee on Budgetary Control of 11 January 2007 (300319).

⁽¹⁸⁾ Bureau decision of 30 June 2003.

48. Notes that, on 3 July 2006, the Bureau approved the groups' reports on budget implementation and the respective auditors' reports; in this context the PSE Group refunded EUR 322 107 and the ALDE refunded 788 845 of unused money to the Parliament's budget, as these amounts could not be carried over;
49. Notes that the political groups only utilised — on average — 66 % of the appropriations available to them (2004: 74 %);

Political parties at European level

50. Notes the following presentation of accounts for the closure of the 2005 budget year:

2005 budget execution under the agreement

(EUR)

Party (*)	own resources	total grant from EP	total revenue	grant as % of eligible expend. (max. 75 %)
PPE	1 053 583,60	2 398 941,14	3 452 524,74	70,08 %
PSE	848 943,72	2 489 175,00	3 338 118,72	74,76 %
ELDR	358 234,17	819 562,69	1 177 796,86	70,10 %
EFPG	205 699,82	568 261,00	773 960,82	73,64 %
AEN	38 184,98	114 330,48	152 515,46	74,96 %
PDE	85 932,25	253 933,49	339 865,74	74,86 %
GE	121 956,00	365 868,00	487 824,00	69,49 %
EFA	84 530,51	217 906,00	302 436,51	72,05 %
Total	2 797 065,05	7 117 977,80	10 025 042,85	72,18 %

(*) PPE: European People's Party; PSE: Party of European Socialists; ELDR: European Liberal Democrat and Reform Party; EFPG: European Federation of Green Parties; AEN: Union for Europe of the Nations; PDE: European Democratic Party; GE: Party of the European Left; EFA: European Free Alliance.

51. Underscores the fact that the parties' external auditors have confirmed that the accounts were in conformity with the statutory provisions set out in Articles 6, 7, 8 and 10 of Regulation (EC) No 2004/2003 of the European Parliament and of the Council of 4 November 2003 on the regulations governing political parties at European level and the rules regarding their funding ⁽¹⁹⁾ and that the accounts presented a true and faithful picture of the financial situation of the political parties at the close of the 2005 financial year;
52. Observes, however, that
- the Party of the European Left (GE) exceeded its provisional budget and made a loss of EUR 42 000, which is not entirely covered by existing capital; the party must therefore significantly improve its internal control structures and immediately recapitalise the party in order to meet the liabilities for 2005 and to guarantee a sufficient reserve for the future,
 - the budget implementation of the Union for Europe of the Nations (AEN) and the European Democratic Party (PDE) fell short of their provisional budgets, which led to a reduction of the grant and the recovery of the excess paid (EUR 110 669,52 from the AEN and EUR 113 690,51 from the PDE);
53. Highlights the fact that parties at European level have arrived at a high utilisation of the appropriations available to them;

⁽¹⁹⁾ OJ L 297, 15.11.2003, p. 1.

54. Emphasises again the relevance of its proposals for the further improvement of Regulation (EC) No 2004/2003 as mapped out in its resolution of 23 March 2006 ⁽²⁰⁾;
55. Is pleased that the following improvements could be achieved with regard to the financing of political parties at European level following a decision by the Bureau of 1 February 2006:
- eligible expenses under the current year's grant (n) can be paid in the year $n + 1$,
 - the Bureau adopted an indicative multi-annual budget for the period 2007-2009;
56. Remains convinced that European political parties must be allowed to establish reserves to meet their statutory obligations towards their employees and contractors should the party be disbanded; asks the Commission no longer to default in honouring its undertaking given in the conciliation procedure of 21 November 2006 to submit a proposal for amending Regulation (EC) No 2004/2003 by introducing appropriate provisions for exempting from the no-profit rule set up in Article 109 of the Financial regulation the own resources, in particular contributions and membership fees, aggregated in the annual operations of a political party at European level which exceed the 25 % of eligible cost to be borne by the beneficiary according to Article 10(2) of Regulation (EC) No 2004/2003;

Parliament's property policy

57. Acknowledges that it is Parliament's established policy to become the owner of the premises it uses; as a consequence it invested a total of EUR 1 400 million in immovable property from 1992 to 2005, thereby saving, according to its own calculations, approximately EUR 700 million in rent and charges up to the end of 2006;
58. Asks the Secretary-General to provide the relevant parliamentary committee with details of the costs of maintaining Parliament's three places of work in total and by location, as the last update requested was for the year 2000 when the Union had only 15 Member States, so that Parliament can get a better insight into its cost structure and can identify areas where savings can be made;

Strasbourg

59. Reiterates that the Committee on Budgetary Control has comprehensively reviewed the events surrounding the purchase of the Winston Churchill (WIC), Salvador de Madariaga (SDM) and IPE III buildings in preparation for the Parliament's 2004 discharge;
60. Underlines that since then Parliament has become the owner of the three buildings, following the unanimous decision of its Bureau on 23 October 2006; the financial and legal provisions in the deed of sale foresaw:
- a sale price of EUR 143 125 000, payable in cash at the time of signature, the two sites being assigned for the symbolic price of EUR 1 each,
 - Parliament would enjoy possession of the buildings with effect from the date of signature of the deed,
 - the programme of renovation work on the buildings, initially agreed with SCI-Erasme, would be continued and completed under the responsibility of the City of Strasbourg,
 - the City of Strasbourg would arrange for the financing and execution of work necessary in order for the IPE III building to be classified as a 'public-access building, first-category' by 31 December 2007 at the latest;

⁽²⁰⁾ OJ C 292 E, 1.12.2006, p. 127.

61. Notes that the Bureau, on that occasion, also authorised the payment of rent for the three buildings covering the year 2006 until the signature of the framework agreement (28 September 2006), in accordance with the opinion delivered by the Legal Service on 26 June 2006: EUR 7 352 644,14 for the WIC and SDM buildings, and EUR 4 023 329,90 for the IPE III building;
62. Notes furthermore that the deed of sale provided that if Parliament assigned the whole building complex — to a third party other than a European Union institution or body — ownership of the site(s) would revert to the City of Strasbourg for the symbolic price of EUR 1; the price for the buildings would be mutually agreed between Parliament and the City of Strasbourg or — failing that — be determined by an expert assessment,

Luxembourg

63. Notes the elements of the framework agreement between the Luxembourg authorities and the Parliament concerning the extension of the Konrad-Adenauer-Building (KAD I and II); the framework agreement covers the land, the Parliament's right to let all or part of the buildings and the terms for granting a right in rem to any purchaser of the buildings;
64. Notes furthermore that costs for project management for carrying out further studies, project management for KAD upgrading work and for work contracts were estimated at EUR 345 170 900 (value May 2005);
65. Highlights that it will be seeking environmental certification for the KAD extension, in line with its adherence to the Eco-Management and Audit Scheme (EMAS);

Brussels

66. Recalls that on 10 October 2004 it signed the long lease with the developer conferring the right in rem for the construction of the D4-D5 buildings with the option to purchase; the overall budget stands at EUR 325,2 million; advance payments of EUR 192,6 million have been made;
67. Notes that the Bureau approved the setting-up of a cultural amenities area and of a European Visitors Centre in the D4 building in July 2005;
68. Emphasises that the Belgian Government, most recently in a letter from Prime Minister Guy Verhofstadt of 28 September 2004, guaranteed that the land and the land development costs would be reimbursed to Parliament, and that this is the standard procedure also applying to the other European institutions;
69. Regrets, however, that the Belgian authorities have not — until now — honoured the agreement on the land cost estimated at EUR 43 million and that they dispute the total amount to be reimbursed to Parliament for the land development costs of the site for the D4-D5 buildings, estimated by Parliament's services at EUR 30,8 million;
70. Considers the offer of EUR 15 million, made by the Belgian authorities, to be unacceptable; is of the opinion that the costs for paving the roof covering the railway station, which is a public thoroughfare, cannot — as a matter of principle — be funded from Parliament's budget;
71. Expresses its support to the President and Bureau to solve the disputes that have arisen between the Belgian authorities and Parliament while safeguarding the Parliaments' financial and institutional concerns;
72. Calls therefore on the Belgian government to honour the aforementioned agreement;
73. Is of the opinion that the construction of the new buildings of the Parliament and the subsequent investments in construction around these buildings has had an effect on the surrounding neighbourhood in terms of housing, traffic and working and living conditions, and calls therefore on

its Secretary-General to pursue a policy of regular consultations with representatives of the inhabitants of the area and to report on the results achieved to limit the possible negative impact of Parliament's presence in coordination with the local authorities in time for the next discharge;

Voluntary Pension Scheme

74. Recalls that the Court of Auditors has repeatedly pointed out in its Annual Reports, most recently in 2005 (Table 10.2), that a sufficient legal basis for Parliament's additional pension scheme must be created; recalls that, in addition, according to the Court, clear rules must be established to cover the eventuality of a deficit; notes however that the view of Parliament's legal services is that a sufficient legal basis for the additional pension scheme already exists under the regulatory autonomy of the European Parliament laid down in Article 199 of the EC Treaty (formerly Article 142 of the EEC Treaty) which confers on the European Parliament the right to take whatever measures it requires for its internal organisation and that furthermore, once the Members' Statute comes into force, Article 27 of that Statute will constitute the legal basis for the Pension Fund;
75. Notes that in November 2005 the Voluntary Pension Fund had 475 members, who paid a monthly contribution — directly deducted from the general expenditure allowance — of EUR 948, representing one third; at the same time Parliament paid a monthly contribution of EUR 1 896 per member;
76. Calls on the members of the Voluntary Pension Fund to prove by end of November 2007 that their contributions deducted from the general expenditure allowance have been repaid from a private source of income; otherwise fund members remain exposed to allegations of generating hidden additional income;
77. Calls on its administration to discontinue payments — as of January 2008 — for Members who did not prove that their personal contribution to the Voluntary Pension Fund was refunded from a private source of income;
78. Reminds the Bureau and its administration that they were supposed to propose measures, before 30 March 2007, ensuring that personal payments by Fund members to the pension scheme are made through direct debit orders from a personal source of income ⁽²¹⁾;
79. Notes that the Voluntary Pension Fund managed to reduce its actuarial deficit, already existing for five years, from EUR 43 756 745 in 2004 to EUR 28 875 471 in 2005, thereby improving the fund's actuary funding position from 76,8 % in 2004 to 86,1 % in 2005; underlines that over the past years the stock market has proved to be highly volatile and that there is therefore no certainty as to the direction in which the Fund's actuarial deficit will develop;
80. Calls on the investment manager of the Fund to favour 'low-risk' investments and to observe the ethical investment standards as expressed in Parliament's resolutions;
81. Notes that, as from January 2006, a member can draw a monthly pension of EUR 1 304 from age 60 onwards and after only five years of contributions;
82. Welcomes the fact that its Bureau has set up a working party to look into the financial situation of the Voluntary Pension Fund on the basis of an independent actuarial study; asks that its Committee on Budgetary Control be informed of the working party's findings on a regular basis;
83. Takes the view that the relationship between Parliament and the Pension Fund must be placed on a contractual footing once the Bureau working party has completed its task;
84. Takes the view that once the Statute for Members of the European Parliament enters into force the Voluntary Pension Fund should confine itself to honouring rights (acquired up to June 2009), meaning that neither Members of the European Parliament nor members of the Fund can continue to pay into the Fund; calls on the Bureau to take the necessary measures,

⁽²¹⁾ See paragraph 88 of the above mentioned Resolution of 26 September 2006.

Parliamentary Assistants in the European Parliament

85. Welcomes the decision of its Bureau of 25 September 2006 by which it adopted a Codex for parliamentary assistants in the European Parliament; is of the opinion that each Member should be issued a personal copy of the Codex in his or her language;
86. Notes, based on figures provide by the Secretary-General on 24 January 2007, that the total number of assistants that are accredited is 1 416 at present, of which 433 are service providers (natural persons), about 583 have a direct employment contract with the Member and the other 400 are employed via a service provider; from those, approximately 138 have an employment contract under Belgian law (14 % of the accredited assistants under employment contracts); in 2005 there were 4 060 contracts for parliamentary assistants (including 1 673 employees and 2 387 service-providers — of which 1 687 are natural persons and 700 legal persons) and 492 stagiaires were paid from the parliamentary assistance allowance;
87. Underlines, in this context, the importance of the audit of the Members' parliamentary assistance allowance, which will only be available later this year; asks, therefore, the Committee on Budgetary Control to follow-up this audit report together with its earlier observations on Members' allowances ⁽²²⁾ during the 2006 discharge;
88. Takes note that the development of a Statute for Assistants requires negotiations with the Commission and the Council and that the Bureau also wishes to consult the Committee on Legal Affairs; calls therefore on the newly-elected Bureau to press ahead with this subject with a view to regulating recruitment and working conditions and also social security and taxation arrangements for assistants;
89. Holds the view that in light of the on-going debate on this issue the mandate of the parliamentary working party on Members' assistants should be extended;

A Kyoto-plus Plan for the European Parliament

90. Recalls some of the key figures which reflect the enormous impact the European Parliament has on the environment (figures for 2004):

— electricity expenditure	EUR 6,2 million
— heating and gas	235 364 GJ/year
— CO ² emissions	11 245 t/year
— paper/printshop	70 523 boxes of 2 500 sheets A4 (846,3 t)
— water	167 830 m ³ = EUR 258 836
— ordinary waste	2 098 t = EUR 347 387
— car parks	5 156 spaces
91. Requests the Secretary-General to provide the relevant parliamentary committee with an analysis of the environmental impact of the Parliament's three work places overall and by location, and of the related travel requirements;
92. Welcomes the Bureau decision of 19 April 2004 establishing an Environmental Management System at the European Parliament, in accordance with the Eco-Management and Audit Scheme Regulation (EMAS Regulation), which offers an excellent tool for managing the environmental impact of Parliament's activities;
93. Welcomes also other initiatives to reduce its impact on the environment, such as the reorganisation of the print shop, the introduction of new and lighter containers for transport of documents, the availability of bicycles in Brussels and Luxembourg, the organisation of videoconferences and the recycling of ink cartridges;

⁽²²⁾ See paragraphs 73 to 79 of the above mentioned Resolution of 26 September 2006.

94. Welcomes the EMAS registration as a very positive step; regrets however that the EMAS action plan sets only very modest reduction targets (i.e. 5 % for heating and air conditioning), proposes late deadlines (i.e. 2011 for reducing energy consumption for lighting), and establishes various study groups working on single improvements;
95. Points out that the European Union plays a leading role in the debate about climate change at international level; considers therefore that Parliament should not only contribute actively to meeting the EU commitments under the Kyoto-Protocol, but also to meeting the targets in its own resolutions on climate change, in particular a reduction of CO₂ emissions by 30 % by 2020;
96. Calls on its administration to elaborate a Kyoto-plus Plan setting out an action plan that is more ambitious and comprehensive than the measures envisaged under the EMAS framework, with a view to proving to the general public that it strives for attaining the targets which it asks others to attain;
97. Is of the opinion that the actions for a Kyoto-plus Plan should comprise the following:
 - guaranteeing that the extension to the KAD building in Luxembourg will set an example by using best environmental practice (i.e. by installing a system for the recovery, storage and re-use of rain water, by the use of eco-technology to reduce energy consumption, the use of modern technology such as advanced thermal insulation, or air conditioning systems that facilitate heat recovery or free cooling, the use of solar panels for water heating purposes and the possibility of a unit for the co-generation of heat and electricity),
 - establishing an integrated energy efficiency plan on the basis of an audit not only of energy consumption, but also on the basis of a study on the main causes of energy losses; energy loss could be visualised through thermo-graphic pictures of the buildings,
 - considering a change of electricity provider or a renegotiation of the contract with the present one(s) with a view to buying energy from companies which have the least negative impact on the environment,
 - reducing further the use of paper (standing at 846 tons in 2004),
 - striving for a considerable reduction of water consumption (which seems not to be one of the targets of the current EMAS action plan),
 - reducing the emissions of its service cars to 130 gr/km CO₂ by 2012,
 - considering using hybrid vehicles as its service cars when possible,
 - organising an information campaign in Parliament, during which — on the basis of transport needs and preferences of officials and other agents already established in surveys — a Parliament mobility plan is presented, which would highlight the advantages and encourage the use of sustainable means of transport (i.e. walking, using bicycles, public means of transport, car sharing, car pooling etc.),
 - establishing contacts with local and regional public transport providers with a view to offering a more efficient public transport network, thereby attracting more clients from the personnel of Parliament and other institutions,
 - asking the Bureau to establish a permanent and visible information point on mobility management, which provides customers with information and help about sustainable mobility,
 - encouraging the use of IT equipment and video conferences in order to reduce travel,

- endeavouring to reduce the distance food sold in Parliament's canteens and restaurants travels before it reaches the consumer;

Equal opportunities in the European Parliament

98. Considers that offering equal opportunity has to be an integral part of Parliament's staff policy; welcomes therefore the comprehensive report presented by the Vice-President responsible for gender equality, which the Bureau adopted 29 November 2006; expects that the conclusions will be fully implemented;
99. Points out that Parliament's equal opportunity policy should form an integral part of tender procedures and should be duly taken into account when concluding contracts with companies providing services to Parliament;
100. Agrees with the targets set by the Bureau for the appointment of women at management level; notes with satisfaction that the targets for senior management have almost been reached;
101. Draws attention to the persistent imbalance at middle management level; welcomes the survey and the measures taken by DG Personnel; calls however for an assessment of the pilot training programme for women who may be appointed heads of unit;
102. Underlines that a better professional-life/private-life balance can promote equal opportunities; calls therefore for concrete measures to introduce more flexible working arrangements for staff, to complement the existing statutory provisions;
103. Notes the efforts of DG Personnel to improve the administrative and budgetary procedures for the replacement of staff on maternity or parental/family leave and working part-time; asks its Bureau and the Committee on Budget to set aside the necessary budgetary means to ensure the systematic replacement of these staff members;
104. Welcomes the efforts to improve the accessibility of Parliament for persons with disabilities, be it Members, assistants, staff or citizens; welcomes the pilot programme adopted by the Bureau on traineeships for persons with disabilities as a positive action measure, keeping in mind that the long-term objective is to fully mainstream the disability aspect into all human resources processes;
105. Calls on the Secretary-General to take full account of its resolution on gender mainstreaming of 13 March 2003 ⁽²³⁾ for Parliament's staff policy; recommends the introduction of gender budgeting in the 2008 budget;

Parliament and the European Anti-Fraud Office (OLAF)

106. Welcomes that cooperation between Parliament and OLAF is generally considered satisfactory; is, however, worried about the long time span necessary to complete some investigations;
107. Asks the Committee on Budgetary Control to invite the Director of OLAF for a discussion of issues of common interest before the end of July 2007;
108. Is aware that Parliament and Council will discuss the revision of the Regulation (EC) No 1073/1999 of the European Parliament and of the Council of 25 May 1999 concerning investigations conducted by the European Anti-Fraud Office (OLAF) ⁽²⁴⁾ in the near future;

⁽²³⁾ OJ C 61 E, 10.3.2004, p. 384.

⁽²⁴⁾ OJ L 136, 31.5.1999, p. 1.

‘Raising the Game’— reforming Parliament’s administration

109. Points to the fact that the reorganisation of Parliament's secretariat with a view to creating even more professionalism, high quality and synergy has almost been completed; notes that the following changes have been introduced:
- dividing the former Directorate General for Committees and Delegations into two, creating a Directorate General for Internal Policies and a Directorate General for External Policies, thereby taking into account the increasing legislative burden and level of specialisation,
 - improving relations between the European Parliament and the national Parliaments,
 - disbanding the former Directorate General for Research and re-establishing it in the form of policy departments working closely with parliamentary committees,
 - endowing parliamentary committees with an expertise budget for external studies and contributions from independent experts,
 - developing the use of its library,
 - setting up horizontal project teams on priority issues, and
 - improving the quality of parliamentary texts;
110. Welcomes the progress achieved by implementing the reform;
111. Underlines, at the same time, that with regard to external studies the specifications of studies should be clear, the financial envelope sufficient and the deadlines realistic for research institutes to deliver quality advice;

Follow-up to last year’s discharge Resolution

112. Takes note that its Bureau appointed two Vice-Presidents and two Questors on 30 November 2005 with a view to preparing new rules governing the payment of expenses and allowances to Members under the Members’ Statute which will enter into force in July 2009; asks that the Committee on Budgetary Control be given a copy of the interim report, adopted on 13 December 2006, and other position papers the working party might draft; underlines that the audit on the Members’ parliamentary allowance will be of high value for the working party;
113. Notes that its Bureau has currently no intention to modify the travel reimbursement rules for Members with a view to reimbursing Members, who so desire, only for travel costs incurred; 27 Members reimbursed Parliament for parts of their travel allowance (EUR 148 963,57) in 2005;
114. Notes that the authorising officers by delegation have systematically reviewed Parliament's long-standing contracts and that this exercise did not reveal any situation prejudicial to Parliament's financial interests; welcomes that this exercise will in future be conducted annually and that its results will be included in the annual activity reports;
115. Notes that in the context of the 2004 enlargement 984 posts for officials have been created: 489 in 2003, 355 in 2004 and 150 in 2005; by the end of November 2006 518 officials and 336 temporary agents had been recruited; in addition, 65 Bulgarian and 79 Romanian contractual agents had also been recruited by the end of November 2006;
116. Takes note of the legal and organisational problems linked to the introduction of a system of electronic signatures: from a legal viewpoint clarification would be required as to how to reconcile the project with the provisions of the Rules of Procedure governing the tabling of amendments in plenary; from an organisational viewpoint arrangements for tabling amendments and parliamentary questions would have to be redefined;

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117. Asks how the Secretary-General intends to implement the Interinstitutional Agreement on Better Lawmaking;
 118. Recalls that the Disciplinary Board has completed its work on allocating responsibility in connection with the discrepancy of BEF 4 136 125 between the cash situation and the corresponding amounts in 1982; asks the Secretary-General to inform the Committee on Budgetary Control about the outcome of the disciplinary proceedings and also whether the amount, including interests, was recovered.
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DECISION OF THE EUROPEAN PARLIAMENT**of 24 April 2007****on the discharge for implementation of the European Union general budget for the financial year 2005, Section II — Council**

(2008/498/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2005 ⁽¹⁾,
 - having regard to the final annual accounts of the European Communities for the financial year 2005 — Volume I (C6-0466/2006) ⁽²⁾,
 - having regard to the Council's annual report to the discharge authority on internal audits carried out in 2005,
 - having regard to the Annual Report of the Court of Auditors on implementation of the budget for the financial year 2005 and the Court of Auditors' special reports, together with the audited institutions' replies ⁽³⁾,
 - having regard to the statement of assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors pursuant to Article 248 of the EC Treaty ⁽⁴⁾,
 - having regard to Articles 272(10), 274, 275 and 276 of the EC Treaty,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Articles 50, 86, 145, 146 and 147 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0108/2007),
1. Grants the Council's Secretary-General discharge for implementation of the Council budget for the financial year 2005;
 2. Sets out its observations in the Resolution below;
 3. Instructs its President to forward this Decision and the Resolution that forms an integral part of it to the Council, the Commission, the Court of Justice, the Court of Auditors and the European Investment Bank, and to the national and regional audit institutions of the Member States, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Harald RØMER

⁽¹⁾ OJ L 60, 8.5.2005.

⁽²⁾ OJ C 264, 31.10.2006, p. 1.

⁽³⁾ OJ C 263, 31.10.2006, p. 1.

⁽⁴⁾ OJ C 263, 31.10.2006, p. 10.

⁽⁵⁾ OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 24 April 2007****with observations forming an integral part of the Decision on the discharge for the implementation of the European Union general budget for the financial year 2005, Section II — Council**

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2005 ⁽¹⁾,
 - having regard to the final annual accounts of the European Communities for the financial year 2005 — Volume I (C6-0466/2006) ⁽²⁾,
 - having regard to the Council's annual report to the discharge authority on internal audits carried out in 2005,
 - having regard to the Annual Report of the Court of Auditors on implementation of the budget for the financial year 2005 and the Court of Auditors' special reports, together with the audited institutions' replies ⁽³⁾,
 - having regard to the statement of assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors pursuant to Article 248 of the EC Treaty ⁽⁴⁾,
 - having regard to Articles 272(10), 274, 275 and 276 of the EC Treaty,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Articles 50, 86, 145, 146 and 147 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0108/2007),
1. Notes that in 2005 the Council had available commitment appropriations amounting to a total of EUR 588 182 640,52 with a utilisation rate of 96,69 %;
 2. Notes that following the introduction of accrual accounting with effect from 1 January 2005 the Council's financial statements disclose a positive economic out-turn of EUR 19 386 891,40 and identical amounts (EUR 398 520 004,03) of assets and liabilities;
 3. Regrets that unlike other institutions the Council does not submit an annual activity report to the European Parliament, citing the Gentlemen's Agreement of 1970 (Resolution recorded in the minutes of the Council meeting of 22 April 1970) and the absence of any corresponding requirement in the Financial Regulation; calls on the Council to reconsider the decision not to publish an activity report in order to be more accountable to the general public and taxpayers;
 4. Points to the European Court of Auditors' (ECA) finding (paragraph 10.11) that, while the Council's reformed system for reimbursing the travel expenses of delegates of Council Members has greatly reduced the administrative burden, there were insufficient checks on the validity of Member States' statements before payment of the July 2005 instalment;

⁽¹⁾ OJ L 60, 8.3.2005, p. 1.

⁽²⁾ OJ C 264, 31.10.2006, p. 1.

⁽³⁾ OJ C 263, 31.10.2006, p. 1.

⁽⁴⁾ OJ C 263, 31.10.2006, p. 10.

⁽⁵⁾ OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).

5. Notes from the annual report of the internal auditor that, regarding Council delegates' mission expenses, the internal auditor stresses the need for more transparency as to the eligibility of meetings and refundable expenses and recommends the setting-up of a working group to look at such matters;
6. Takes note of the Council's reply to the ECA that on the basis of a report of the Council's Internal Audit Service on the functioning of the new system of travel expenses of delegates of Council Members one year after its introduction in 2004, the Council Secretariat is currently reviewing the system; notes that each delegation now receives from the Council Secretariat a limited budget with a ceiling;
7. Recalls that the Council Secretariat was unwilling to reply officially to a questionnaire to all the institutions (including the European Parliament) concerning the use of official cars having regard to the terms of the abovementioned Gentlemen's Agreement;
8. Points out that the abovementioned Gentlemen's Agreement provides, as regards the section of the budget concerning the European Parliament, that:

'[t]he Council undertakes to make no amendments to the estimate of expenditure of the European Parliament. This undertaking shall only be binding in so far as this estimate of expenditure does not conflict with Community provisions, in particular with regard to the Staff Regulations of Officials and Conditions of Employment of Other Servants, and to the seat of the institutions';
9. Considers that in view of its age and the substantial shortfall between words used and the meaning or interpretation which is attributed to them, the Gentlemen's Agreement may be in need of revision;
10. Believes that the current compromise consisting in an informal dialogue between the Council and the competent committee's chairman and *rapporteur* should be widened so as to include a Member from each political group; instructs its competent committee to begin negotiations with the Council with a view to putting revised arrangements for informal dialogue in place in time for the next discharge procedure;
11. Observes that in its special report No 9/2006 the ECA found that in 2005 the cost per page of translation at the Council was EUR 276 (as against EUR 194 at the Commission and EUR 119 at the European Parliament); notes that this difference is partly explained by the Council Secretariat's success in reducing the number and length of documents sent for translation and establishing a list of core documents and that in due course the Council plans to reduce the number of translation staff substantially;
12. Calls for maximum transparency in the area of Common Foreign and Security Policy (CFSP); requests the Council to make sure that, in accordance with point 42 of the Interinstitutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management ⁽⁶⁾, no operating CFSP expenditure appears in the Council's budget; reserves the right to take the necessary steps, where appropriate, if the agreement is infringed.

⁽⁶⁾ OJ C 139, 14.6.2006, p. 1.

DECISION OF THE EUROPEAN PARLIAMENT

of 24 April 2007

on the discharge for implementation of the European Union general budget for the financial year 2005, Section III — Commission

(2008/499/EC, Euratom)

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2005 ⁽¹⁾,
- having regard to the final accounts of the European Communities for the financial year 2005 — Volume I — (SEC(2006) 0916 — C6-0263/2006, SEC(2006) 0915 — C6-0262/2006) ⁽²⁾,
- having regard to the Commission's annual report to the discharge authority on the follow-up to 2004 discharge Decisions (COM(2006) 0642, COM(2006) 0641), and the Commission staff working paper — Annex to the report from the Commission to the European Parliament on the follow-up to 2004 discharge Decisions (SEC(2006) 1376, SEC(2006) 1377),
- having regard to the Commission communication to the European Parliament, the Council, the Economic and Social Committee and the Committee of the Regions, entitled *Policy Achievements in 2005* (COM(2006) 0124),
- having regard to the Commission communication entitled *Synthesis of the Commission's management achievements in 2005* (COM(2006) 0277),
- having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2005 (COM(2006) 0279),
- having regard to the Commission's report on Member States' replies to the Court of Auditors' 2004 annual report (COM(2006) 0184),
- having regard to the Green Paper on the European Transparency Initiative adopted by the Commission on 3 May 2006 (COM(2006) 0194),
- having regard to Opinion No 2/2004 of the Court of Auditors on the 'single audit' model (and a proposal for a Community internal control framework) ⁽³⁾,
- having regard to the Commission communication on a roadmap to an integrated internal control framework (COM(2005) 0252),
- having regard to the Commission's action plan towards an integrated internal control framework (COM(2006) 0009),
- having regard to the first report on the scoreboard for the application of the Commission action plan towards an integrated internal control framework published on 19 July 2006 (SEC(2006) 1009),
- having regard to the House of Lords European Union Committee report entitled *Financial Management and Fraud in the European Union: Perceptions, Facts and Proposals*, which was published on 13 November 2006,
- having regard to the Court of Auditor's annual report on implementation of the budget for the financial year 2005 ⁽⁴⁾ and its special reports, each accompanied by the replies of the institutions audited,

⁽¹⁾ OJ L 60, 8.3.2005.

⁽²⁾ OJ C 264, 31.10.2006, p. 1.

⁽³⁾ OJ C 107, 30.4.2004, p. 1.

⁽⁴⁾ OJ C 263, 31.10.2006, p. 1.

- having regard to the statement of assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions, provided by the Court of Auditors pursuant to Article 248 of the EC Treaty ⁽⁵⁾,
 - having regard to the Council's Recommendation of 27 February 2007 (5710/2007 — C6-0081/2007),
 - having regard to Articles 274, 275 and 276 of the EC Treaty and Articles 179a and 180b of the Euratom Treaty,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁶⁾, and in particular Articles 145, 146 and 147 thereof,
 - having regard to Opinion No 4/2006 of the Court of Auditors on the draft Council Regulation amending Regulation (EC, Euratom) No 1605/2002 ⁽⁷⁾,
 - having regard to Rule 70 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinions of the other committees concerned (A6-0095/2007),
- A. whereas under Article 274 of the EC Treaty the Commission implements the budget on its own responsibility, having regard to the principles of sound financial management,
1. Grants the Commission discharge for implementation of the European Union general budget for the financial year 2005;
 2. Sets out its observations in the Resolution below;
 3. Instructs its President to forward this Decision, and the Resolution that forms an integral part of it, to the Council, the Commission, the Court of Justice, the Court of Auditors and the European Investment Bank, and the national and regional audit institutions of the Member States, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Harald RØMER

⁽⁵⁾ OJ C 263, 31.10.2006, p. 10.

⁽⁶⁾ OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).

⁽⁷⁾ OJ C 273, 9.11.2006, p. 2.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 24 April 2007****with comments forming an integral part of the Decision on the discharge for implementation of the European Union general budget for the financial year 2005, Section III — Commission**

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2005 ⁽¹⁾,
- having regard to the final accounts of the European Communities for the financial year 2005 — Volume I — (SEC(2006) 0916 — C6-0263/2006, SEC(2006) 0915 — C6-0262/2006) ⁽²⁾,
- having regard to the Commission's annual report to the discharge authority on the follow-up to 2004 discharge Decisions (COM(2006) 0642, COM(2006) 0641), and the Commission staff working paper — Annex to the report from the Commission to the European Parliament on the follow-up to 2004 discharge Decisions (SEC(2006) 1376, SEC(2006) 1377),
- having regard to the Commission communication to the European Parliament, the Council, the Economic and Social Committee and the Committee of the Regions, entitled *Policy Achievements in 2005* (COM(2006) 0124),
- having regard to the Commission communication entitled *Synthesis of the Commission's management achievements in 2005* (COM(2006) 0277),
- having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2005 (COM(2006) 0279),
- having regard to the Commission's report on Member States' replies to the Court of Auditors' 2004 annual report (COM(2006) 0184),
- having regard to the Green Paper on the European Transparency Initiative adopted by the Commission on 3 May 2006 (COM(2006) 0194),
- having regard to Opinion No 2/2004 of the Court of Auditors on the 'single audit' model (and a proposal for a Community internal control framework) ⁽³⁾,
- having regard to the Commission communication on a roadmap to an integrated internal control framework (COM(2005) 0252),
- having regard to the Commission's action plan towards an integrated internal control framework (COM(2006) 0009),
- having regard to the first report on the scoreboard for the application of the Commission action plan towards an integrated internal control framework published on 19 July 2006 (SEC(2006) 1009),
- having regard to the House of Lords European Union Committee report entitled *Financial Management and Fraud in the European Union: Perceptions, Facts and Proposals*, which was published on 13 November 2006,
- having regard to the Court of Auditor's annual report on implementation of the budget for the financial year 2005 ⁽⁴⁾ and its special reports, each accompanied by the replies of the institutions audited,

⁽¹⁾ OJ L 60, 8.3.2005.

⁽²⁾ OJ C 264, 31.10.2006, p. 1.

⁽³⁾ OJ C 107, 30.4.2004, p. 1.

⁽⁴⁾ OJ C 263, 31.10.2006, p. 1.

- having regard to the statement of assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions, provided by the Court of Auditors pursuant to Article 248 of the EC Treaty ⁽⁵⁾,
 - having regard to the Council's Recommendation of 27 February 2007 (5710/2007 — C6-0081/2007),
 - having regard to Articles 274, 275 and 276 of the EC Treaty and Articles 179a and 180b of the Euratom Treaty,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁶⁾, and in particular Articles 145, 146 and 147 thereof,
 - having regard to Opinion No 4/2006 of the Court of Auditors on the draft Council Regulation amending Regulation (EC, Euratom) No 1605/2002 ⁽⁷⁾,
 - having regard to Rule 70 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinions of the other committees concerned (A6-0095/2007),
- A. whereas Article 274 of the EC Treaty establishes that responsibility for implementation of the Community budget lies with the Commission and must be exercised with regard to the principles of sound financial management, in cooperation with the Member States;
- B. whereas the most effective means for the Commission to demonstrate that it is genuinely committed to ensuring transparency and sound financial management is to do all it can to support measures seeking to enhance the quality of financial management, with a view to obtaining a positive statement of assurance (DAS — Déclaration d'assurance) from the European Court of Auditors;
- C. whereas improvement of the financial management in the Union must be supported and given momentum by a close monitoring of progress in the Commission and in the Member States;
- D. whereas the implementation of EU policies is characterised by the 'shared management' of the Community budget by the Commission and the Member States, under which 80 % of Community expenditure is administered by the Member States;
- E. whereas Member States' assumption of control responsibilities in connection with the production of financial information and the requirement, in particular in implementation of point 44 of the Interinstitutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management ⁽⁸⁾ (IIA), concerning summaries of the audits and declarations available, should make a substantial contribution towards improving management of the Community budget, ensuring the completion of an EU integrated internal control framework and obtaining a positive DAS;
- F. whereas in its Resolutions of 12 April 2005 ⁽⁹⁾ and 27 April 2006 ⁽¹⁰⁾, on the 2003 and 2004 discharges respectively, Parliament proposed that each Member State should provide an *ex ante* disclosure statement and an annual *ex post* statement of assurance as regards its use of EU funding;

⁽⁵⁾ OJ C 263, 31.10.2006, p. 10.

⁽⁶⁾ OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).

⁽⁷⁾ OJ C 273, 9.11.2006, p. 2.

⁽⁸⁾ OJ C 139, 14.6.2006, p. 1.

⁽⁹⁾ OJ L 196, 27.7.2005, p. 1.

⁽¹⁰⁾ OJ L 340, 6.12.2006, p. 5.

- G. whereas the overriding principle sought by Parliament is that, in accordance with the EC Treaty, both the Commission's final responsibility for management of the Community budget and the Member States' powers to manage the funds made available to them should be fully shouldered;
- H. whereas in its conclusions of 8 November 2005, the Economic and Financial Affairs Council rejected Parliament's proposal regarding national level declarations ⁽¹¹⁾;
- I. whereas point 44 of the IIA states that the relevant audit authorities in Member States will produce an assessment concerning the compliance of management and control systems with the regulations of the Community and that Member States therefore undertake to produce an annual summary at the appropriate national level of the available audits and declarations;
- J. whereas the principle of effective internal control is one of the budgetary principles set out in the Financial Regulation following its amendment by Regulation (EC, Euratom) No 1995/2006, as proposed by the Commission in the action plan referred to above;
- K. whereas in paragraph 2.10 of its annual report for 2005, in connection with the establishment of an integrated internal control framework, the Court of Auditors stresses that 'one of the most important objectives approved by the Commission is represented by the proportionality and cost-effectiveness of controls', stating that in this context, the process of simplification (e.g. greater use of flat-rate and lump-sum payments, simplified rules on procurement and grants) and the use of audit certificates and assurance declarations from third parties responsible for budget implementation tasks could play a significant role;
- L. whereas in the above mentioned conclusions of 8 November 2005 the Economic and Financial Affairs Council also took the view that it was of fundamental importance to introduce an integrated internal control system and simplify the legislation on controls and requested 'that the Commission assess the cost of controls by area of expenditure' (paragraph 5);
- M. whereas the work of its Committee on Budgetary Control in general and the discharge procedure in particular form part of a process seeking to: (1) establish full accountability from the Commission as a whole and individual Commissioners, as well as from all other relevant actors, for financial management in the EU, in accordance with the Treaty; (2) implement an annual procedure that will facilitate this and enable Parliament to remain in direct contact with the key stakeholders in charge of such management; and (3) improve financial management in the EU in the light of the Court of Auditors' audit results and thereby create a more solid basis for decision-taking;
- N. whereas its Committee on Budgets should take due account of the 2005 discharge results and recommendations during the next budgetary procedure;
- O. whereas by the judgment of the Civil Service Tribunal of 13 December 2006 in Case F-17/05 *Carvalho*, the Commission decision of 22 September 2004 prolonging invalidity was annulled;

HORIZONTAL ISSUES

Statement of Assurance

Reliability of the accounts

1. Notes that, with some exceptions referred to in its observations, the Court takes the view that the final annual accounts of the European Communities present fairly the financial position of the Communities as of 31 December 2005, and the results of their operations and cash flows for the year then ended (Chapter 1, Statement of Assurance, paragraphs V to VIII); asks the Court for further remarks, in future

⁽¹¹⁾ See Council document 14138/05.

annual reports, about the policy areas and Member States particularly affected;

2. Welcomes in particular the efforts made by the Commission to adopt the accounts for the financial year within the Financial Regulation deadlines for the production of the financial statements;
3. Expresses concern, nonetheless, at the Court's observations regarding errors in amounts registered in the accounting system (overstatement of the accounts payable and of the total amount of long-term and short-term pre-financings) and errors in the local accounting systems of some directorates-general;
4. Calls on the Commission to take urgent steps to remedy the shortcomings noted by the Court, with a view to preventing them from affecting the reliability of the financial statements for 2006;
5. Welcomes the fact that, in response to repeated requests from Parliament, new Article 61 of the Financial Regulation establishes that the Commission's accounting officer shall sign off the accounts and is empowered to check the information received and to make reservations; stresses that the accounting officer needs clear empowerment to execute this responsibility, in particular concerning carrying out checks; invites the Commission to inform the Committee on Budgetary Control which organisational changes it has taken or plans to take in order to allow the accounting officer to fulfil his duties under the new Article 61;
6. Notes that, as a result of the 2004 discharge resolution, the Commission has submitted information on the unknown accounts; regrets the fact that the information submitted has not yet made the transactions via those accounts transparent; notes that the funds credited to the accounts should be transferred back to the budget as other revenue; calls on the Commission in this connection to explain why the 'Economat' supermarket operating accounts operated outside the budget have still not been incorporated into the budget;
7. Regrets that, as noted by the Court of Auditors in paragraph 1.49 of its 2005 annual report, the accounting officer failed fully to comply with Accounting Rules Nos 2 and 12 with regard to the new structure and presentation of the balance sheet and the revised treatment of the Communities' pension liabilities; notes that the Commission's accounting officer revised Accounting Rules Nos 2 and 12 in October 2006;
8. Expresses concern at the fact that the Court notes errors in the pre-financing amounts recorded, and calls on the Commission to take urgent steps to remedy these shortcomings with a view to ensuring that the accounts reflect the Community's financial position as accurately as possible; reminds the Commission of its undertaking to provide the budgetary authority with six-monthly reports on the management of pre-financing operations;

Budgetary management

9. Is concerned at the renewed increase in outstanding commitments and calls for a higher rate of utilisation over the next three years;
10. Points out that the majority of the cancellations under the year $n + 2$ rule relate to the European Social Fund (ESF); calls on the Member States to ensure that requests for payments are submitted to the Commission more rapidly since the measures funded by the ESF are intended to improve employability and boost human resources and are crucial for the attainment of the Lisbon objectives; a slow rate of utilisation is extremely worrying particularly in the light of the newly created European Globalisation Fund and the objective of that fund;
11. Calls on the Commission and the Court of Auditors to keep due account of beneficiaries applying for relatively small amounts for projects or organisations, which are, due to their size, not able to hire the necessary audit and evaluation expertise, in order to achieve the right balance between the costs of the project and the costs and manpower of auditing and reporting;

Legality of the underlying transactions

12. Notes the Court's observations to the effect that in areas in which the Commission has applied appropriate supervisory and control systems, there were no significant findings as to the legality and regularity of the underlying transactions (Chapter 1, Statement of Assurance, paragraph IX);
13. Deplores, nonetheless, that in extremely important Community spending areas (CAP spending that does not come under the Integrated Administration and Control System (IACS), Structural Funds, internal policies, external actions, Sapard), the Court notes that the supervisory and control systems need to become more efficient, given that there remain shortcomings that prevent a positive DAS being given in those areas (Chapter 1, Statement of Assurance, paragraph IX to XI);
14. Expresses grave concern at the large number of errors detected by the Court in transactions at final beneficiary level and notes that, where there is a shared management arrangement, responsibility for preventing, identifying and correcting errors at final beneficiary level lies with the Member States whilst at the same time the Commission is responsible for giving clear, efficient and effective guidelines to Member States on how to prevent, identify and correct these errors;
15. Calls on the Commission to further improve its effective supervision of controls delegated to the Member States; insists that the Commission in the case where Member States' control systems are still insufficient should impose clear deadlines and apply sanctions where those deadlines are not met;
16. Considers that the central issue that needs to be addressed in connection with the DAS is whether supervisory and control systems are being properly applied at both Community and national levels and whether they ensure the legality and regularity of the underlying operations;
17. Believes that, on this basis, the Court's audits will enable the origin of the shortcomings noted to be determined and will help to remedy the limitations to a much greater extent than the mere pointing up of errors in transactions;
18. Welcomes the revised DAS approach that the Court of Auditors started to introduce in 2002, particularly the latest change approved in February 2006 ⁽¹²⁾, which will be implemented for the first time in the Court's 2006 annual report;

National management declarations

19. Points out that, in accordance with Article 274 of the EC Treaty, each and every one of the Member States must fully shoulder its management responsibilities and take appropriate steps to minimise the risk of errors arising in the underlying transactions;
20. Welcomes as a first step towards national management declarations the agreement reached in the IIA that Member States have to provide annual summaries of available audits and declarations;
21. Draws attention to the urgent need to introduce national declarations at an appropriate political level, covering all Community funds coming under the shared management arrangement, as proposed by Parliament in its 2003 and 2004 discharge resolutions;
22. Stresses the importance of the action plan towards an integrated internal control framework and fully endorses the proposal made by the Commission under Action 5 of the action plan, namely that 'Member States should designate a national coordinating body' for each Community policy, to provide an overview of the assurance available in respect of Community actions managed by each Member State;

⁽¹²⁾ Paragraph 1.59 of the Court of Auditors' annual report for 2005.

23. Points out that States, not regions, are members of the EU, and therefore does not consider it acceptable for a Member State to reject national declarations on the grounds of its territorial organisation, and considers that each Member State must be able to take responsibility for the management of EU funds received, either through a single national management declaration or in the form of several declarations within a national framework;
24. Takes the view that national management declarations which could take the form of comprising several declarations within a national framework, rather than one alone, in order to acknowledge the federal and decentralised political systems in existence in some Member States, as pointed in its Resolution of 2 February 2006 on national management declarations ⁽¹³⁾, would, without a doubt, improve the quality of the relevant national supervisory and control systems, and, without detracting from the independence of the Court of Auditors, could facilitate a positive DAS being obtained from it, since such declarations form a vital element in achieving an EU integrated internal control framework and as such would be an important factor in obtaining a positive DAS;
25. Warmly welcomes the initiative taken by the Netherlands, whose government approved the adoption of a national declaration on the management of Community funding, based on sub-declarations covering the various spending areas, which will be signed on behalf of the Dutch government by the finance minister as the final authority;
26. Welcomes furthermore the decision taken by the United Kingdom and Sweden to take steps with a view to introducing national declarations on the management of Community funding, with in case of the United Kingdom provision being made for the declaration to be signed by a senior official with due authority in the relevant area; points out further that the Danish national audit body is to give an audit opinion on the management of community funding under shared management;
27. Expresses concern at the fact that, despite these initiatives in favour of national declarations, most Member States are resisting their introduction;
28. Calls nonetheless on the Commission to submit before the end of 2007 to the Council a proposal for a national (management) declaration covering all Community funds under shared management, based on sub-declarations by the various national bodies responsible for the management of expenditure; is of the opinion that a common approach towards the implementation and construction of national declarations, carried out according to the same principles, and if possible ensuring the participation of national audit bodies, is necessary to assure that the national declaration is of value to the Commission and the Court of Auditors;
29. Calls on the Council to reopen the debate on the matter urgently;
30. Calls on the national parliaments (particularly the national committees responsible for oversight of public finances and the committees of the Conference of Community and European Affairs Committees of Parliaments of the European Union (COSAC)) to discuss the introduction of national declarations and to inform the house of the outcome of this discussion;

Point 44 of the IIA

31. Stresses that point 44 of the IIA requires the relevant audit authorities in the Member States to produce an assessment concerning the compliance of management and control systems with the regulations of the Community, with Member States undertaking to produce an annual summary at the appropriate national level of the available audits and declarations;
32. Takes the view that the audit authorities referred to in point 44 of the IIA must shoulder this new responsibility for the local use of EU funds and that this national-level control should form the basis on which the national authorities draw up their national management declarations;

⁽¹³⁾ OJ C 288 E, 25.11.2006, p. 83.

33. Stresses that this is the only way of giving true meaning to national management declarations which, in Parliament's view, should provide a genuine guarantee that national supervisory and control systems are functioning properly;
34. Calls on the Commission to ask the Member States for the information referred to in point 44 of the IIA and to draw up, on the basis of that information, a document analysing the strengths and weaknesses of each Member State's national system for the administration and control of Community funds and the results of the audits conducted, and to forward that document to Parliament and the Council;
35. Considers that it would be extremely useful for the Economic and Financial Affairs Council to use the final document drawn up by the Commission as the basis for a comparative analysis and a debate on the suitability of the systems used by Member States for control of the funds they receive from the Community budget;

Suspension of payments and financial corrections

36. Recalls the Commission's communication of 15 June 2005 on a roadmap to an integrated internal control framework (COM(2005) 0252), whose point B states: 'When a Member State fails to adequately address the risks of error, the Commission will protect the EC budget by rigorously applying the existing provisions for the suspension of payments and financial corrections';

Suspension of payments

37. Assures the Commission of its full support in the rigorous application of the legislation on suspension of payments, and welcomes the measures already initiated for the non-transfer of funds where the Commission does not have an absolute guarantee of the reliability of the management and control systems of the Member State which is the beneficiary of those funds;
38. Believes that, in the case of recurrent reserves for expenditure programmes in a particular Member State, suspension of payments, as a means of pressure, will contribute to the greater involvement of the Member States in the correct use of Community funds received;
39. Calls on the Commission to simplify the rules and apply the existing legislation on suspension of payments in the cases where it is necessary, and to inform the Council, Parliament and the Court of Auditors in good time concerning the suspensions of payments and their results;
40. Insists that payments should be fully or partly suspended in the case where Member States are not complying with basic requirements, as in the case of the IACS system in Greece, and where the Greek authorities do not remedy the existing problems within the time limits set, as scheduled by the jointly adopted action plan which the Commission has requested from the Greek authorities for a fully functioning IACS system;
41. Considers it detrimental for the image of the EU if individual Member States can apply different control standards;

Financial corrections in the multiannual payments

42. Considers that, in the case of shared or decentralised management, the Commission should fully apply Article 53(5) of the Financial Regulation, thus assuming final responsibility for the execution of the budget, in line with Article 274 of the Treaty, by means of 'clearance-of-accounts procedures or financial correction mechanisms';
43. Stresses that, given the multiannual character of expenditure in Community programmes, it is only at the end of a multiannual cycle that the Commission can proceed to the application of those 'clearance-of-accounts procedures or financial correction mechanisms', whose aim is the a posteriori rectification of errors detected, if comprehensive and clearly comprehensible documentation on programme implementation is available; further emphasises the need to undertake financial corrections as soon as uncorrected irregularities are detected by the Member States, without waiting for the end of the multiannual cycle;

44. Notes with concern that the Court is extremely critical of the financial corrections applied by the Commission, which do not 'ensure the prevention and timely identification and correction of errors', do not take sufficient account of the deficiencies identified in the underlying operations, that is, at the level of the final beneficiary, and do not 'encourage Member States to take action to prevent irregularities or to improve their management and control systems' (paragraphs 1.64 and 6.35 of the Court of Auditors' annual report);
45. Notes that the objective of the final decisions and corrective measures ⁽¹⁴⁾ is to remove Community funding from expenditure which has not been carried out in conformity with Community rules, and that such decisions, which are a matter for the Commission, should constitute a major instrument in the control and monitoring systems;
46. Notes that the final corrective measures, where they are not charged directly to the operations at the level of the final beneficiary, have the effect in practice — as the Court points out — of transferring the costs of illegal and irregular operations from the Community budget to national taxpayers as a whole, rather than to the final beneficiary who is responsible for the error (paragraph 1.65 of the Court of Auditors' annual report); notes that those corrections therefore have only a limited preventive and deterrent effect on beneficiaries and managers;
47. Stresses, therefore, the great importance of the Member States having appropriate systems for improving the prevention and identification of errors at the level of the final beneficiary, thus reducing the need for the Commission to apply final corrective measures;
48. Notes that, as a result of the principle of efficient and effective use of appropriations, there must be effective recovery; takes the view that improved recovery would provide proof of the effectiveness of EU penalties and further boost the European institutions' credibility;
49. Notes that effective recovery can only take place via the Member States' enforcement agencies; calls therefore, in connection with recovery, for Member States' costs for their enforcement agencies to be taken into account;
50. Is convinced that an improvement in the recovery rate can be achieved by revealing the identities of debtors who have been found liable by the courts and can no longer appeal, but are unwilling to make payment;
51. Concludes that the Commission, for its part and in the light of the Court's severe criticisms, needs to take all appropriate action in order to prevent errors and irregularities in occurring in the first place and regrets that the Commission apparently puts more emphasis on final financial correction mechanisms which, as the Court notes, have serious weaknesses and 'cannot be regarded as mechanisms to ensure the prevention and timely identification and correction of errors' (paragraph 1.64 of the annual report of the European Court of Auditors);
52. Regrets the Commission's criticism of the Court of Auditors concerning the financial correction measures applied by the Commission in 2005, as manifested notably during the presentation of the Court's annual report to the Committee on Budgetary Control on 23 October 2006, since citizens' confidence in the ability of the European institutions to function is based *inter alia* on the guaranteed independence of the Court of Auditors as an external audit body;
53. Calls on the Commission to supply both Parliament and the Court of Auditors with an explicit definition of the different concepts grouped under the term 'financial correction mechanisms', as well as with the amounts actually involved in the corrections of 2005;

⁽¹⁴⁾ Liquidation of accounts for the EAGGF (Guarantee), closure of the operational programmes under the Structural Funds, and completion of the audits for the decentralised management of external actions.

54. Calls on the Commission to submit in future a detailed annual report including the amounts actually involved in the financial corrections;

The Commission's internal control system

The Action Plan for an integrated internal control framework

55. Welcomes the Commission's adoption on 17 January 2006 of its communication to the Council, the European Parliament and the Court of Auditors: Commission Action Plan towards an Integrated Internal Control Framework (COM(2006) 0009 and SEC(2006) 0049), which sets out 16 concrete actions to be undertaken in order to contribute to ensuring more effective internal controls over EU funds;
56. Welcomes the first half-yearly scoreboard submitted by the Commission on 19 July 2006 (SEC(2006) 1001) on the implementation of the above Action Plan, pursuant to Parliament's request in its resolution on the discharge for 2004; expects that the second half-yearly scoreboard will reach Parliament before 1 January 2008;
57. Regrets, however, the fact that, as that report states, some of the actions have not even been started and there is thus already a degree of delay with regard to the planned calendar, particularly concerning Actions 7, 9 and 10 ⁽¹⁵⁾;

Value for money — Analysis of the existing balance between operational expenditure and the cost of the control system — Error index or acceptable risk of error

58. Points out that the Court of Auditors, in its annual report for 2005 and with respect to the establishment of an integrated internal control framework, takes the view that 'one of the most important objectives approved by the Commission is represented by the proportionality and cost-effectiveness of controls' (paragraphs 2.9 and 2.10);
59. Recalls, furthermore, that the Economic and Financial Affairs Council of 8 November 2005, as mentioned above, laid major stress on the need to implement an integrated internal control system, and stated: 'The Council believes, in line with the Court's opinion 2/2004, that it should reach an understanding with the European Parliament regarding the risks to be tolerated in the underlying transactions, having regard to the costs and benefits of controls for the different policy areas and the value of the expenditure concerned'; expects the Council to act on its own decision promptly;
60. Recalls Action 4 of the above-mentioned Action Plan, which, in line with the recommendations of Parliament, proposes initiating 'interinstitutional dialogue on risks to be tolerated in the underlying transactions';
61. Also recalls Action 10, which proposes making an 'analysis of the costs of controls', in view of the 'need to reach an appropriate balance between the costs and benefits of controls', and which states that the results will be presented in early 2007; notes, however, that implementation of this action has scarcely begun;
62. Stresses, in this context, the importance of Opinion No 2/2004 of the Court of Auditors regarding the Single Audit Model, namely as regards the need to insure the coincidence between the level of authority that legislates, finances and benefits from controls (point 24), as regards proportionality between costs and benefits of controls (point 25) and as regards transparency of controls (point 26);
63. Agrees with the Court of Auditors when, in its Opinion No 4/2006, it regrets that the relationship between tolerable risk levels and the cost-benefit ratio of controls has yet to be established and that, even though it is a vital concept for the integrated control system, it has not yet been clarified how an 'acceptable risk level' is to be determined;

⁽¹⁵⁾ Action 7: Promote best practices for increasing the cost-benefit of audits at project level; Action 9: Promote the single audit approach; Action 10: Make an initial estimate and analysis of the costs of controls.

64. Considers, therefore, that the Commission, in line with the principles of proportionality and cost efficiency (value for money) of the control systems, should evaluate the relationship between, on the one hand, the resources available for each particular policy, and, on the other, the part of those resources dedicated to the control systems broken down by area of expenditure, and any resources lost thanks to errors thus detected;
65. Invites the Commission to fully disclose to the public the methods it uses for the determination of the rates of error, and encourages the Commission to pursue an interinstitutional dialogue on audit methodology;
66. Considers it essential for the Commission to have a credible roadmap to achieve a positive DAS;
67. Calls on the Commission to carry out that comparative analysis, as forming the sole basis which will make it possible to establish an 'acceptable risk level', and to forward it to Parliament, the Council and the Court of Auditors, in compliance with the wishes of the Economic and Financial Affairs Council;
68. Believes that the cost-benefit ratio existing between the resources dedicated to control activities and the results obtained by the controls should be a key element to be taken into account by the Court of Auditors when it delivers its statement of assurance;

Political responsibility and administrative responsibility at the Commission

69. Stresses that the differing information content of services' annual activity reports is a hindrance to this procedure; is concerned at the Court's statement that some of those reports still do not include sufficient evidence for its statement of assurance (paragraphs 2.15, 2.18 and 2.19 of the annual report for 2005);
70. Asks the Commission to ensure that its annual activity reports and statements go into much greater detail — where possible on the level of the individual Member States — in the evaluation of the existing systems, the shortcomings detected by them and their financial impact;
71. Asks the Commission once again to ensure that its Secretary-General, when preparing the synthesis report, draws up a statement of assurance which includes reference to the statements of each of the directors-general, with the aim of making express mention of their assistance to the Commissioners in the adoption of that report;

Participation of the Commissioners

72. Stresses the importance of the opinion expressed by the Commission's internal auditor in his annual report on the internal audits to the effect that 'a full involvement of Commissioners to evaluate political risks would allow better overall management of risks and thus improve planning, resource allocation and policy delivery' ⁽¹⁶⁾;
73. Notes the criticism that Commissioners are not fully involved; asks the Commission to determine what actions are needed to ensure the full involvement of the Commissioners, as called for by the internal auditor, while at the same time clarifying the relationship between the directors-general and the Commissioners, and to supply full information on the matter to Parliament;
74. Regrets the difference in quality of the presentation by Commissioners in its Budgetary Control Committee and expresses the hope that this does not reflect the importance given by individual Commissioners to sound financial management in their area of competence; insists that, with some exceptions, Commissioners need to be better prepared for hearings concerning the 2006 discharge procedure;

⁽¹⁶⁾ Annual report for 2005 of the internal auditors to the discharge authority (Article 86.4 of the Financial Regulation) (COM(2006) 0279), point 2.1, p. 4.

Ethics

75. Warmly welcomes the Commission's European Transparency Initiative, as mentioned above, which proposes launching 'a debate with the other European institutions on the rules and standards on professional ethics of public office holders in the European institutions'; calls for the debate to be launched quickly so that any necessary measures become effective at the start of Parliament's new term in June 2009 and the Commission's new term in November 2009;
76. Supports the idea of such a debate, and calls on the Commission to fill the gap that now exists and to ensure that the Commissioners' binding code of conduct incorporates the necessary ethical rules and the principal guidelines to be observed by Commissioners in the conduct of their office, in particular when appointing colleagues, especially to their 'cabinets';
77. Calls on the Commission to pay due attention to and propose solutions for, in the framework of the Transparency initiative, the fact that a substantial number of former and actual high ranking members of staff in sensitive positions have left the Commission, sometimes on unpaid leave, to join lobbyists and law firms for example representing clients who are either under investigation by DG Competition or appeal against fines imposed on them;

Transparency

78. Welcomes the Commission's transparency initiative and expects it to lead to practical action and legislative initiatives which in turn result in transparency in the use and management of EU funds; expects Member States to support and complement this important initiative by ensuring that they in turn are fully transparent in their use of EU funds;
79. Expects its administration, in collaboration with the Committee on Budgetary Control, to be involved in further deliberations for drawing up the specific legislative initiatives;
80. Strongly urges the Commission to do its utmost to encourage the Member States to allow public access to information concerning projects and recipients of all EU funds which are subject to joint management;
81. Expects a simple and transparent system to be set up to access all this information via a central and easily accessible website;
82. Welcomes the Commission's initiatives to ensure that the funds paid out under the Community's agricultural support schemes will now be made public;
83. Expects the Commission as swiftly as possible to instruct the Member States to standardise the information concerning agricultural funding placed on the internet, so that it can be compared across the board between Member States;
84. Welcomes the fact that the Commission has recognised the need to allow access to information about the various forms of expert groups which it uses in its work;
85. Strongly urges the Commission to complete the process of achieving greater transparency by allowing for easy access to information on who is represented in these groups and what their tasks are;
86. Calls on the Commission to publish the names of those people who take part in these groups, and the names of the special advisers which the individual Commissioners and/or Directorates-General and/or 'cabinets' have engaged;

SECTORAL ISSUES**Revenue**

87. Welcomes the fact that the Court's monitoring did not reveal significant irregularities with regard to payments corresponding to the VAT and GNI own resources;

VAT

88. Regrets the Court's reference to the greater number of pending reservations in the VAT statements for 2005 and the lack of an effective instrument that would ensure that the Member States provided suitable information enabling the Commission decide on the maintenance of the reserves (paragraphs 4.13 to 4.15 of the annual report);
89. Calls on the Commission to deal with the matter with the Member States in the context of the regular meetings of the Advisory Committee on Own Resources, and to inform the competent committee of Parliament of the measures it has taken or intends to take with the ultimate objective of eliminating those reserves;

GNI

90. Regrets the fact that the Court states in its annual report for 2005 that the Commission is still not properly monitoring the underlying national accounts, and that the Commission's inspections, as part of the control and monitoring systems, have been limited to documentary controls (paragraph 4.16);
91. Notes, in addition, that, according to the Court, since 2005 new rules on the allocation of Financial Intermediation Services Indirectly Measured have been in force, adopted as long ago as 2002, which, according to Eurostat, will lead to a significant increase in GNI; regrets the fact that the Commission has so far not submitted a proposal to the Council to apply those modifications when calculating the own resources (paragraphs 4.20 and 4.21);
92. Disapproves of the fact that, in the case of Financial Intermediation Services Indirectly Measured, the Commission evidently takes a different approach from that taken to including illegal activities in GNI (paragraph 4.19), which are included in the calculation of own resources although uniform application by the Member States is not ensured and the Commission has therefore notified reservations making it possible to adjust the figures retrospectively;
93. Assumes that allocated Financial Intermediation Services Indirectly Measured will automatically be included in the own resource decision, for GNI own resource purposes, since, in its proposal for a Council decision on the system of the European Communities' own resources (COM(2006) 0099), the Commission entered no limiting reservation in that respect;
94. Calls on the Commission to take action, as a matter of urgency, to remedy the shortcomings identified by the Court;

The common agricultural policy

95. Warmly welcomes the Court's acknowledgement that, suitably applied, IACS constitutes an effective monitoring system for reducing the risk of error or of irregular expenditure;
96. Is concerned, however, at the Court's repeated criticism regarding the procedures currently applied in the settlement of CAP accounts (reports from the certifying bodies and compliance decisions), procedures which (according to the Court) are not designed to ensure that operations in the form of payments to final beneficiaries (farmers and operators) are legal and regular;
97. States once again that cooperation between the Member States and the Commission for the purpose of providing guarantees in respect of operations relating to final beneficiaries is essential and urges the Commission to step up post-payment checks and to ensure that irregular payments are recovered;

98. Regrets the fact that the Court continues to detect problems in the implementation of the IACS in Greece, fully supports the action plan which the Commission has requested from the Greek authorities (involving specific deadlines and objectives designed to correct errors), and also supports the Commission's intention (as stated to its competent committee) to ensure that current legislation on the suspension of payments is strictly enforced if the Greek Government does not remedy the existing problems within the time-limits set;
99. Notes the current problems with the implementation of the IACS in the new Member States audited by the Court (countries in which systems are still unreliable) and calls upon the Commission and those Member States to do all they can to remedy the weaknesses detected;
100. Also notes the serious shortcomings reported by the Court in the checks relating to rural development, in export refunds and especially in the olive-oil sector in Spain, Greece and Italy, and calls upon the Commission to carry out before the end of 2007 more stringent checks in those areas and to inform Parliament before the 2006 discharge procedure on the outcome of these checks; notes that the options concerning the implementation of the recent reform of the olive oil sector, in conjunction with the full development and operation of the agricultural information systems available to the producer Member States, minimise any risk of irregularities in respect of aid provided under the common organisation of the market;
101. Approves of the financial corrections adopted by the Commission in the sector relating to olive-oil production aid with a view to reducing loss to the Community budget, and supports the Commission's proposal to the Council concerning simplification of the scheme;

Structural measures, employment and social affairs

102. Is particularly pleased at the fact that, in connection with the European Transparency Initiative and pursuant to the new rules governing the Structural Funds for the 2007-2013 period, Member States will be required to provide information concerning the beneficiaries of Community funding and the Commission will be required to make such information public; calls on the Commission to publish all this information and information on beneficiaries from all other Union's policies in such a way that it is easily accessible, including for the wider public, and to ensure that information from different Member-States can be compared;
103. Notes and welcomes the fact that, pursuant to the above-mentioned new rules governing the Structural Funds for the 2007-2013 period, the Commission will not reimburse expenditure unless it has previously received a written declaration from an independent body certifying that national administration and control systems exist in conformity with Community rules ⁽¹⁷⁾;
104. Regrets the fact that, for yet another year, the Court has detected shortcomings in the Member States' control systems and a significant level of errors which undermine the reliability of the Member States' final expenditure declarations (paragraphs 6.26 and 6.29 of the annual report); also regrets the fact that, according to the Court, the Commission does not effectively supervise the checks delegated to the Member States and calls upon the Commission to remedy this shortcoming as a matter of urgency;
105. Points out that, for the purposes of sound financial management and the DAS, the main issue is not so much the errors detected as the existence of adequate supervision systems which will enable the Commission to carry out proper monitoring of the risks to the Community budget and to make the appropriate financial corrections;
106. Regrets the fact that within a small group of Member States there continue to be known problems which give rise to recurrent reservations and urges the Commission to supervise closely the action taken by the Member States' authorities, to ensure that such action is appropriate and to keep Parliament's competent committee reliably informed regarding progress made;

⁽¹⁷⁾ Council Regulation (EC) No 1083/2006, Article 71 (OJ L 210, 31.7.2006, p. 25).

107. Also regrets the fact that, according to the Court, Member States have not correctly complied with the requirement to supply on a systematic basis the information which they are required to submit periodically to the Commission concerning cancellations and amounts recoverable (paragraph 6.36 of the annual report);
108. Calls upon the Commission to do all in its power to ensure that the Member States comply correctly with the above requirement to provide information and not to make any payment unless the Member States' authorities have supplied the requisite information;
109. Is aware that between 2004 and 2006 the Commission took action in order to suspend on a temporary basis ERDF and ESF payments to certain Member States in which there were errors giving rise to recurrent reservations, and supports that action;
110. Calls upon the Commission — in line with what is set out in paragraphs 38 *et seq* of this Resolution and in view of the absence of guarantees from one Member State — to apply the Community rules on the suspension of payments⁽¹⁸⁾ in its capacity as the body ultimately responsible for the sound financial management of Community funds;

Internal policies

111. Regrets the fact that, according to the Court, there are still within the field of direct management by the Commission the same problems as in earlier years (errors in expenditure reimbursed, complexity of applicable rules and lack of an effective penalty system), and calls upon the Commission to continue its efforts to simplify and further clarify the rules for shared-cost programmes, in particular as regards time recording commensurate with documentation effort (Court of Auditors' annual report for 2005, paragraph 7.29), to do its utmost, in a suitable dialogue with recipients of financial assistance, to clarify the rules, manuals and forms applicable and to ensure that the existing penalty system is effectively and appropriately applied whenever necessary (where appropriate by proposing the changes necessary in order to make the system more effective), and, in addition, to improve the scope and quality of and follow-up to the audits of national agencies' systems through improved information and mutual exchanges (Court of Auditors' annual report for 2005, paragraph 7.29, and Parliament amendment to Article 35a (new) of the reformed Financial Regulation implementing rules⁽¹⁹⁾); calls on the Commission to explain to the budgetary authority, in a catalogue of specific measures, how it intends in its current term of office to obtain an unconditional statement of assurance in the area of direct management;

Transport and tourism

112. Notes that in the 2005 budget, as finally adopted and amended in the course of the year, a total of EUR 917 200 000 was included for transport policies in commitment appropriations and EUR 931 800 000 was available in payment appropriations; further notes that of these totals:
 - EUR 671 400 000 was available in commitment appropriations for Trans-European Networks for Transport (TEN-T) and EUR 747 900 000 in payment appropriations,
 - EUR 15 900 000 was available in commitments and EUR 18 100 000 in payments for transport safety,
 - EUR 30 500 000 was available in commitments for the Marco Polo programme and EUR 8 200 000 in payments,
 - EUR 69 000 000 was available in commitments and EUR 62 000 000 in payments for transport agencies;

⁽¹⁸⁾ Article 106(4) of the implementing rules for the Financial Regulation and sector-specific rules laid down in Articles 38(5) and 39(2) of Regulation (EC) No 1260/1999.

⁽¹⁹⁾ See Texts Adopted of 13.2.2007, P6_TA(2007) 0027, amendment 10.

113. Welcomes the continuing high rates of utilisation of both commitment and payment appropriations for TEN-T projects, both reaching almost 100 %, but regrets that, despite this, project implementation continues to be slow and unsatisfactory although the completion of transport infrastructure projects usually takes several years;
114. Expresses its concern that for all projects the EU contribution limit was unclear because the Financial Regulation does not specify whether the 10 % EU funding limit applies to expenditure to date or to the total anticipated cost of the project; notes that this led the Court of Auditors to remark that there had been an overspend of EUR 146 million; welcomes the fact that the Commission has now adopted a clear position and agrees that percentage limits should be calculated as percentages of final project costs;
115. Welcomes the fact that DG TREN is now auditing 49 % of the total cost of TEN-T projects, but calls for this progress to be supported by auditing 20 % of all projects;
116. Expresses concern at the error rate found for research contracts in the field of transport, which is above the average error rate, and calls for remedial action in this area; calls on the Court of Auditors to re-examine this in its 2006 annual report;
117. Notes with concern that the payment utilisation rate for transport safety was 74 % of the appropriations available; is also concerned that the utilisation rate for Marco Polo payment appropriations was 53 %; finds these rates of utilisation for a key objective identified in the White Paper on Transport wholly unacceptable, particularly the sharp decline in the utilisation of payment appropriations;
118. Invites the Commission to forward to the Parliament and the Council each year a more detailed description of expenditure against each budget line compared with the comments made in respect of each line;

Environment, public health and food safety

119. Considers the overall implementation rates of the budget headings for environment, public health and food safety satisfactory;
120. Calls on the Commission to take steps to promote further assistance to applicants in the context of multiannual programmes; welcomes the efforts to better focus calls for tenders and to provide more assistance to applicants in order to avoid the submission of project applications which are clearly not eligible for funding or of poor quality; notes that further work is needed in order to attain a satisfactory situation; invites the Commission to examine the different stages of implementation with a view to bringing the implementation cycle forward in the year;
121. Notes that the payment rates for both environment and health and food safety policy areas were below 80 %; acknowledges the difficulties in planning payment appropriation needs, as the Commission depends in part on a swift submission of bills by beneficiaries and contractors; calls on the Commission, however, to continue its efforts to improve its own procedures which have an impact on the implementation of payment appropriations;
122. Hopes that the model introduced under the new Financial Framework, i.e. to gather all activities within one policy area under one single programme and budget line, will increase the efficient use of available appropriations;

Culture and education

123. Sees the further simplification of requirements to be fulfilled by an applicant under the new multiannual programmes such as Youth in Action, Europe for Citizens and Culture 2007 as a necessary step towards a more citizen-friendly Union and expects the Commission to further explore such possibilities within the framework of the revised financial regulation;

124. Believes that, in keeping with the Financial Regulation, the Commission should consider whether to standardise contract award procedures under flat-rate arrangements, using Commission decisions to finance programmes;
125. Encourages the Commission to make further efforts to monitor the work of each of the 99 national agencies involved in programme management and which in a number of cases have revealed considerable short-comings in the auditing procedures applied;
126. Expects the work of the Education, Audiovisual & Culture Executive Agency to bring about improved operational procedures; stresses that especially the organisations within its scope depend on reliable and timely information as regards project support; notes in this context that these applicants are often very small organisations or natural persons which lack the means or the expertise to perform a professional audit;
127. Notes that the costs for project auditing on the spot are extremely high; believes, however, given that the aim is to reduce the risk of error as far as possible, that the cost of the checks carried out must be made commensurate with their effectiveness in order to establish the optimum relationship between the resources invested in the implementation of Community policies and those earmarked for the purpose of conducting checks;
128. Wishes to ensure that communication support for information campaigns which are established in cooperation between Member States and the Commission follows the principle of additionality and asks the Commission to request certification from Member States demonstrating that financial support does not serve to simply replace Member States' financial support for national measures concerning EU information policy;
129. Calls on the Commission to ensure that, when allocating aid, national agencies do not depart from the general criteria, as occurred in Poland in the case of a project involving young homosexuals, that due regard is taken of Article 13 of the EC Treaty and that, if programme criteria have been infringed, recovery of EU funds will be an option to take into consideration;

Women's rights and gender equality

130. Points out that, by virtue of Article 3(2) of the EC Treaty, the promotion of equality between men and women is a fundamental principle of the EU and is an objective which has relevance across the full range of all Community activities and policies; reiterates its demand for gender mainstreaming to be taken into due consideration as a priority objective in budgetary planning, in accordance with the principle of gender budgeting, and calls on the Commission to provide data for evaluation;
131. Repeats its demand for the information on gender mainstreaming policies and gender-specific data to be included in the budget discharge reports; regrets that the Commission has not supplied this information;
132. Notes with concern the low payment implementation rate of the 'Daphne' programme (58 %); while being aware of the Commission's arguments on maintaining quality standards for projects, notes that many high-quality projects were refused financial support, and therefore welcomes the increase in funding allocated for the third stage of the Daphne programme, but is concerned by the unchanged administrative capacity; calls, therefore, for an investigation to explain in greater detail to what this low payment implementation rate may be attributable;
133. Draws attention to the absence of data relating to activities promoting gender equality that have received Structural Fund support and calls on the Commission to remedy this situation;
134. Considers that greater attention should be paid to promoting women's participation in the knowledge society and, consequently, to the high-quality training and employment of women in the field of information and communication technologies;

135. Welcomes the noteworthy progress achieved by the Commission as regards annual targets for the recruitment and appointment of women to management and other A*/AD level posts in the Commission administration; urges the Commission to maintain efforts in this domain;

Civil liberties, justice and home affairs

136. Welcomes the fact that some progress has been achieved in the level of implementation of commitments of the budget in respect of an area of freedom, security and justice; deplores the increasingly low level of implementation of payments (79,8 % according to the Court of Auditors in comparison to 83,8 % in 2004); notes that this level is one of the lowest of the Commission; calls on the Directorate-General for Justice, Freedom and Security to improve implementation of the budget in the future;

Research and development

137. Regrets the fact that, according to the Court, the Commission has still not managed to introduce a reliable system for the recording of personnel costs in the research sphere; considers that 'it is essential that there is a clear requirement in the grant agreements to substantiate the working time of personnel involved in the action' (paragraph 7.7 of the annual report) ⁽²⁰⁾;
138. Notes with concern that, despite its high cost, the audit-certificate system has in 2005 not yet provided the hoped-for guarantees, since the Court has detected erroneous statements relating to staff costs and general expenditure, in respect of which 'clean' audit certificates have been issued; notes however that the quality of the audit certificate has improved after the requirements for these certificates were published; invites the Commission to further develop suitable criteria for audit certificates in order to improve their usefulness;
139. Encourages the Commission to speed up the implementation of the measures provided for in the above mentioned Action Plan towards an Integrated Internal Control Framework, in particular Action 7 (Promote best practices for increasing the cost-benefits of audits at project level);
140. Calls upon the Commission to fulfil the requirement of the FP7 rules for participation to introduce a flat-rate payment procedure, *inter alia*, and to inform its competent committee in the framework of the midterm review;
141. Regrets the fact that, according to the Court, there continues to be uncertainty owing to excessively general contractual provisions and a lack of clarity, particularly in the case of the criteria for the granting of subsidies and the independence of auditors responsible for certification, and notes that the Commission has undertaken ⁽²¹⁾ to simplify the Community framework and to rejig the use of audit certificates;
142. Also notes that the Commission's Internal Audit Service considers there to be a risk that undue amounts will not be identified on account of the fact that there is no effective checking system in operation during the process of releasing budget commitments, for which reason it calls upon the Commission to adopt suitable monitoring measures;

External actions

143. Notes that the Court did not detect any errors in its examination of a sample of delegation payments, although it did do so in its sample of bids and its sample of operations carried out by the implementing bodies;
144. Considers that priority must be attached to ensuring that Community policies which have an impact on developing countries are consistent, for which purpose the division of labour within the Directorates-General responsible for running external actions must be clarified;

⁽²⁰⁾ See also Opinion No 1/2006 on the Seventh Research and Development Programme.

⁽²¹⁾ In its Communication *Synthesis of the Commission's management achievements in 2005*.

145. Notes with concern that, according to the Court, the risk analyses carried out by EuropeAid did not take into account the risks represented by the various types of implementing body (NGO, international organisation, government institution, etc.) and the financing methods used (subsidy, budget support, trust fund, etc.); calls on the Commission to establish greater clarity, through more discriminating reporting, as to the effectiveness of individual assistance instruments; proposes with regard to the issue of aid for developing countries that the introduction of a system of stages be looked into, the aim being that at the first stage, by assisting individual projects, the basic preconditions for granting budget aid, i.e. a form of democratic budgetary control plus independent auditing structures, are also established;
146. Regrets in particular the fact that, since EuropeAid's checks did not adequately cover operations by implementing bodies, the contribution made by those checks to the overall assurance of the legality and regularity of the underlying operations is limited (paragraph 8.12 of the annual report);
147. Calls upon EuropeAid to implement a programme of checks applicable to the implementing bodies and to devote all its efforts to ex-post audits on the various NGOs with which it cooperates;
148. Is concerned at the fact that, as regards the effectiveness of TACIS programme expenditure, the Court maintains that at the end of 2005 the Commission was unable to determine how the programme had contributed to improving the safety of nuclear power stations (paragraph 8.36 of the annual report); regards such a criticism as extremely serious, since it reveals a lack of guarantees as regards the fundamental, priority aspect of Community action — i.e. value for money;
149. Notes the Court's criticisms concerning the limited use made of the Common Relex Information System (CRIS), from which little or no financial information is extracted upon which to base a more detailed risk analysis (paragraph 8.6 of the annual report); calls upon the Commission to remedy the weaknesses in the CRIS as a matter of urgency and to exploit the system's full potential in order to obtain the information required for control systems;
150. Notes the information from the Commission (answer to Written Question E-4481-06) to the effect that, in connection with the fraud and bribery affair concerning the Lesotho Highlands Water Project, three firms which received EU assistance have been fined by the Lesotho High Court: Schneider Electric SA (France), Impregilo Spa (Italy) and Lahmeyer International GmbH (Germany);
151. Criticises the fact that, in the case of the Lesotho Highlands Water Project, the Commission has evidently not taken any decision pursuant to Article 93(1)(e) of the Financial Regulation (exclusion from the award of contracts); expects the Commission now to take and announce the appropriate decisions by June 2007 at the latest and to submit a comprehensive report on the affair to Parliament, together with the European Investment Bank (which is also involved), in September 2007 at the latest which also makes it clear what efforts have been made to recover monies;

Development

152. Welcomes the fact that the share of EU funding spent on the basic health and basic education sectors has been raised from 4,98 % to 6,83 %; however, regrets the fact that this share is still far removed from the 20 % target which was set in the 2005 budget; cannot accept the fact that the Commission is using the legitimate and necessary objective of better donor coordination and work-sharing between donors as an excuse for too low a level of investment in the basic health and basic education sectors and urges it to adopt measures forthwith to achieve the 20 % target and to inform Parliament in writing at least twice a year about the progress of implementation and about the factors taken into account in the calculation;
153. Regrets the fact that the Commission has not so far developed any comprehensive strategy together with the beneficiary countries for making the health and education sectors priorities in the new country strategy papers;

154. Further regrets that, despite assurances to the contrary from the Commission, country strategy papers currently under preparation generally lack a clear Millennium Development Goal (MDG) profile, not to mention specific targets and timetables for achieving each MDG, and fail to treat adequately the Community's contribution to achieving them;
155. Welcomes the Commission's statements on the incomplete implementation of certain budget headings, in particular those for the Community contribution towards schemes concerning developing countries carried out by non-governmental organisations (Article 21 02 03), for the environment in developing countries (Article 21 02 05), for aid for poverty-related diseases in developing countries (Item 21 02 07 02), for aid for population and reproductive healthcare (Item 21 02 07 03) and for decentralised cooperation (Article 21 02 13); calls, however, for a further increase in efforts to implement the budget in full;
156. Calls on the Commission to keep a closer watch on the emigration of skilled labour from developing countries to EU countries and to propose appropriate measures for enabling skilled people from developing countries to remain in, or return to, their home countries so that action by donors e.g. in the health and education sectors, can be of long-term and effective benefit in combating poverty in the developing countries;
157. Welcomes the fact that the Court of Auditors has recorded an improvement in the Commission's supervisory and control systems; however, regrets the fact that this improvement does not extend to supervision, control and audit of the implementing bodies; considers it unacceptable that, as a result, such a large number of material errors continue to occur at a central point in the chain between the European taxpayer and the final beneficiary in the developing country; calls on the Commission to ensure that, in particular, public procurement procedures which are required are carried out and that no double entries occur;
158. Calls on the Commission to take action to enable the Court of Auditors to carry out effective checks on EU financial resources set aside for measures implemented by international organisations, in particular UN agencies;
159. Expects the Commission to instruct its delegations in the beneficiary countries as a general rule to spell out in their reports the practical results of the deployment of EU funds so that the Commission can gauge and publicise the results of EU development cooperation;
160. Calls on the Commission to verify regularly the use made of the operating appropriations of its delegations and the compatibility of their fields of action with the priorities of the European Union;
161. Welcomes the Commission's efforts to implement the strategy for incorporating the environment into development cooperation and calls on the Commission to continue to press ahead with the environmental dimension in development policy, including measures to promote environmentally friendly energy supply;
162. Welcomes the positive overall deployment of humanitarian aid by the Commission in connection with the tsunami disaster; however, regrets the fact that the emergency aid measures were not adequately coordinated; calls on the Commission to define more clearly the roles of DG ECHO and DG Environment (Community procedures for disaster management) and to develop approaches that ensure the support of the regions concerned when coordinating the different donors, and welcomes the Commission's willingness to inform Parliament regularly in writing of progress;
163. Concludes once again that integration of the European Development Fund into the EU budget would enhance the overall consistency of European development cooperation, ensure greater transparency and effectiveness and facilitate democratic scrutiny;

Euro-Mediterranean Partnership

164. Is pleased with the Court's assessment that considerable improvements have been made by the Commission in relation to management of the MEDA programme; urges the Commission to further enhance its effectiveness and efficiency and to ensure a smooth transition to the new financial instruments; insists that the Commission should keep Parliament informed about the translation into

practice of objectives set out in the strategy papers and indicative programmes under the new instruments;

165. Calls on the Commission to present a more substantial evaluation system concerning all external assistance expenditure where the link between expenditure and political results or the lack thereof is more transparent, in order to enable Parliament to effectively exercise its prerogatives and obligations as budgetary authority;

Eastern neighbours

166. Is pleased with the Commission's efforts to further improve management of projects under TACIS in Russia and other beneficiary countries; recognises that the Commission has addressed many of the weaknesses highlighted in the Court's special report No 2/2006;
167. Awaits with interest the evaluation of the contribution made to improving safety in the various nuclear power stations under the TACIS programme, which the Commission began in 2006;
168. Reiterates its request to the Commission to clarify with the United Nations agencies the Court of Auditors' right of access to projects managed by those agencies;
169. Asks the Commission to insist on the traceability of funds granted by the European Union to international organisations such as United Nations agencies and the World Bank, and transparency in the way these funds are managed, and to forward this information to Parliament;
170. Takes the view that the European Union's image should have a higher profile; calls on the Commission and Council to continue their reflections on their method of communication to ensure that the European Union's external policy is more transparent and more visible;

Pre-accession strategy

171. Notes that the Court states that the Sapard transactions which it audited were affected by significant errors and that although there were improvements in the Commission's supervisory and control systems, major weaknesses were noted within the Member States (paragraphs 9.10 and 9.19);
172. Recommends, therefore, that the Commission should improve its monitoring of Member States' systems, devote particular attention to final expenditure declarations relating to the programmes in general and ensure that the Sapard paying bodies in particular are closely monitored;
173. Is concerned by the delays in the EDIS accreditation for Phare and ISPA in Bulgaria, leading to only partial completion of that process before enlargement; notes the extended preparatory phase on the Bulgarian side, which has made progress but still needs to improve supervisory and control systems as well as the administrative capacities necessary for timely and effective implementation of projects; urges the Commission to continue to cooperate with the Bulgarian and Romanian authorities in order to support them in further adapting to the requirements of EDIS;
174. Is pleased with the Court's assessment that the decentralised management introduced for CARDS projects in Croatia has proved unproblematic; invites the Commission to continue working with the national implementing agencies so as to enhance their management capacities;
175. While recognising the importance of cooperating with international financial institutions, insists that the Commission should decide to participate in joint projects only if they ensure an effective use of funds; insists on the need for EU assistance to provide clear added value, and requests that the performance of joint projects be closely monitored by the Commission;

176. Encourages the Commission to continue working on the successful implementation of the verification clause contained in the Financial and Administrative Framework Agreement as well as on guidelines regarding an agreed level of detail needed when UN agencies report on the implementation of projects, thus safeguarding the financial interests of the EU and the prerogatives of the Court of Auditors;

Administrative expenditure

177. Notes with satisfaction that the Court's audits brought to light no significant error affecting the legality of administrative expenditure;
178. Calls on the Commission to inform Parliament before the end of 2007 of progress made by the new Member States, in particular Romania and Bulgaria, in the introduction of anti-corruption legislation; regrets that the anti-corruption legislation proposed by the Romanian Government, specifically the Minister of Justice, has been blocked by the Romanian Parliament; fully supports the Government in its efforts to have this legislation approved and introduced;
179. Expresses however its concern for the growing cost of invalidity pensions and considers the use of mandatory invalidity pensions based on psychological disorders to resolve any conflicting relationship with Commission personnel as unacceptable;

Agencies

180. Considers that the ever growing number of Agencies does not always reflect the real needs of the Union and its citizens; invites the Commission therefore to present a cost-benefit study before the setting up of any new Agency and calls on the Court of Auditors to give its opinion on the cost-benefit study before Parliament takes its decision;
181. Invites the Commission to present every five years a study on the added value of every existing Agency; invites all relevant institutions in the case of a negative evaluation of the added value of an Agency to take the necessary steps by reformulating the mandate of that Agency or by closing it;
182. Regrets the fact that — as the Court points out in its annual report — there has been another year of weaknesses in staff recruitment and in the procedures for the awarding of contracts by the agencies (activity-based management still not having been introduced);
183. Notes that, in its 2005 Annual Report, the IAS issued a reservation concerning the fact that it has too few staff to be able to satisfy the requirement laid down in the Financial Regulation to the effect that the agencies should be audited annually; calls on the Internal Auditor to explain to the budgetary authority as soon as possible what additional staff are required for this;
184. Considers that, in view of the increasing number of regulatory agencies, there is an ever-greater need for the responsibilities of the Community's various institutional players vis-à-vis those agencies to be clarified and for clear rules on the subject to be drawn up, including on the subject of the allocation of monitoring tasks;
185. Regrets the fact that the Commission has been unable to make any progress in the negotiations on the draft interinstitutional agreement on the operating framework for the European regulatory agencies, which was adopted in February 2005 (COM(2005) 0059);
186. Notes that, with the help of the IAS, the agencies have started to establish their own internal control departments and that in future the IAS will carry out periodic reviews of those departments; also considers that the IAS must check that the agencies' internal control systems are functioning properly and that it must inform Parliament regarding the checks it carries out and the progress it achieves;

187. Calls on the Commission to consider the idea of organising an audit for each of the Agencies with a view to examining their operations, with a view notably to human resource management, the budget and whether or not the tasks required of them have been performed;
188. Notes that the Common Support Service has been established by a number of agencies for the purpose of adapting financial management information systems in order to make them compatible with those used by the Commission; notes that the contributions to that Service were managed outside the agencies' budget systems (paragraph 10.27 of the 2005 annual report); takes the view — as did the Court — that such cooperation should not disregard the budgetary principles of unity and transparency and that such contributions to the Common Support Service should thus be treated as assigned revenue included in the agencies' budget systems;
189. Invites the Court of Auditors to create an additional chapter in its annual report devoted to the Agencies in order to have a much clearer picture of the use of EU funds by the Agencies;

European Schools

190. Notes the Court's favourable report concerning the European Schools' annual accounts; observes, however, that it is pointed out in that report that the Schools' internal control system does not follow the principle of the separation of functions between authorising officers and accounting officers and that authorising tasks are performed by delegation by two heads of unit in respect of all budget headings and with no financial ceiling; hopes that the new Financial Regulation for the European Schools (which has been in force since 1 January 2007) will remedy the weaknesses to which the Court has drawn attention; hopes that, in future, the Commission will shoulder its responsibility for a sustainable schools policy to a greater extent, commensurate with its share of funding of the European Schools and not with its formal voting rights on the highest decision-taking bodies, and work towards a long-term and, for stakeholders, reliable policy guaranteeing planning certainty; calls, in the medium term, for voting rights to be brought into line with funding share;

Questions in connection with the Community's buildings

191. Notes the complaint lodged by the Director-General of the Office for Infrastructure and Logistics in Brussels (OIB) in his Annual Activity Report on the structural deficit generated by the cost of maintaining the Berlaymont building following its refurbishment ⁽²²⁾, and also his references to a series of accounting and management problems; considers that the structural-deficit problems highlighted should be resolved as a matter of urgency and calls upon the Commission to take appropriate action and to notify Parliament thereof;
192. Will also return to other questions in connection with the Berlaymont building as soon as the Court of Auditors' special report on buildings policy, notice of which has been given, is available;
193. Notes the Commission reports of 21 February 2007 about a lifts and escalators cartel, the members of which have been fined more than EUR 990 000 000; expects a report from the Commission by September 2007 which shows the extent to which Community institutions, too, have fallen victim to that cartel, in connection with their various building projects, and what steps have been taken to assert claims for damages;

CONCLUSIONS CONCERNING THE SPECIAL REPORTS ISSUED BY THE COURT OF AUDITORS

Special Report No 6/2005 on the Trans-European Network for Transport

194. Points to the fact that the new 2007-2013 financial perspective will have a considerable impact on the TEN-T, as the amount agreed upon is approximately 40 % lower than the original Commission proposal; is of the opinion that as a consequence selecting and prioritising projects will become even more important;

⁽²²⁾ Paragraph 2.2.1.2. of the OIB's Annual Activity Report, *Risk management*, page 23.

195. Is of the opinion that in the current financial environment preference should be given to cross-border sections of priority projects involving more than one Member State;
196. Calls on the Member States to support a European added-value approach rather than fighting for the 'fair share' principle;
197. Is of the opinion that the Commission has to further improve cooperation with Member States when priority projects at national and EU level are selected;
198. Is, in this context, deeply concerned about the slow execution of TEN-T priority projects and urges the Commission and Member States to improve co-ordination of EU transport infrastructure funding in annual and multiannual programmes;
199. Calls on the Commission to continue its effort to establish clear legal frameworks and procedures, and also to guarantee rigorous monitoring and thorough evaluation of projects and programmes and to set up a comprehensive list of clear criteria which allow projects to be prioritised in a transparent manner;
200. Asks the Commission to clarify the procedure for the appointment of European coordinators when setting up the regulatory framework for the content of their reports;
201. Urges the Commission to establish a clear and transparent division of institutional responsibilities and define a framework for the coordination of activities between DG REGIO and DG TREN with a view to avoiding double-financing of the same projects;
202. Notes that the Court has dismissed the first cost-benefit analysis for the creation of an Executive Agency as superficial; asks the Court to evaluate the second one, which was finalised in July 2005, in time for the competent committee's own initiative report;
203. Points out that Council Regulation (EC) No 58/2003 of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes ⁽²³⁾ requires, in its Article 3(1), a cost-benefit analysis, taking into account a number of factors, before the establishment of an executive agency can be requested; regrets that the Commission was not in a position to present the European Court of Auditors with a satisfactory cost-benefit analysis of the establishment of an executive agency at the outset; remains, together with the European Court of Auditors, doubtful with regard to the quality of the revised version of the cost-benefit analysis concerning the externalisation of the management of Community financial support to the TEN-T networks; for the future, calls on the Commission to seek a positive opinion on cost-benefit analyses from the European Court of Auditors before forwarding a request for the establishment of an executive agency to the budgetary authorities;
204. Is of the opinion that the Commission should consider proposing that the Community's contribution to the TEN-T budget line be increased for cross-border projects; welcomes in this context the cooperation agreement with the European Investment Bank;

Special Report No 1/2006 on the contribution of the ESF in combating early school leaving

205. Attaches great importance to an efficient and responsible use of the EU budget and to the application of the principle that an initiative that is insufficiently verifiable should not be financed by public money and therefore regrets that no clear correlation between reduction of early school leaving and EU funding has been found;
206. Recognises that the Commission has an appropriate monitoring and control mechanism to ensure compliance with the principles of sound financial management but stresses that this mechanism must be improved in accordance with what the Commission itself has stated; in this respect, calls upon the Commission to propose how it plans to go about this;

⁽²³⁾ OJ L 11, 16.1.2003, p. 1.

207. Encourages the Commission to work with the Member States and their national statistics offices to properly define and identify the incidence of early school leaving and encourage the exchange of information and best practice between all local and national organisations responsible for tackling early school leaving;
208. Calls for a common understanding between the 27 Member States as to measuring standards and definitions related to the problem of early school leavers in order to ensure that national data is comparable and as to the necessary quality required to establish whether the Lisbon Strategy priorities in this respect are in fact being met;
209. Calls upon the Commission to ensure that a thorough assessment is carried out in the new Member States as early as possible and in time to make remedial action possible, if required; calls, furthermore, upon the Court of Auditors to conduct in parallel, in the new Member States themselves, a similar audit to the one it conducted in the past in the 15 Member States on the impact of early school leaving funding;

Special Report No 2/2006 concerning the performance of projects financed under TACIS in the Russian Federation

210. Stresses that, despite the positive results in many areas, the overall impact of the TACIS programme has not always been efficient and sustainable, as was intended; notes that the nature of the irregularities identified by the Court was mainly mismanagement in the programming process on the part of the Commission;
211. Calls on the Commission to engage the Russian Government in further dialogue to identify national needs and direction accurately and to seek to define and identify priorities and objectives to reach by actions taken; considers that the Commission should keep in mind the principle of 'value for money' and therefore urges the Commission to monitor and evaluate the programme more prudently and closely than before;
212. Urges the Commission to pursue its policy of focusing on a limited number of sectors and a limited number of programmes; takes the view that the Commission should change its scope from a project approach to a programme approach, since the project approach has too often led to limited dialogue, ownership and flexibility as well as to stand-alone projects unlikely to produce the broader and longer term objectives set out in the current partnership and cooperation agreement;
213. Calls on the Commission to take action in preparing a proposal for a legal basis enabling the use of TACIS funds for co-financing with the Russian Federation and considers the financial involvement of regional and local players and the social partners and a greater participation by the private sector to be essential;
214. Calls on the Commission to ensure frequent project-based evaluation, beyond the time of project completion, in order to improve feed-back from past experience and also to ensure clear information on on-going projects and the various programmes designed to facilitate public access to information, and to increase openness and transparency about the utilisation of funds and decision-making;

Special Report No 3/2006 concerning the European Commission Humanitarian Aid Response to the Tsunami

215. Welcomes the Court of Auditors' overall positive evaluation of DG ECHO's humanitarian aid response;
216. Urges the Commission to clarify the role of DG ECHO, and DG Environment (via the Civil Protection Mechanism) in response to humanitarian needs, with a view to ensuring coherent action;

217. Invites the Commission to strengthen the role of DG ECHO to continue to improve its coordination and its response capacity to meet rapidly and efficiently the needs of victims of future humanitarian catastrophes and to give adequate consideration to the importance of linking short-term humanitarian aid with longer term rehabilitation and reconstruction; notes that at present the two phases belong to different DGs, procedures and mandates;
218. Insists on sound financial management and considers that provision of detailed financial information is necessary to facilitate the effective monitoring of project implementation;
219. Emphasizes the recommendation of the Court that DG ECHO should strengthen its monitoring system;
220. Understands that an increase in prices of goods and labour costs might be unavoidable in exceptional situations; invites however the Commission to give consideration to measures aimed at controlling and monitoring costs as much as possible;
221. Voices its concern with regard to brand promotion and competition for visibility amongst humanitarian donors in humanitarian catastrophes which attract high media attention, as this practice has a negative impact on the coordination of humanitarian aid and the perception of the aid by the victims of such catastrophes;
222. Asks the Commission to define clearly what an NGO is;

Special Report No 4/2006 concerning Phare investment projects in Bulgaria and Romania

223. Deplores the practice of the Commission whereby the need for certain projects financed under the Phare programme was not proven in advance and thus the principles of legality and regularity were not respected;
224. Urges the Commission to involve the Bulgarian and Romanian authorities in mutual cooperation with a view to identifying the two countries' requirements and capabilities more precisely, and to endeavour to define and determine the priorities and the objectives to be achieved;
225. Notes that although certain steps have been taken in order to solve the problem of insufficient administrative capability and deficiencies in the rule of contractual law, and to ensure that co-financing requirements are complied with, efforts still need to be made;
226. Calls on the Commission to pay particular attention to establishing in Romania and Bulgaria administrative structures and information systems capable of managing and controlling EU funds and to supervise the reorganisation of the departments responsible for investing those funds;
227. Calls on the Commission to ensure that clear information is provided concerning current projects and the various programmes, and on the Romanian and Bulgarian administrations' overall management and independent monitoring capability, and to ensure that there is greater openness and transparency in the use of funding and in the taking of decisions relating thereto;
228. Calls on the Commission for an independent opinion concerning the ability of the Romanian and Bulgarian administrations to carry out the sound financial management of Community funding;

Special Report No 6/2006 concerning the environmental aspects of the Commission's development cooperation

229. Urges the Commission, on the basis of the new development policy signed in December 2005, to establish a comprehensive environment strategy for its development cooperation;

230. Considers that such a strategy should recognise the importance not only of mainstreaming the environment into all development programmes and projects but also making the environment a priority field for expenditure;
231. Believes that training in environmental mainstreaming should be compulsory for key officials; urges the Commission to complete the preparation of a manual on environmental mainstreaming as soon as possible;
232. Asks the Commission to ensure that it has sufficient in-house environmental expertise and that clear environmental integration procedures are both defined and complied with;
233. Invites the Commission to make greater use of the recognised expertise of the national aid administrations of the Member States and of private companies that have an established experience as partners of the national aid administrations in managing environmental projects in the context of national development cooperation programmes;
234. Insists that projects must be planned on the basis of detailed specifications with clearly defined aims and that external monitors should be engaged to evaluate the success rate of each project and to identify clearly any failures or weaknesses;

Special Report No 7/2006 concerning Rural Development Investments: Do they effectively address the problems of rural areas?

235. Welcomes the publication of the report and urges the Commission to take on board those shortcomings identified in the report which are not addressed in the new Rural Development Regulation or its detailed implementation rules, in particular when approving national programmes;
236. Calls in particular upon the Commission to set clearer strategies which relate to specific objectives and work in close cooperation with the Member States to improve the definition of objectives, beneficiaries and areas, as well as the selection of the most appropriate projects, and to include this in the programming documents for the 2007-2013 period;
237. Believes that the time-frame for Commission approval of national programmes might have to be extended slightly in order to allow for thorough analysis, as the quality of national programmes will to a large extent determine whether the allocation of funds to the most needy areas and beneficiaries is clearly justified and the effectiveness of investment measures can be better measured in the future;
238. Reiterates the importance it attaches to an efficient and responsible use of the EU budget and to the application of the principle that an initiative that is insufficiently verifiable should not be financed by public money; considers that setting clear objectives and defining clear strategies in national programmes are essential in this context;
239. Believes that the achievement of the two-fold structural and agricultural objectives of investment measures should be implemented through a carefully balanced sectoral (for agriculture) and territorial (for economic and social cohesion) approach;
240. Considers the second pillar of the CAP to be an indispensable tool in the further development of rural areas in the EU, and thus invites the Commission to encourage Member States to analyse key success factors in investment projects and to disseminate cases of good practice;
241. Encourages the Commission, in close cooperation with Member States, to improve monitoring and evaluation systems, for example by developing relevant qualitative indicators that enable Member States and Commission to determine whether measures were effective and which objectives were achieved;

242. Welcomes the fact that the discussion of this special report took place at the same time as the first introductory presentation of the Commission's proposal for reform of the fruit and vegetable sector, to take effect from 2008;

Special Report No 8/2006 on: Growing Success? The effectiveness of the European Union support for fruit and vegetable producers

243. Reiterates its commitment to Community support for the fruit and vegetables sector in the EU, which is needed to make the sector more sustainable and more competitive;
244. Stresses that producer organisations are the cornerstone of the CMO for fruit and vegetable products, and therefore supports the Commission when it encourages and supports growers to form producer organisations;
245. Expresses its support for moving away from interventionist measures, such as withdrawals or support for processed products, which it considers to be counterproductive to the objectives set out for the fruit and vegetable sector;
246. Believes that support systems for operational programmes for fruit and vegetable producer organisations form a far more promising tool than interventionist measures;
247. Notes and welcomes the evaluation study foreseen for 2009 and calls for the Commission to set up an appropriate monitoring and control mechanism for the fruit and vegetable sector to ensure compliance with the principle of sound financial management;
248. Welcomes the Commission's statement that it will improve its capacity to collect data and to develop relevant qualitative and quantitative indicators in order to measure effectiveness and efficiency; believes that these indicators should better address a wider range of benefits of programmes, which should be monitored at a higher aggregation level; proposes, moreover, that the Commission review as soon as possible the relevance and accurateness of existing indicators and statistics;
249. Agrees with the Court that the current system needs close review in order to improve its efficiency and effectiveness; calls therefore on the Commission and the Member States to closely monitor and increase the efficiency and effectiveness of the system of producers' operational programmes and to study the success factors of the more promising results obtained and draw conclusions on that basis for better implementation at Member State level, especially in the less well organised regions;
250. Supports therefore the Court's recommendations to clarify and simplify eligibility criteria in order to increase transparency and to reduce administrative costs incurred by payment schemes;
251. Asks the Commission to align the aid scheme's procedures and rules with those of the Rural Development Funds in order to clarify when they can complement each other and when they exclude each other;
252. Calls upon the Commission to closely monitor and control the implementation of the scheme in new Member States;

Special Report No 9/2006 concerning translation expenditure incurred by the Commission, the Parliament and the Council

253. Underlines the fact that the total cost of all the linguistic services of the EU institutions — translation and interpretation combined — represents merely 1 % of the total EU budget;

254. Is surprised that institutions have so far calculated neither their total translation costs ⁽²⁴⁾ nor their costs per page; notes that, in 2005, the volume of translations was 1 324 000 pages at the Commission (1 450 translators), 1 080 000 pages at Parliament (550 translators) and 475 000 pages at the Council (660 translators); notes furthermore that the Court of Auditors estimated the full cost of translation, in 2003, at EUR 414 200 000, being EUR 214 800 000 for the Commission, EUR 99 000 000 for Parliament and EUR 100 400 000 for the Council; notes that for the same year the average cost per page stood at EUR 166,37: EUR 150,2 for the Commission, EUR 149,7 for Parliament, and EUR 251,8 for the Council;
255. Considers that the institutions should take appropriate measures to further improve the productivity of the EU translation services by comparison with the private sector;
256. Considers that clarifications are required as to why the prices that Parliament pays for freelance translators are on average 12 % higher than the prices paid by the Commission;
257. Welcomes the fact that the Commission and the Council have managed to limit the increase in translation volume after the EU-10 enlargement, thereby curbing any cost increase;
258. Considers that the three institutions should establish translation costs on an annual basis using the same criteria and calculation methods; takes the view that the figures obtained should be used not only for budgetary purposes, but also to raise cost awareness among users;
259. Welcomes the Commission's readiness to address the authorisation procedure and the screening of translation requests in 2006; also welcomes the fact that, in 2003, the Council established a list of core documents, thereby limiting the translation of other texts;
260. Recommends that greater use be made of limits on the length of documents and of written summaries;
261. Encourages parliamentary committees and delegations to provide texts only in the languages of committee members and their substitutes; suggests that additional language versions could be provided upon specific request;
262. Is generally of the opinion that the institutions must take the necessary measures to guarantee a high translation quality standard; takes the view, therefore, that the Council, Parliament and the Commission should report back to the Court and the Committee on Budgetary Control on measures taken to monitor and improve the quality of translations in time for the 2006 discharge procedure;
263. Considers that the institutions should improve further the information available to management for monitoring the translation process, taking into consideration the performance indicators proposed by the Court ⁽²⁵⁾;
264. Considers that the Council, Parliament and the Commission should make efficient and effective use of internal and external resources such as databases, computer-assisted translations, teleworking and outsourcing;
265. Considers that each institution should verify spare translation capacities in the other two institutions before outsourcing translations;

Special Report No 10/2006 on ex post evaluations of Objectives 1 and 3 programmes 1994-1999 (Structural Funds)

266. Invites the Commission to demonstrate to what extent the methodology for *ex ante*, mid-term and *ex post* evaluation has been consolidated in order to prevent as far as possible, for the 2000-2006 *ex post* evaluation exercise, the logical errors established by the Court's special report;

⁽²⁴⁾ According to the Court these figures cover costs for translators, secretaries, management, service staff, planning, buildings, IT and human resource management (i.e. training).

⁽²⁵⁾ See paragraphs 53 and 88 of the Court's report.

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267. Suggests that cooperation between DG REGIO and DG EMPL be expanded with regard to the points which the evaluation methods have in common;
268. Notes that the methodology concerning the current use of the HERMIN model poses major problems; is concerned that the current methodology does not allow sufficient account to be taken of the importance of the tertiary sector for some economies, such as tourism; fears that there will be serious difficulties for Structural Fund evaluation in the countries which joined the European Union in 2004 because of the specific circumstances of their young market economies; calls on the Commission to demonstrate — before commencing the 2000-2006 evaluation — to what extent it has modified the methodology to take account of this criticism;
269. Calls also for the methodology to be enlarged upon in order to gauge microeconomic effects; considers private investment important for Structural Fund impact in the long term and for job creation; insists that it be taken into consideration in the 2000-2006 *ex post* evaluation exercise;
270. Calls, in the interests of ensuring a coherent approach to Structural Fund evaluation in general, for the conclusions of the Court's special report to be taken into account for future *ex ante*, mid-term and *ex post* evaluations for the 2000-2006, 2007-2013 and subsequent programming periods;
271. Backs the notion that Structural Fund evaluation ought to be viewed as an ongoing process with permanent input from the conclusions drawn from the various *ex ante*, mid-term and *ex post* exercises; calls for Member States to be involved in this process and for the Commission to demonstrate how it is going to put these notions into practice as soon as possible;
272. Takes the view that, in the interests of demonstrating the European added value of the Structural Funds to the public, future evaluations should also highlight the indirect effects of the Structural Funds;
273. Calls on the Commission in relation to the steering group for the 2000-2006 *ex post* evaluation to explore the scope for increased cooperation with the academic community (to include the opinions of outside experts) in the form of partnerships with specialised institutes and studies on specific subjects;
274. Is of the opinion that such cooperation would make it possible to refine the evaluation and exploit the potential of the Structural Funds to a greater extent; invites the Commission to follow this approach in order to establish a 'beacon' model for evaluation of economic, social and territorial cohesion measures which would be a specifically European model, but would have the potential to serve as an example at global level.
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DECISION OF THE EUROPEAN PARLIAMENT**of 24 April 2007****on closing the accounts for implementation of the European Union general budget for the financial year 2005, Section III — Commission**

(2008/500/EC, Euratom)

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2005 ⁽¹⁾,
- having regard to the final accounts of the European Communities for the financial year 2005 — Volume I — (SEC(2006) 0916 — C6-0263/2006, SEC(2006) 0915 — C6-0262/2006) ⁽²⁾,
- having regard to the Commission's annual report to the discharge authority on the follow-up to 2004 discharge Decisions (COM(2006) 0642, COM(2006) 0641), and the Commission staff working paper — Annex to the report from the Commission to the European Parliament on the follow-up to 2004 discharge Decisions (SEC(2006) 1376, SEC(2006) 1377),
- having regard to the Commission communication to the European Parliament, the Council, the Economic and Social Committee and the Committee of the Regions, entitled *Policy Achievements in 2005* (COM(2006) 0124),
- having regard to the Commission communication entitled *Synthesis of the Commission's management achievements in 2005* (COM(2006) 0277),
- having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2005 (COM(2006) 0279),
- having regard to the Commission's report on Member States' replies to the Court of Auditors' 2004 annual report (COM(2006) 0184),
- having regard to the Green Paper on the European Transparency Initiative adopted by the Commission on 3 May 2006 (COM(2006) 0194),
- having regard to Opinion No 2/2004 of the Court of Auditors on the 'single audit' model (and a proposal for a Community internal control framework) ⁽³⁾,
- having regard to the Commission communication on a roadmap to an integrated internal control framework (COM(2005) 0252),
- having regard to the Commission's action plan towards an integrated internal control framework (COM(2006) 0009),
- having regard to the first report on the scoreboard for the application of the Commission action plan towards an integrated internal control framework published on 19 July 2006 (SEC(2006) 1009),
- having regard to the House of Lords European Union Committee report entitled *Financial Management and Fraud in the European Union: Perceptions, Facts and Proposals*, which was published on 13 November 2006,
- having regard to the Court of Auditor's annual report on implementation of the budget for the financial year 2005 ⁽⁴⁾ and its special reports, each accompanied by the replies of the institutions audited,

⁽¹⁾ OJ L 60, 8.3.2005.⁽²⁾ OJ C 264, 31.10.2006, p. 1.⁽³⁾ OJ C 107, 30.4.2004, p. 1.⁽⁴⁾ OJ C 263, 31.10.2006, p. 1.

- having regard to the statement of assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions, provided by the Court of Auditors pursuant to Article 248 of the EC Treaty ⁽⁵⁾,
 - having regard to the Council's recommendation of 27 February 2007 (5710/2007 — C6-0081/2007),
 - having regard to Articles 274, 275 and 276 of the EC Treaty and Articles 179a and 180b of the Euratom Treaty,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁶⁾, and in particular Articles 145, 146 and 147 thereof,
 - having regard to Opinion No 4/2006 of the Court of Auditors on the draft Council Regulation amending Regulation (EC, Euratom) No 1605/2002 ⁽⁷⁾,
 - having regard to Rule 70 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinions of the other committees concerned (A6-0095/2007),
- A. whereas under Article 275 of the EC Treaty the Commission is responsible for drawing up the accounts,
1. Approves closing the accounts for implementation of the European Union general budget for the financial year 2005;
 2. Instructs its President to forward this Decision to the Council, the Commission, the Court of Justice, the Court of Auditors and the European Investment Bank, and to the national and regional audit institutions of the Member States, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Harald RØMER

⁽⁵⁾ OJ C 263, 31.10.2006, p. 10.

⁽⁶⁾ OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).

⁽⁷⁾ OJ C 273, 9.11.2006, p. 2.

DECISION OF THE EUROPEAN PARLIAMENT

of 24 April 2007

on the discharge for implementation of the European Union general budget for the financial year 2005, Section IV — Court of Justice

(2008/501/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2005 ⁽¹⁾,
 - having regard to the final annual accounts of the European Communities for the financial year 2005 — Volume I (C6-0467/2006) ⁽²⁾,
 - having regard to the Annual Report of the Court of Auditors on implementation of the budget for the financial year 2005 and the Court of Auditors' special reports, together with the audited institutions' replies ⁽³⁾,
 - having regard to the statement of assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors pursuant to Article 248 of the EC Treaty ⁽⁴⁾,
 - having regard to Articles 272(10), 274, 275 and 276 of the EC Treaty,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Articles 50, 86, 145, 146 and 147 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0109/2007),
1. Grants the Court of Justice's Registrar discharge for implementation of the Court of Justice budget for the financial year 2005;
 2. Sets out its observations in the Resolution below;
 3. Instructs its President to forward this Decision and the Resolution that forms an integral part of it to the Council, the Commission, the Court of Justice, the Court of Auditors, the European Economic and Social Committee, the Committee of the Regions, the European Ombudsman and the European Data Protection Supervisor, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President

Hans-Gert PÖTTERING

The Secretary-General

Harald RØMER

⁽¹⁾ OJ L 60, 8.3.2005.

⁽²⁾ OJ C 264, 31.10.2006, p. 1.

⁽³⁾ OJ C 263, 31.10.2006, p. 1.

⁽⁴⁾ OJ C 263, 31.10.2006, p. 10.

⁽⁵⁾ OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 24 April 2007****with observations forming an integral part of the Decision on the discharge for implementation of the European Union general budget for the financial year 2005, Section IV — Court of Justice**

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2005 ⁽¹⁾,
 - having regard to the final annual accounts of the European Communities for the financial year 2005 — Volume I (C6-0467/2006) ⁽²⁾,
 - having regard to the Annual Report of the Court of Auditors on implementation of the budget for the financial year 2005 and the Court of Auditors' special reports, together with the audited institutions' replies ⁽³⁾,
 - having regard to the statement of assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors pursuant to Article 248 of the EC Treaty ⁽⁴⁾,
 - having regard to Articles 272(10), 274, 275 and 276 of the EC Treaty,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Articles 50, 86, 145, 146 and 147 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0109/2007),
1. Notes that in 2005 the European Court of Justice (ECJ) had available commitment appropriations amounting to a total of EUR 232 602 467,74 (2004: 235 041 565) with a utilisation rate of 92,66 %;
 2. Notes that following the introduction of accrual accounting with effect from 1 January 2005 the ECJ's financial statements disclose a negative economic out-turn for the year (EUR 30 747 924) and an excess of liabilities over assets of EUR 43 902 361;
 3. Notes that the ECJ's balance sheet includes an amount of EUR 105 879 903 corresponding to its liability in respect of judges' pensions; points out that this liability is offset partly by the ECJ's tangible and intangible fixed assets and partly by an amount to be called up from the Member States (EUR 43 902 361);
 4. Recalls that in paragraph 9.21 of the Annual Report concerning the financial year 2004 the European Court of Auditors (ECA) criticised the fact that the head of the Internal Audit Service was responsible for *ex ante* verification of the authorising officers' operations; points out that the same situation was noted concerning the financial year 2005 (Annual Report paragraph 10.13);

⁽¹⁾ OJ L 60, 8.3.2005.

⁽²⁾ OJ C 264, 31.10.2006, p. 1.

⁽³⁾ OJ C 263, 31.10.2006, p. 1.

⁽⁴⁾ OJ C 263, 31.10.2006, p. 10.

⁽⁵⁾ OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).

5. Welcomes the information contained in the replies by the ECJ to the ECA's Annual Report that, in the light of the comments made in this regard by the control and discharge authorities, the administration of the ECJ, in the course of preparing the estimate of the revenue and expenditure for the financial year 2007, proposed modifying this organisation by creating an administrative unit with exclusive competence for verification, which to this end would be provided with two new posts (one administrator responsible for management and an assistant to reinforce the team responsible for verifications);
6. Notes with satisfaction the information contained in the ECJ's replies to the ECA's Annual Report (paragraph 10.14) that after having become fully operational in September 2005 the ECJ's Internal Auditor carried out some specific audits and addressed recommendations to the services concerned (the absence of such specific audits having been criticised in previous years);
7. Congratulates the ECJ on having reduced the number of negotiated contracts as a proportion of the number of contracts awarded from 72 % in 2004 to 27 % in 2005; notes, however, with concern its difficulties in recruiting qualified staff for several posts on the basis of the competitions organised by EPSO;
8. Notes that in 2005 the development of the ECJ as an institution was notable chiefly for the taking-up of its duties by the Civil Service Tribunal, composed of seven judges;
9. Notes with satisfaction that the number of completed cases per year in the ECJ rose from 494 in 2003 to 574 in 2005 while the number of cases pending fell from 974 to 740;
10. Points out that in 2005 the number of officials and agents (members of auxiliary and temporary staff, contract agents) in service rose over the year from 1 512 to 1 704 (13 %) and the number of Members grew by eight (as a result of the creation of the Civil Service Tribunal);
11. Notes with concern the repeated references, in a number of administrative sectors described in the ECJ's activity report, to problems in recruiting qualified staff covered by the Staff Regulations;
12. Notes that no *ex post* verifications were carried out in 2005;
13. Welcomes the inclusion in the ECJ's activity report of a chapter setting out the follow-up given during the year to earlier discharge decisions by the European Parliament and reports by the ECA;
14. Notes that following the creation of the Civil Service Tribunal and the accession of Bulgaria and Romania the overall number of judges, advocates-general and registrars has now reached 72 and that the ECJ's expenditure on vehicles has increased by some 50 % from EUR 809 853,24 in 2005 (out-turn) to EUR 1 218 000 in 2007 (budget estimate);
15. Notes that at the ECJ *ex ante* verification is carried out on the basis of a centralised system connected by line management to the Authorising Officer by Delegation and the ECJ's view that this appears to be the most suitable system, having regard to the size of the institution and the purely administrative nature of its financial transactions;
16. Notes with satisfaction that following the comments contained in its previous year's discharge resolution, the Members of the Institution have agreed to set up, among themselves, a working group with the task of conducting a study on the advisability of drawing up a code of conduct applicable to them and of the contents of any such code; the question of a declaration of the Member's financial interests forms part of that study; notes that the Court of First Instance and the Civil Service Tribunal are also associated with this initiative;

17. Stresses the repeated request of the European Parliament for publication of the declarations of economic and financial interests made by the judges of all three courts; calls on the ECJ to inform Parliament by 30 September 2007 of what appropriate measures it will take;
 18. Notes with satisfaction the measures taken by the ECJ to reduce the quantity of documents to be translated which contributes to a reduction of the workload of translators; also calls upon the ECJ to explore the possibility of reducing the length of rulings in order to contribute to a further reduction in costs and to a better understanding of these rulings.
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DECISION OF THE EUROPEAN PARLIAMENT**of 24 April 2007****on the discharge for implementation of the European Union general budget for the financial year 2005, Section V — Court of Auditors**

(2008/502/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2005 ⁽¹⁾,
 - having regard to the final annual accounts of the European Communities for the financial year 2005 — Volume I (C6-0468/2006) ⁽²⁾,
 - having regard to the Annual Report of the Court of Auditors on implementation of the budget for the financial year 2005 and the Court of Auditors' special reports, together with the audited institutions' replies ⁽³⁾,
 - having regard to the statement of assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors pursuant to Article 248 of the EC Treaty ⁽⁴⁾,
 - having regard to Articles 272(10), 274, 275 and 276 of the EC Treaty,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Articles 50, 86, 145, 146 and 147 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0107/2007),
1. Grants the Court of Auditors' Secretary-General discharge for the implementation of the Court of Auditors budget for the financial year 2005;
 2. Sets out its observations in the Resolution below;
 3. Instructs its President to forward this Decision and the Resolution that forms an integral part of it to the Council, the Commission, the Court of Justice, the Court of Auditors, the European Economic and Social Committee, the Committee of the Regions, the European Ombudsman and the European Data Protection Supervisor, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Harald RØMER

⁽¹⁾ OJ L 60, 8.3.2005.

⁽²⁾ OJ C 264, 31.10.2006, p. 1.

⁽³⁾ OJ C 263, 31.10.2006, p. 1.

⁽⁴⁾ OJ C 263, 31.10.2006, p. 10.

⁽⁵⁾ OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 24 April 2007****with observations forming an integral part of the Decision on the discharge for implementation of the European Union general budget for the financial year 2005, Section V — Court of Auditors**

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2005 ⁽¹⁾,
 - having regard to the final annual accounts of the European Communities for the financial year 2005 — Volume I (C6-0468/2006) ⁽²⁾,
 - having regard to the Annual Report of the Court of Auditors on implementation of the budget for the financial year 2005 and the Court of Auditors' special reports, together with the audited institutions' replies ⁽³⁾,
 - having regard to the statement of assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors pursuant to Article 248 of the EC Treaty ⁽⁴⁾,
 - having regard to Articles 272(10), 274, 275 and 276 of the EC Treaty,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Articles 50, 86, 145, 146 and 147 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0107/2007),
1. Notes that in 2005 the European Court of Auditors (ECA) had available commitment appropriations amounting to a total of EUR 107 548 618,24 with a utilisation rate of 87,22 %;
 2. Notes that following the introduction of accrual accounting with effect from 1 January 2005 the ECA's 2005 financial statements disclose a negative economic out-turn for the year (EUR 16 820 000) and an excess of liabilities over assets of EUR 11 450 000;
 3. Recalls that as regards the financial year 2005 (as was also the case for the financial year 2004) the ECA's accounts were audited by an external firm, KPMG, which concluded that:

'[t]he attached financial statements give a true and fair view, in accordance with Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002, the implementing rules, generally accepted accounting principles and the European Court of Auditor's Internal Rules, of the assets and financial position of the European Court of Auditors at 31 December 2005 and of the economic out-turn and the revenue and expenditure for the financial year then ended.'

⁽¹⁾ OJ L 60, 8.3.2005.

⁽²⁾ OJ C 264, 31.10.2006, p. 1.

⁽³⁾ OJ C 263, 31.10.2006, p. 1.

⁽⁴⁾ OJ C 263, 31.10.2006, p. 10.

⁽⁵⁾ OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).

4. Notes, however, that KPMG made that statement subject to the effect of any rectifications that might prove necessary with respect to the treatment given, as regards accounting, to the ECA's Members' pensions, bearing in mind that the relevant accounting standard No 12 was then being revised; points out that the revised standard was adopted by the Commission's accounting officer in October 2006;
5. Recalls that in its 2004 accounts the ECA recorded, for the first time, a provision for its Members' pensions combined with a long-term claim on the Member States to the value of EUR 43 689 621; the amount of the provision was calculated on the basis of an actuarial analysis carried out by the European Community;
6. Notes that, in the absence of an equivalent provision as regards its Members' pensions, the ECA's balance sheet for the financial year 2005 discloses a deficit of EUR 16 800 000 (compared with balanced assets and liabilities in 2004);
7. Believes that both the liability for future pension payments and also the long-term claim against the Member States — by virtue of their guaranteeing the financing of the pension scheme — should be included in the balance sheet in order to reflect the principles of accrual accounting applicable from 1 January 2005;
8. Recognises that the ECA has correctly applied the relevant accounting standard; expresses, however, its concern at the current position with regard to the ECA's balance sheet under which the ECA's Members' future pensions are included under liabilities without a balancing asset; notes the apparent explanation that the Member States' guarantee in respect of such pension rights cannot properly be considered as an asset within the meaning of the Commission's accounting standard No 12 (employee benefits);
9. Notes with concern the ECA's difficulty in recruiting qualified staff for several posts from the competitions organised by EPSO;
10. Recalls that Mr Weber, President of the ECA, in a speech in Strasbourg on 14 November 2005, told the Committee on Budgetary Control that the ECA was carrying out a self-assessment of its organisation and methods to be followed by a 'peer review';
11. Reiterates its hope that it will be possible to devise a more rational structure for the ECA before the next enlargement; asks the ECA to consider existing models with a view to reducing the total number of ECA Members; calls for consideration of proposals to introduce a rotating system similar to that applying to the Governing Council of the European Central Bank or a system with a single Auditor-General;
12. Notes from the ECA's activity report that in 2005 it decided to begin a self-assessment exercise based on the Common Assessment Framework model jointly developed by the European Institute of Public Administration and the Innovative Public Service Group as a result of the cooperation among EU ministers responsible for public administration;
13. Welcomes the information contained in the ECA's replies to the *rapporteur's* questionnaire that following that self-assessment an action plan had been adopted by the ECA, and implementation has started with actions covering broad areas such as mission and strategic objectives, programming and performance measuring, audit methodology, human resource strategy, internal and external communication and administrative procedures;
14. Notes that the action plan will be subjected to a 'peer review' and that the President of the ECA will give more details on its contents during his presentation of the ECA's annual work programme for 2007;
15. Notes in relation to declarations of Members' financial interests that in compliance with the ECA's Code of Conduct, ECA Members communicate a declaration of their financial interests and other assets

(including shares, convertible bonds and investment certificates, as well as land and real property, together with their spouses' professional activities) to the President of the ECA, who keeps them under confidential custody, and that these declarations are not published;

16. States that, as a matter of principle and in the interests of transparency, Members of all EU institutions should be required to submit a declaration of financial interests which should be accessible on the Internet via a public register; calls on the ECA to inform Parliament by 30 September 2007 of what appropriate measures it will take;
 17. Recalls that the Court of Justice has, at Parliament's suggestion, set up a working group to study the feasibility of requiring, *inter alia*, a declaration of its Members' financial interests; considers that this question could form a useful part of the ECA's current self-assessment and peer review process.
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DECISION OF THE EUROPEAN PARLIAMENT**of 24 April 2007****on the discharge for implementation of the European Union general budget for the financial year 2005, Section VI — European Economic and Social Committee**

(2008/503/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2005 ⁽¹⁾,
 - having regard to the final annual accounts of the European Communities for the financial year 2005 — Volume I (C6-0469/2006) ⁽²⁾,
 - having regard to the Annual Report of the Court of Auditors on implementation of the budget for the financial year 2005 and the Court of Auditors' special reports, together with the audited institutions' replies ⁽³⁾,
 - having regard to the statement of assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors pursuant to Article 248 of the EC Treaty ⁽⁴⁾,
 - having regard to Articles 272(10), 274, 275 and 276 of the EC Treaty,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Articles 50, 86, 145, 146 and 147 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0110/2007),
1. Grants the European Economic and Social Committee's Secretary-General discharge for the implementation of the European Economic and Social Committee budget for the financial year 2005;
 2. Sets out its observations in the Resolution below;
 3. Instructs its President to forward this Decision and the Resolution that forms an integral part of it to the Council, the Commission, the Court of Justice, the Court of Auditors, the European Economic and Social Committee, the Committee of the Regions, the European Ombudsman and the European Data Protection Supervisor, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President

Hans-Gert PÖTTERING

The Secretary-General

Harald RØMER

⁽¹⁾ OJ L 60, 8.3.2005.

⁽²⁾ OJ C 264, 31.10.2006, p. 1.

⁽³⁾ OJ C 263, 31.10.2006, p. 1.

⁽⁴⁾ OJ C 263, 31.10.2006, p. 10.

⁽⁵⁾ OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 24 April 2007****with observations forming an integral part of the Decision on the discharge for the implementation of the European Union general budget for the financial year 2005, Section VI — European Economic and Social Committee**

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2005 ⁽¹⁾,
 - having regard to the final annual accounts of the European Communities for the financial year 2005 — Volume I (C6-0469/2006) ⁽²⁾,
 - having regard to the Annual Report of the Court of Auditors on implementation of the budget for the financial year 2005 and the Court of Auditors' special reports, together with the audited institutions' replies ⁽³⁾,
 - having regard to the statement of assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions, provided by the Court of Auditors pursuant to Article 248 of the EC Treaty ⁽⁴⁾,
 - having regard to Articles 272(10), 274, 275 and 276 of the EC Treaty,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Articles 50, 86, 145, 146 and 147 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0110/2007),
1. Notes that in 2005 the European Economic and Social Committee (EESC) had available commitment appropriations amounting to a total of EUR 106 880 105,67 with a utilisation rate of 94,99 %;
 2. Notes that following the introduction of accrual accounting with effect from 1 January 2005 the EESC's financial statements disclose a negative economic out-turn of EUR 3 811 889,47 (deficit) and identical amounts (EUR 168 387 721,19) in respect of both assets and liabilities;
 3. Notes the remark by the Court of Auditors in paragraph 10.16 of its 2005 Annual Report that, notwithstanding the setting-up, in the course of 2005, of a unit responsible for coordinating financial and contractual activities throughout the joint services of the EESC and the Committee of the Regions (CoR), some weaknesses still appeared concerning the operational management of certain procurement and coordination procedures between the new unit and the operating units which had not been clearly defined;
 4. Recalls that in 2005 the EESC began discussions with the Commission about taking over the office space in the van Maerlant building; notes further the EESC's reply to the questionnaire concerning the office space requirements of the EESC/CoR that following their expansion into the van Maerlant building the two Institutions do not expect to need further buildings in the coming years;

⁽¹⁾ OJ L 60, 8.3.2005.⁽²⁾ OJ C 264, 31.10.2006, p. 1.⁽³⁾ OJ C 263, 31.10.2006, p. 1.⁽⁴⁾ OJ C 263, 31.10.2006, p. 10.⁽⁵⁾ OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).

5. Welcomes the fact that since 2004 all plenary sessions of the EESC have taken place in the European Parliament's premises;
 6. Notes, from the EESC's activity report, that its Registry has called upon the financial actors concerned and the Quaestors' Group to consider establishing a clearer procedure for refunding travel expenses and paying travel and subsistence allowances, particularly in situations which are not explicitly envisaged by the rules;
 7. Observes that further to the Belgian criminal proceedings against a former EESC Member concerning travel expenses (referred to in paragraph 4 of Parliament's discharge resolution of 27 April 2006 ⁽⁶⁾) the EESC has brought a civil action for damages and that the Belgian Court is expected to give its judgment towards the middle of 2007;
 8. Notes with interest that the Secretary-General and Internal Auditor have regular meetings at the same time each week to enable the Internal Auditor to remain abreast of activities and events in the Institution and to permit the Secretary-General to take maximum account of the Internal Auditor's comments;
 9. Notes that the EESC and the CoR are currently considering whether they should continue to manage certain activities in common through the joint services, and, if so, what form that collaboration should in future take;
 10. Notes that the administrative cooperation between the CoR and the EESC should be beneficial to both committees and financially advantageous for European taxpayers; insists that any new structures of administrative cooperation between the two committees should result in financial benefits; demands that both committees find a way to continue the administrative cooperation already in place;
 11. Recalls that the CoR and the EESC, through their joint services, manage certain activities in common (translation, printing, buildings, security, library, procurement, catering, ushers, medical service, cars and drivers, IT, etc) and that their cooperation agreement has recently been renewed for six months (with an option to extend it for a further six months) pending a decision on whether such cooperation should continue in future;
 12. Invites the CoR and the EESC, having regard to the substantial divergences between the findings of the reports of the joint services and the CoR's two external experts, to conduct a joint analysis based on appropriate benchmarks — if necessary with the help of the Court of Auditors — of the precise costs, benefits and savings generated by cooperation and to submit the results of their examination to the competent committee by 31 October 2007.
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⁽⁶⁾ OJ L 340, 6.12.2006, p. 41.

DECISION OF THE EUROPEAN PARLIAMENT**of 24 April 2007****on the discharge for implementation of the European Union general budget for the financial year 2005, Section VII — Committee of the Regions**

(2008/504/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2005 ⁽¹⁾,
 - having regard to the final annual accounts of the European Communities for the financial year 2005 — Volume I (C6-0470/2006) ⁽²⁾,
 - having regard to the Annual Report of the Court of Auditors on implementation of the budget for the financial year 2005 and the Court of Auditors' special reports, together with the audited institutions' replies ⁽³⁾,
 - having regard to the statement of assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors pursuant to Article 248 of the EC Treaty ⁽⁴⁾,
 - having regard to Articles 272(10), 274, 275 and 276 of the EC Treaty,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Articles 50, 86, 145, 146 and 147 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0106/2007),
1. Grants the Committee of the Regions' Secretary-General discharge for the implementation of the Committee of the Regions budget for the financial year 2005;
 2. Sets out its observations in the Resolution below;
 3. Instructs its President to forward this Decision and the Resolution that forms an integral part of it to the Council, the Commission, the Court of Justice, the Court of Auditors, the European Economic and Social Committee, the Committee of the Regions, the European Ombudsman and the European Data Protection Supervisor, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President

Hans-Gert PÖTTERING

The Secretary-General

Harald RØMER

⁽¹⁾ OJ L 60, 8.3.2005.

⁽²⁾ OJ C 264, 31.10.2006, p. 1.

⁽³⁾ OJ C 263, 31.10.2006, p. 1.

⁽⁴⁾ OJ C 263, 31.10.2006, p. 10.

⁽⁵⁾ OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 24 April 2007****with observations forming an integral part of the Decision on the discharge for the implementation of the European Union general budget for the financial year 2005, Section VII — Committee of the Regions**

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2005 ⁽¹⁾,
 - having regard to the final annual accounts of the European for the financial year 2005 — Volume I (C6-0470/2006) ⁽²⁾,
 - having regard to the Annual Report of the Court of Auditors on implementation of the budget for the financial year 2005 and the Court of Auditors' special reports, together with the audited institutions' replies ⁽³⁾,
 - having regard to the statement of assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors pursuant to Article 248 of the EC Treaty ⁽⁴⁾,
 - having regard to Articles 272(10), 274, 275 and 276 of the EC Treaty,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Articles 50, 86, 145, 146 and 147 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0104/2007),
1. Notes that in 2005 the Committee of the Regions (CoR) had available commitment appropriations amounting to total of EUR 69 570 456,32 with a utilisation rate of 96,65 %;
 2. Notes that following the introduction of accrual accounting with effect from 1 January 2005 the CoR's financial statements disclose a positive economic out-turn for the year (EUR 4 050 062,65) and identical amounts of assets and liabilities (EUR 118 221 197,95);
 3. Notes the remark by the European Court of Auditors (ECA) in paragraph 10.18 of its 2005 Annual Report that following the ECA's 2004 DAS audit and two internal audits, the CoR's administration requested certain beneficiaries of weighted salary transfers to present additional evidence, and several transfers which had not been regularly carried out before May 2004 and/or for which the beneficiaries did not present sufficient evidence were discontinued; in 2005, according to the ECA's Report, the administration did not recover any overpayments, although, under Article 85 of the Staff Regulations, 'any sum overpaid shall be recovered if the recipient was aware that there was no due reason for the payment or if the fact of the overpayment was patently such that he could not have been unaware of it'; notes the CoR's reply included in the ECA's Report that the internal audit on salaries transfer requested by the Secretary-General was completed in February 2006, and that the administration is now proceeding with the recovery of overpayments which concern a limited number of officials;

⁽¹⁾ OJ L 60, 8.3.2005.⁽²⁾ OJ C 264, 31.10.2006, p. 1.⁽³⁾ OJ C 263, 31.10.2006, p. 1.⁽⁴⁾ OJ C 263, 31.10.2006, p. 10.⁽⁵⁾ OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).

4. Notes that the CoR's Internal Auditor in her report to the discharge authority of 18 May 2006 on audits carried out in 2005 (pursuant to Article 86(4) of the Financial Regulation) made the following points:
 - the salary transfers in question were executed on the basis of rules which could be interpreted differently according to the language version and depending on the law applicable in the relevant Member State,
 - weaknesses were detected concerning the separation of initiation and verification functions as well as potential conflicts of interest linked to the size of the Institution,
 - the standards governing the control environment were judged as being not sufficiently well developed to guarantee the regularity of these operations;
5. Notes that the weaknesses detected in relation to weighted salary transfers were not such that the Authorising Officer by Delegation found it necessary to append a reservation or an observation to his declaration of assurance attached to the CoR's activity report;
6. Notes that as soon as he heard of this problem the CoR's Secretary-General immediately asked the then Internal Auditor to continue his work on weighted salary transfers;
7. Notes that the CoR's Secretary-General, on being informed of this matter, adopted a restrictive interpretation of the relevant rules of the recently amended Staff Regulations and ordered the recovery of any amounts considered to have been unduly paid; notes that some of the officials that have been obliged to repay dispute the CoR Secretary-General's reading of the relevant rules and have referred the matter to the Court of Justice;
8. Supports the Secretary-General in his intention to set up an administrative inquiry and expects him to start disciplinary proceedings on the basis of the OLAF report regarding staff concerned; demands a strict prosecution of all cases where fraudulent behaviour can be proved;
9. Notes with concern that it has not been possible to fill all vacant posts from the reserve lists drawn up after EPSO competitions; asks the CoR to analyse the reasons for the shortage of qualified candidates and to inform the competent committee;
10. Notes in connection with paragraph 8 of its discharge Resolution of 27 April 2006 on the renovation of the Belliard I and II buildings ⁽⁶⁾ that, during 2006, two firms of external consultants each gave a positive certificate of conformity to the effect that the building work had been carried out in accordance with the specification; points out that the ECA will shortly publish a special report on the EU institutions' expenditure on buildings generally;
11. Notes that the administrative cooperation between the CoR and the European Economic and Social Committee (EESC) should be beneficial to both and financially advantageous for EU taxpayers; insists that any new structures put in place for administrative cooperation between the two committees should result in financial and organisational benefits; demands that both committees find a suitable way to continue the administrative cooperation;
12. Recalls that the CoR and the EESC, through their joint services, manage certain activities in common (translation, printing, buildings, security, library, procurement, catering, ushers, medical service, cars and drivers, IT, etc.) and that their cooperation agreement has recently been renewed for six months (with an option to extend it for a further six months) pending a decision on whether such cooperation should continue in future;

⁽⁶⁾ OJ L 340, 6.12.2006, p. 44.

13. Invites the CoR and the EESC, having regard to the substantial divergences between the findings of the reports of the joint services and the CoR's two external experts, to conduct a joint analysis based on appropriate bench marks — if necessary with the help of the ECA — of the precise costs, benefits and savings generated by cooperation and to submit the results of their examination to the competent committee by 31 October 2007.
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DECISION OF THE EUROPEAN PARLIAMENT**of 24 April 2007****on the discharge for implementation of the European Union general budget for the financial year 2005, Section VIII A — European Ombudsman**

(2008/505/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2005 ⁽¹⁾,
 - having regard to the final annual accounts of the European Communities for the financial year 2005 — Volume I (C6-0471/2006) ⁽²⁾,
 - having regard to the Annual Report of the Court of Auditors on implementation of the budget for the financial year 2005 and the Court of Auditors' special reports, together with the audited institutions' replies ⁽³⁾,
 - having regard to the statement of assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors pursuant to Article 248 of the EC Treaty ⁽⁴⁾,
 - having regard to Articles 272(10), 274, 275 and 276 of the EC Treaty,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Articles 50, 86, 145, 146 and 147 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0104/2007),
1. Grants the European Ombudsman discharge for implementation of the budget for the financial year 2005;
 2. Sets out its observations in the Resolution below;
 3. Instructs its President to forward this Decision and the Resolution that forms an integral part of it to the Council, the Commission, the Court of Justice, the Court of Auditors, the European Economic and Social Committee, the Committee of the Regions, the European Ombudsman and the European Data Protection Supervisor, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President

Hans-Gert PÖTTERING

The Secretary-General

Harald RØMER

⁽¹⁾ OJ L 60, 8.3.2005.

⁽²⁾ OJ C 264, 31.10.2006, p. 1.

⁽³⁾ OJ C 263, 31.10.2006, p. 1.

⁽⁴⁾ OJ C 263, 31.10.2006, p. 10.

⁽⁵⁾ OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 24 April 2007****with observations forming an integral part of the Decision on the discharge for the implementation of the European Union general budget for the financial year 2005, Section VIIIA — European Ombudsman**

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2005 ⁽¹⁾,
 - having regard to the final annual accounts of the European Communities for the financial year 2005 — Volume I (C6-0471/2006) ⁽²⁾,
 - having regard to the Annual Report of the Court of Auditors on implementation of the budget for the financial year 2005 and the Court of Auditors' special reports, together with audited institutions' replies ⁽³⁾,
 - having regard to the statement of assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors pursuant to Article 248 of the EC Treaty ⁽⁴⁾,
 - having regard to Articles 272(10), 274, 275 and 276 of the EC Treaty,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Articles 50, 86, 145, 146 and 147 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0104/2007),
1. Notes that in 2005 the European Ombudsman (the Ombudsman) had available commitment appropriations amounting to a total of EUR 7 224 554 (2004: EUR 5 782 968) with a utilisation rate of 84,27 %;
 2. Notes that the Ombudsman's 2005 financial statements disclose a negative economic out-turn for the year (EUR 98 482) and identical totals of assets and liabilities (EUR 890 853);
 3. Points out that the Court of Auditors in its Annual Report on the 2005 financial year indicates that the audit did not give rise to any observations as regards the Ombudsman;
 4. Notes that according to the Internal Auditor's report to the Institution No 6/81: i) the internal auditor's work in 2005 did not reveal any areas of significant risk to the Ombudsman's budgetary operations; and ii) the Institution's internal management and control systems are effective and provide reasonable assurance of attaining the control objectives on a consistent basis;

⁽¹⁾ OJ L 60, 8.3.2005.⁽²⁾ OJ C 264, 31.10.2006, p. 1.⁽³⁾ OJ C 263, 31.10.2006, p. 1.⁽⁴⁾ OJ C 263, 31.10.2006, p. 10.⁽⁵⁾ OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).

5. Notes the information given by the Principal Authorising Officer by Delegation in his activity statement that a self-assessment of the efficiency of the internal control framework of the Ombudsman's services was carried out in early 2006 and that the global picture resulting from this exercise was that of an overall satisfactory level of implementation of the internal control standards (76 %); also notes however that improvements in effectiveness were needed in some areas (risk assessment, sensitive functions, multi-annual programming);
6. Recalls that since 2004 the Ombudsman has had autonomy and full control over the financial transactions relating to his section of the budget;
7. Notes that a new framework cooperation agreement of indefinite duration between the Ombudsman and the European Parliament concerning the provision of certain administrative services, including translation and office premises, was negotiated during 2005 and signed in March 2006;
8. Records that the Ombudsman's annual caseload has increased from roughly 800 in 1996 to nearly 4 000 in 2005, according to the Ombudsman's Annual Report for 2005, with a particularly sharp rise between 2003 and 2004 (53 %);
9. Remarks that during 2005 the Ombudsman's Office experienced the full budgetary impact of the 2004 enlargement and that in the years 2004 and 2005 the budgetary authority authorised the Ombudsman to add to his establishment plan 20 new posts, which were added to the 31 that existed in 2003 (a 65 % increase in staff), while at the same time the level of appropriations authorised in the budget rose from EUR 4 438 653 in 2003 to EUR 7 312 614 in 2005 (also a 65 % increase);
10. Notes from the Ombudsman's Annual Report that in 2005 he continued his information visits to the Member States with a view to improving citizens' awareness about their rights, raising the profile of the Ombudsman's work among key members of the judicial, legislative and executive branches and enriching his collaboration with his national counterparts; stresses the importance of that information campaign;
11. Notes further that in 2005 the Ombudsman and his staff pursued their efforts to present the work of the Institution, making 120 presentations at conferences, seminars and meetings during 2005, together with 50 interviews with journalists;
12. Notes that according to his replies to the *rapporteur's* questionnaire the Ombudsman seeks to target information to those countries where the level of complaints received is lower than might be expected given the size of the population, for example, Germany and Italy and that the Ombudsman's media strategy is therefore to raise the Ombudsman's profile in such Member States; considers that in order to identify target countries, the Ombudsman should rely on surveys on the awareness of the citizens about his work in the various Member States rather than the number of complaints;
13. Points to the remark in the Ombudsman's activity statement that the year 2005 was an exceptional year for the Ombudsman from a communications perspective in that in addition to the Institution's usual activities in giving information on its work it also organised an extensive series of events to mark the 10th anniversary of the Ombudsman; moreover, the Institution's communications capacity was significantly expanded through the recruitment of personnel to fill three new specialist communications posts and the assignment to the newly-created communications sector of a further member of staff from within the existing personnel;
14. Recalls that the Ombudsman's Statute laid down by the European Parliament in 1994 imposes no obligation on the Ombudsman to publish his financial and economic interests;

15. Notes that the Statute places the Ombudsman on a footing comparable with that of a Judge of the European Court of Justice (ECJ); points out that the ECJ — on the European Parliament's suggestion — has set up a working group to examine the most appropriate way of ensuring transparency with regard to the judges' financial interests; asks that pending the outcome of the inquiry the Ombudsman should follow the example set by the European Data Protection Supervisor and his deputy in publishing a declaration of financial interests based on the form used for the Register of Financial Interests of Members of the European Parliament.
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DECISION OF THE EUROPEAN PARLIAMENT

of 24 April 2007

on the discharge for implementation of the European Union general budget for the financial year 2005, Section VIII B — European Data Protection Supervisor

(2008/506/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2005 ⁽¹⁾,
 - having regard to the final annual accounts of the European Communities for the financial year 2005 — Volume I (C6-0472/2006) ⁽²⁾,
 - having regard to the Annual Report of the Court of Auditors on implementation of the budget for the financial year 2005 and the Court of Auditors' special reports, together with the audited institutions' replies ⁽³⁾,
 - having regard to the statement of assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors pursuant to Article 248 of the EC Treaty ⁽⁴⁾,
 - having regard to Articles 272(10), 274, 275 and 276 of the EC Treaty,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Articles 50, 86, 145, 146 and 147 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0111/2007),
1. Grants the European Data Protection Supervisor discharge for the implementation of the budget for the financial year 2005;
 2. Sets out its observations in the Resolution below;
 3. Instructs its President to forward this Decision and the Resolution that forms an integral part of it to the Council, the Commission, the Court of Justice, the Court of Auditors, the European Economic and Social Committee, the Committee of the Regions, the European Ombudsman and the European Data Protection Supervisor, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President

Hans-Gert PÖTTERING

The Secretary-General

Harald RØMER

⁽¹⁾ OJ L 60, 8.3.2005.

⁽²⁾ OJ C 264, 31.10.2006, p. 1.

⁽³⁾ OJ C 263, 31.10.2006, p. 1.

⁽⁴⁾ OJ C 263, 31.10.2006, p. 10.

⁽⁵⁾ OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 24 April 2007****with observations forming an integral part of the Decision on the Discharge for the implementation of the European Union general budget for the financial year 2005, Section VIIIB — European Data Protection Supervisor**

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2005 ⁽¹⁾,
 - having regard to the final annual accounts of the European Communities for the financial year 2005 — Volume I (C6-0472/2006) ⁽²⁾,
 - having regard to the Annual Report of the Court of Auditors on implementation of the budget for the financial year 2005 and the Court of Auditors' special reports, together with the audited institutions' replies ⁽³⁾,
 - having regard to the statement of assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors pursuant to Article 248 of the EC Treaty ⁽⁴⁾,
 - having regard to Articles 272(10), 274, 275 and 276 of the EC Treaty,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Articles 50, 86, 145, 146 and 147 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0111/2007),
1. Notes that in 2005 the European Data Protection Supervisor (EDPS) had available commitment appropriations amounting to a total of EUR 2 840 733 with a utilisation rate of 82,77 %;
 2. Notes that the audit of the EDPS by the European Court of Auditors did not give rise to any material observations; notes that following the introduction of accrual accounting with effect from 1 January 2005 the EDPS's 2005 financial statements disclose a positive economic out-turn of EUR 211 631 and an excess of liabilities over assets of EUR 202 504;
 3. Notes that 2005 was the first year in which the EDPS was fully operational; recalls that the 2005 budget represented an increase of 48,8 % over the 2004 budget;
 4. Notes that the EDPS submitted a budget for 2007 of EUR 5 080 699 representing an increase of 23 % over the 2006 final budget (EUR 4 147 378), reflecting a request for five new posts, an expansion in office space and an increase in translation costs;

⁽¹⁾ OJ L 60, 8.3.2005.⁽²⁾ OJ C 264, 31.10.2006, p. 1.⁽³⁾ OJ C 263, 31.10.2006, p. 1.⁽⁴⁾ OJ C 263, 31.10.2006, p. 10.⁽⁵⁾ OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).

5. Recalls that on 24 June 2004 the Secretaries-General of the Commission, the European Parliament and the Council signed, together with the EDPS, an administrative cooperation agreement to assist the EDPS for a start-up period of three years, under which:
 - the Commission's Accounting Officer and Internal Auditor have been appointed as the EDPS's Accounting Officer and Auditor,
 - Commission departments provide assistance for all tasks concerning the management of persons linked to the institution (determination of entitlements, payment of salaries, reimbursement of medical costs, mission payments, etc.),
 - Commission departments also help the EDPS in establishing and implementing the budget,
 - the EDPS is installed in the premises of the European Parliament; the European Parliament's departments assist the EDPS as regards material facilities and know-how relating to his installation in the premises (security of the buildings, mail, computers, telephones, offices and supplies),
 - the Council provides translation facilities;
 6. Notes that on 7 December 2006 the administrative cooperation agreement was renewed for a further period of three years with effect from 16 January 2007;
 7. Notes that by decision of 7 November 2006 the EDPS decided to set up an internal control structure appropriate to the Institution's activities and requirements;
 8. Welcomes the decision by the EDPS and the assistant supervisor to publish, every year, a declaration of their economic and financial interests as soon as their new website is completed in early 2007; notes that in the meantime they have forwarded written statements concerning their financial interests for the years 2005 and 2006 in a form similar to that filled in annually by Members of the European Parliament, disclosing no declarable professional activities, remunerated posts or activities or other relevant information;
 9. Welcomes the readiness of the EDPS to join the interinstitutional agreement on OLAF and encourages him to take all necessary steps as soon as possible.
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DECISION OF THE EUROPEAN PARLIAMENT**of 24 April 2007****on the discharge for the implementation of the budget of the European Centre for the Development of Vocational Training for the financial year 2005**

(2008/507/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Centre for the Development of Vocational Training for the financial year 2005 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Centre for the Development of Vocational Training for the financial year 2005, together with the Centre's replies ⁽²⁾,
 - having regard to the Council's Recommendation of 27 February 2007 (5711/2007 — C6-0080/2007),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽³⁾, and in particular Article 185 thereof,
 - having regard to Council Regulation (EEC) No 337/75 of 10 February 1975 establishing a European Centre for the Development of Vocational Training ⁽⁴⁾, and in particular Article 12a thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular, Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the Report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A6-0097/2007),
1. Grants to the director of the European Centre for the Development of Vocational Training discharge for the implementation of the Centre's budget for the financial year 2005;
 2. Sets out its observations in the Resolution below;
 3. Instructs its President to forward this Decision and the Resolution that forms an integral part of it to the director of the European Centre for the Development of Vocational Training, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President

Hans-Gert PÖTTERING

The Secretary-General

Harald RØMER

⁽¹⁾ OJ C 266, 31.10.2006, p. 28.

⁽²⁾ OJ C 312, 19.12.2006, p. 60.

⁽³⁾ OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).

⁽⁴⁾ OJ L 39, 13.2.1975, p. 1. Regulation as last amended by Regulation (EC) No 2051/2004 (OJ L 355, 1.12.2004, p. 1).

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 24 April 2007****with observations forming an integral part of the Decision on the discharge for the implementation of the budget of the European Centre for the Development of Vocational Training for the financial year 2005**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Centre for the Development of Vocational Training for the financial year 2005 ⁽¹⁾,
- having regard to the Court of Auditors' report on the final annual accounts of the European Centre for the Development of Vocational Training for the financial year 2005, together with the Centre's replies ⁽²⁾,
- having regard to the Council's Recommendation of 27 February 2007 (5711/2007 — C6-0080/2007),
- having regard to the EC Treaty, and in particular Article 276 thereof,
- having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽³⁾ and in particular Article 185 thereof,
- having regard to Council Regulation (EEC) No 337/75 of 10 February 1975 establishing a European Centre for the Development of Vocational Training ⁽⁴⁾, and in particular Article 12a thereof,
- having regard to the Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular, Article 94 thereof,
- having regard to Rule 71 of and Annex V to its Rules of Procedure,
- having regard to the Report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A6-0097/2007),
- A. whereas the Court of Auditors stated that it obtained reasonable assurance that the annual accounts for the financial year ended 31 December 2005 were reliable, and the underlying transactions, subject to the reservation, were legal and regular,
- B. whereas on 27 April 2006 Parliament gave discharge to the director in respect of the implementation of the Centre's budget for the 2004 financial year ⁽⁶⁾ and in the resolution accompanying the discharge decision Parliament, *inter alia*,
 - urged the Centre to ensure that the accounts were complete and that all activities including the staff canteen's purchases and sales were properly controlled,

⁽¹⁾ OJ C 266, 31.10.2006, p. 28.

⁽²⁾ OJ C 312, 19.12.2006, p. 60.

⁽³⁾ OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).

⁽⁴⁾ OJ L 39, 13.2.1975, p. 1. Regulation as last amended by Regulation (EC) No 2051/2004 (OJ L 355, 1.12.2004, p. 1).

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

⁽⁶⁾ OJ L 340, 6.12.2006, p. 63.

- was concerned by the irregularities noted by the Court of Auditors in the contract award procedure; noted the steps taken by the Centre to ensure that such irregularities would not be repeated; called on the Centre to ensure that tendering specifications and competition rules would be strictly applied,
- stressed the need for fairness, openness and transparency in recruitment;

General points concerning the majority of EU Agencies requiring individual discharge

1. Considers that the ever-growing number of Community Agencies and the activities of certain of them do not seem to form part of an overall policy framework, and that the remits of some Agencies do not always reflect the real needs of the Union or the expectations of its citizens, and notes that in general terms the Agencies do not always have a good image or a good press;
2. Invites the Commission therefore to define an overall policy framework for the setting up of new Community Agencies and to present a cost-benefit study before the setting up of any new agency, while being careful to avoid any overlap of activities between Agencies or with the remits of other European organisations;
3. Calls on the Court of Auditors to give its opinion on the cost-benefit study before Parliament takes its decision;
4. Invites the Commission to present every five years a study on the added value of every existing Agency; invites all relevant institutions in the case of a negative evaluation of the added value of an Agency to take the necessary steps by reformulating the mandate of that Agency or by closing it;
5. Considers it regrettable, given the growing number of regulatory agencies, that the negotiations on the draft interinstitutional agreement on the operating framework for the European regulatory agencies have not yet been concluded, and calls on the relevant departments of the Commission, in consultation with the Court of Auditors, to do their utmost to ensure that the agreement is brought to a rapid conclusion;
6. Notes that the Commission's budgetary responsibility calls for closer linking of the Agencies to the Commission; calls on the Commission and the Council to take all necessary steps to give the Commission a blocking minority in the supervisory bodies of the regulatory Agencies by 31 December 2007 and to provide for such a minority from the outset when new Agencies are set up;
7. Invites the Court of Auditors to create an additional chapter in its Annual Report, devoted to all Agencies to be discharged under the Commission's accounts in order to have a much clearer picture of the use of EU funds by Agencies;
8. Recalls the principle according to which all Community Agencies, whether subsidised or not, are subject to discharge by Parliament, even where a discharge authority exists by virtue of their constitutive texts;
9. Calls on the Court of Auditors to perform performance audits for all Agencies and to report back to the relevant committees of Parliament, including the Committee on Budgetary Control;
10. Notes that the number of Agencies is constantly increasing and that, in accordance with the Commission's political responsibility for the operation of the Agencies, which goes far beyond mere logistical support, there is an even higher need for the Directorates-General of the Commission charged with the setting up and monitoring of Agencies to develop a common approach to the Agencies; considers that a structure similar to the one created by the Agencies for coordination among the DGs concerned would be a pragmatic way forward towards a common approach by the Commission on all matters relating to the Agencies;

11. Invites the Commission to improve administrative and technical support to the Agencies, taking into account the growing complexity of the Community's administrative rules and technical problems;
12. Notes the lack of a disciplinary body in any of the Community Agencies, and calls on the Commission to take the necessary steps to ensure that such a mechanism is rapidly put in place;
13. Welcomes the considerable improvements in the coordination among the Agencies, which allows them to tackle recurring problems and makes cooperation with the Commission and Parliament more efficient;
14. Takes the view that the establishment by a number of Agencies of a shared support service aimed at making their computerised financial management systems consistent with those of the Commission is a measure that should be taken further and extended;
15. Calls upon the Agencies to improve their cooperation and benchmarking with actors in the field; urges the Commission to adopt any measures it considers necessary to help the Agencies enhance their image and raise the profile of their activities;
16. Calls upon the Commission to come up with a proposal to harmonise the format of the annual reporting by the Agencies and to develop performance indicators which would allow a comparison of their efficiency;
17. Invites the Agencies to present at the beginning of every year performance indicators against which they could be measured;
18. Invites all Agencies to increasingly use SMART objectives which should lead to more realistic planning and implementation of goals;
19. Agrees with the Court of Auditors that the Commission also bears responsibility for the (financial) management of the Agencies; therefore, urges the Commission to monitor and where necessary direct and help the management of the different Agencies, especially in relation to the proper application of tender procedures, transparency of recruitment procedures, sound financial management (underspending and overbudgeting) and most importantly the proper application of the rules concerning the internal control framework;
20. Considers that the Agencies' work programmes should express their contributions in operational and measurable terms and that due consideration should be given to the Commission's Internal Control Standards;

Specific points

21. Invites the Centre to avoid a similar situation as for the financial year 2005 where it had an utilisation rate of 90 % of commitment appropriations and approximately 85 % of payment appropriations; recalls that, however, the appropriations for operating activities were under-utilised (cancellations of 15 % of commitment appropriations, 20 % of payment appropriations and 15 % of appropriations carried over), in particular after the reorganisation of the procedures for awarding contracts;
22. Invites the Centre to fine-tune its programming and improve the monitoring exercise throughout the year; recalls that, in this connection, the Court of Auditors notes that activity-based management has not been introduced, even though the Centre's financial regulation provides for this form of management with a view to improved performance monitoring;
23. Invites the Centre to remedy the shortcomings in the accounting software (FIBUS) used by it, which does not allow expired commitments to be blocked, where the procedure for the electronic signing of payment orders does not comply with the provisions currently in force and where operations cannot easily be traced within the system;

24. Demands the full application of the principle of the segregation of the duties of authorising officer and accounting officer to avoid situations as in 2005 where some of the accounting officer's duties were performed by departments for which the authorising officer is responsible;
 25. Notes that the Centre refers in its reply to the fact that the measures adopted now ensure the regularity of procedures and is therefore confident that the Centre is implementing the recommendations of the Court of Auditors, particularly since in the autumn of 2006 the Internal Audit Service could not find any further irregularities and certified that the measures taken by the Centre have produced the desired outcome;
 26. Invites the Centre to urgently carry out a risk analysis, to define the nature and frequency of *ex post* checks, and to describe the management procedures and internal control systems;
 27. Invites the Centre to urgently formulate the exact mandate of the committee to deal with staff complaints, which should in no case act beyond its powers;
 28. Insists that the Centre should apply standard recruitment procedures in order to avoid a situation as in 2005 where an important management post was filled via an internal selection procedure when an external procedure would have provided a wider range of candidates;
 29. Is worried about the very high rate of irregularities found by the Court of Auditors in the examined contracts where out of six all but one were affected by irregularities ⁽⁷⁾; insists that the Centre should remedy the weaknesses found in its organisation and tender procedures;
 30. Is of the opinion that the Centre should harmonise its approach to IT questions, in particular when setting up internet and intranet sites, and that the current fragmentation engenders technical risks and excessive costs;
 31. Encourages the Centre to continue its efforts to improve further its communications in order to ensure that the public is better informed about its activities.
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⁽⁷⁾ Failure to justify the chosen procedure or say why the tenderers invited to submit tenders were selected, plus inadequate documentation thereof.

DECISION OF THE EUROPEAN PARLIAMENT

of 24 April 2007

on closing the accounts of the European Centre for the Development of Vocational Training for the financial year 2005

(2008/508/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Centre for the Development of Vocational Training for the financial year 2005 ⁽¹⁾,
- having regard to the Court of Auditors' report on the final annual accounts of the European Centre for the Development of Vocational Training for the financial year 2005, together with the Centre's replies ⁽²⁾,
- having regard to the Council's Recommendation of 27 February 2007 (5711/2007 — C6-0080/2007),
- having regard to the EC Treaty, and in particular Article 276 thereof,
- having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽³⁾ and in particular Article 185 thereof,
- having regard to Council Regulation (EEC) No 337/75 of 10 February 1975 establishing a European Centre for the Development of Vocational Training ⁽⁴⁾, and in particular Article 12a thereof,
- having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular, Article 94 thereof,
- having regard to Rule 71 of and Annex V to its Rules of Procedure,
- having regard to the Report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A6-0097/2007),

1. Notes that the final annual accounts of the European Centre for the Development of Vocational Training for the financial years 2004 and 2005 are as follows:

Revenue and expenditure account for the financial years 2004 and 2005

(in EUR 1000)

	2005	2004
Revenue		
Commission subsidies	16 418	13 700
Assigned revenue	573	724
Miscellaneous revenue	36	42
Total revenue (a)	17 027	14 466

⁽¹⁾ OJ C 266, 31.10.2006, p. 28.

⁽²⁾ OJ C 312, 19.12.2006, p. 60.

⁽³⁾ OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).

⁽⁴⁾ OJ L 39, 13.2.1975, p. 1. Regulation as last amended by Regulation (EC) No 2051/2004 (OJ L 355, 1.12.2004, p. 1).

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

	(in EUR 1000)	
	2005	2004
Budgetary expenditure for the financial year		
<i>Staff — Title I of the budget</i>		
Payments	8 862	8 579
Appropriations carried over	213	466
<i>Administration — Title II of the budget</i>		
Payments	865	768
Appropriations carried over	334	542
<i>Operating activities — Title III of the budget (except for assigned revenue)</i>		
Payments against payment appropriations for the financial year	2 466	2 508
Payments against outstanding commitments at 31.12.2003	2 119	2 702
Appropriations carried over		
<i>Assigned revenue (Phare and third countries)</i>		
Payments	68	415
Appropriations carried over	505	309
Total expenditure (b)	15 433	16 289
Outturn for the financial year (a-b)	1 594	- 1 823
Balance carried over from the previous financial year	375	-993
N – 1 appropriations carried over and cancelled (Title I and II non-differentiated)	111	56
Cancelled appropriation carried over from assigned revenue (non differentiated appropriation title 3)	93	3 138
Neutralisation of N – 1 carry-over for Title III connected with changeover to differentiated appropriations		
Sums for re-use from the previous financial year not used		1
Refunds to the Commission		0
Exchange-rate differences	1	-4
Balance for the financial year	2 173	375

Source: Information supplied by the Centre — This table summarises the data provided by the Centre.

2. Approves closing the accounts of the European Centre for the Development of Vocational Training for the financial year 2005;
3. Instructs its President to forward this Decision to the director of the European Centre for the Development of Vocational Training, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Harald RØMER

DECISION OF THE EUROPEAN PARLIAMENT

of 24 April 2007

on the discharge for implementation of the budget of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2005

(2008/509/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2005 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2005, together with the Foundation's replies ⁽²⁾,
 - having regard to the Council's Recommendation of 27 February 2007 (5711/2007 — C6-0080/2007),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽³⁾, and in particular Article 185 thereof,
 - having regard to Council Regulation (EEC) No 1365/75 of 26 May 1975 on the creation of a European Foundation for the Improvement of Living and Working Conditions ⁽⁴⁾, and in particular Article 16 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the Report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A6-0098/2007),
1. Grants the executive director of the European Foundation for the Improvement of Living and Working Conditions discharge for the implementation of the Foundation's budget for the financial year 2005;
 2. Sets out its observations in the Resolution below;
 3. Instructs its President to forward this Decision and the Resolution that forms an integral part of it to the executive director of the European Foundation for the Improvement of Living and Working Conditions, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President

Hans-Gert PÖTTERING

The Secretary-General

Harald RØMER

⁽¹⁾ OJ C 266, 31.10.2006, p. 37.

⁽²⁾ OJ C 312, 19.12.2006, p. 80.

⁽³⁾ OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).

⁽⁴⁾ OJ L 139, 30.5.1975, p. 1. Regulation as last amended by Regulation (EC) No 1111/2005 (OJ L 184, 15.7.2005, p. 1).

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 24 April 2007****with observations forming an integral part of the Decision on the discharge for implementation of the budget of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2005**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2005 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2005, together with the Foundation's replies ⁽²⁾,
 - having regard to the Council's Recommendation of 27 February 2007 (5711/2007 — C6-0080/2007),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽³⁾, and in particular Article 185 thereof,
 - having regard to Council Regulation (EEC) No 1365/75 of 26 May 1975 on the creation of a European Foundation for the Improvement of Living and Working Conditions ⁽⁴⁾, and in particular Article 16 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the Report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A6-0098/2007),
- A. whereas the Court of Auditors stated that it obtained reasonable assurance that the annual accounts for the financial year ended 31 December 2005 were reliable and that the underlying transactions, taken as a whole, were legal and regular,
- B. whereas on 27 April 2006 Parliament gave discharge to the director in respect of the implementation of the Foundation's budget for the 2004 financial year ⁽⁶⁾ and in the Resolution accompanying the discharge Decision Parliament, *inter alia*,
- noted the Court of Auditors' finding that 37 % of appropriations carried over into 2005 related to commitments entered into in December 2004 and that the majority of these related contracts for studies to be carried out in 2005,

⁽¹⁾ OJ C 266, 31.10.2006, p. 37.

⁽²⁾ OJ C 312, 19.12.2006, p. 80.

⁽³⁾ OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).

⁽⁴⁾ OJ L 139, 30.5.1975, p. 1. Regulation as last amended by Regulation (EC) No 1111/2005 (OJ L 184, 15.7.2005, p. 1).

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

⁽⁶⁾ OJ L 340, 6.12.2006, p. 69.

- reminded the Foundation of the principle of budget annuality and urged it to respect this principle in order to allow a correct and transparent implementation of the budgets set by the Budgetary Authority;

General points concerning the majority of EU Agencies requiring individual discharge

1. Considers that the ever-growing number of Community Agencies and the activities of certain of them do not seem to form part of an overall policy framework, and that the remits of some Agencies do not always reflect the real needs of the Union or the expectations of its citizens, and notes that in general terms the Agencies do not always have a good image or a good press;
2. Invites the Commission therefore to define an overall policy framework for the setting up of new Community Agencies and to present a cost-benefit study before the setting up of any new agency, while being careful to avoid any overlap of activities between Agencies or with the remits of other European organisations;
3. Calls on the Court of Auditors to give its opinion on the cost-benefit study before Parliament takes its decision;
4. Invites the Commission to present every five years a study on the added value of every existing Agency; invites all relevant institutions in the case of a negative evaluation of the added value of an Agency to take the necessary steps by reformulating the mandate of that Agency or by closing it;
5. Considers it regrettable, given the growing number of regulatory agencies, that the negotiations on the draft interinstitutional agreement on the operating framework for the European regulatory agencies have not yet been concluded, and calls on the relevant departments of the Commission, in consultation with the Court of Auditors, to do their utmost to ensure that the agreement is brought to a rapid conclusion;
6. Notes that the Commission's budgetary responsibility calls for closer linking of the Agencies to the Commission; calls on the Commission and the Council to take all necessary steps to give the Commission a blocking minority in the supervisory bodies of the regulatory Agencies by 31 December 2007 and to provide for such a minority from the outset when new Agencies are set up;
7. Invites the Court of Auditors to create an additional chapter in its Annual Report, devoted to all Agencies to be discharged under the Commission's accounts in order to have a much clearer picture of the use of EU funds by Agencies;
8. Recalls the principle according to which all Community Agencies, whether subsidised or not, are subject to discharge by the Parliament, even where a discharge authority exists by virtue of their constitutive texts;
9. Calls on the Court of Auditors to perform performance audits for all Agencies and to report back to the relevant committees of Parliament, including the Committee on Budgetary Control;
10. Notes that the number of Agencies is constantly increasing and that, in accordance with the Commission's political responsibility for the operation of the Agencies, which goes far beyond mere logistical support, there is an even higher need for the Directorates-General of the Commission charged with the setting up and monitoring of Agencies to develop a common approach to the Agencies; considers that a structure similar to the one created by the Agencies for coordination among the DGs concerned would be a pragmatic way forward towards a common approach by the Commission on all matters relating to the Agencies;

11. Invites the Commission to improve administrative and technical support to the Agencies, taking into account the growing complexity of the Community's administrative rules and technical problems;
12. Notes the lack of a disciplinary body in any of the Community Agencies, and calls on the Commission to take the necessary steps to ensure that such a mechanism is rapidly put in place;
13. Welcomes the considerable improvements in the coordination among the Agencies, which allows them to tackle recurring problems and makes cooperation with the Commission and Parliament more efficient;
14. Takes the view that the establishment by a number of Agencies of a shared support service aimed at making their computerised financial management systems consistent with those of the Commission is a measure that should be taken further and extended;
15. Calls upon the Agencies to improve their cooperation and benchmarking with actors in the field; urges the Commission to adopt any measures it considers necessary to help the Agencies enhance their image and raise the profile of their activities;
16. Calls upon the Commission to come up with a proposal to harmonise the format of the annual reporting by the Agencies and to develop performance indicators which would allow a comparison of their efficiency;
17. Invites the Agencies to present at the beginning of every year performance indicators against which they could be measured;
18. Invites all Agencies to increasingly use SMART objectives which should lead to more realistic planning and implementation of goals;
19. Agrees with the Court of Auditors that the Commission also bears responsibility for the (financial) management of the Agencies; therefore, urges the Commission to monitor and where necessary direct and help the management of the different Agencies, especially in relation to the proper application of tender procedures, transparency of recruitment procedures, sound financial management (underspending and overbudgeting) and most importantly the proper application of the rules concerning the internal control framework;
20. Considers that the Agencies' work programmes should express their contributions in operational and measurable terms and that due consideration should be given to the Commission's Internal Control Standards;

Specific points

21. Invites the Foundation to pay better attention to carry-over rates in 2005 in respect to commitments for administrative expenditure (Title II) and operating activities (Title III), which remained high at 37 % and 44 % respectively;
22. Invites the Commission and the Foundation to continue to clarify the situation of non-cancelled appropriations;
23. Invites the Foundation to present a work programme which expresses its contribution in operational and measurable terms;
24. Considers the Foundation to be a source of important information for all EU institutions, for political decision-making and for the general public;

25. Is worried that there was in 2005 no comprehensive document analysing the risks arising from the financial and operational aspects of the Foundation's activities, nor a validation of the procedures introduced by the Authorising Officers in order to ensure the accuracy and the exhaustivity of the financial information it sent to the Accounting Officer, except as regards data-processing aspects;
 26. Encourages the Foundation to continue its efforts to improve further its methods of communication in order to ensure that the public can be better informed about the findings of its studies and that the public debate on important issues, such as the effects and causes of restructuring measures by companies, is thereby enhanced.
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DECISION OF THE EUROPEAN PARLIAMENT

of 24 April 2007

on closing the accounts of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2005

(2008/510/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2005 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2005, together with the Foundation's replies ⁽²⁾,
 - having regard to the Council's Recommendation of 27 February 2007 (5711/2007 — C6-0080/2007),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽³⁾, and in particular Article 185 thereof,
 - having regard to Council Regulation (EEC) No 1365/75 of 26 May 1975 on the creation of a European Foundation for the Improvement of Living and Working Conditions ⁽⁴⁾, and in particular Article 16 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾ and, in particular, Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the Report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A6-0098/2007),
1. Notes that the final annual accounts of the European Foundation for the Improvement of Living and Working Conditions for the financial years 2004 and 2005 are as follows:

Revenue and expenditure account for the financial years 2004 and 2005

(in EUR 1000)

	2005	2004
Revenue		
Commission subsidies	18 800	18 000
Miscellaneous revenue	5	5
Revenue from services rendered	158	81
Total revenue (a)	18 963	18 086

⁽¹⁾ OJ C 266, 31.10.2006, p. 37.⁽²⁾ OJ C 312, 19.12.2006, p. 80.⁽³⁾ OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).⁽⁴⁾ OJ L 139, 30.5.1975, p. 1. Regulation as last amended by Regulation (EC) No 1111/2005 (OJ L 184, 15.7.2005, p. 1).⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

(in EUR 1000)

	2005	2004
Expenditure		
<i>Staff — Title I of the budget</i>		
Payments	8 814	8 606
Appropriations carried over	157	132
<i>Administration — Title II of the budget</i>		
Payments	875	1 267
Appropriations carried over	507	489
<i>Operating activities — Title III of the budget</i>		
Payments	4 967	5 056
Appropriations carried over	3 809	2 522
Total expenditure (b)	19 130	18 072
Outturn for the financial year (a - b)	- 167	14
Balance carried over from the previous financial year	- 1 224	- 1 296
Appropriations carried over and cancelled	71	34
Sums from the previous financial year for re-use and not used	0	18
Phare revenue collected	260	0
Phare revenue to be collected	0	0
Phare expenditure	- 145	0
Other adjustments	0	10
Exchange rate differences	0	- 4
Balance for the financial year	- 1 205	- 1 224

Source: The Foundation's data. This table summarises the data provided by the Foundation in its annual accounts.

2. Approves closing the accounts of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2005;
3. Instructs its President to forward this Decision to the executive director of the European Foundation for the Improvement of Living and Working Conditions, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Harald RØMER

DECISION OF THE EUROPEAN PARLIAMENT**of 24 April 2007****on the discharge for the implementation of the budget of the European Monitoring Centre on Racism and Xenophobia for the financial year 2005**

(2008/511/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Monitoring Centre on Racism and Xenophobia for the financial year 2005 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Monitoring Centre on Racism and Xenophobia for the financial year 2005, together with the Centre's replies ⁽²⁾,
 - having regard to the Council's Recommendation of 27 February 2007 (5711/2007 — C6-0080/2007),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽³⁾, and in particular Article 185 thereof,
 - having regard to Council Regulation (EC) No 1035/97 of 2 June 1997 establishing a European Monitoring Centre on Racism and Xenophobia ⁽⁴⁾, and in particular Article 12a thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the Report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A6-0118/2007),
1. Grants the director of the European Monitoring Centre on Racism and Xenophobia discharge for the implementation of the Centre's budget for the financial year 2005;
 2. Sets out its observations in the Resolution below;
 3. Instructs its President to forward this Decision and the Resolution that forms an integral part of it to the director of the European Monitoring Centre on Racism and Xenophobia, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Harald RØMER

⁽¹⁾ OJ C 266, 31.10.2006, p. 46.

⁽²⁾ OJ C 312, 19.12.2006, p. 93.

⁽³⁾ OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).

⁽⁴⁾ OJ L 151, 10.6.1997, p. 1. Regulation as amended by Regulation (EC) No 1652/2003 (OJ L 245, 29.9.2003, p. 33).

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

RESOLUTION OF THE EUROPEAN PARLIAMENT

of 24 April 2007

with observations forming an integral part of the Decision on the discharge for the implementation of the budget of the European Monitoring Centre on Racism and Xenophobia for the financial year 2005

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Monitoring Centre on Racism and Xenophobia for the financial year 2005 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Monitoring Centre on Racism and Xenophobia for the financial year 2005, together with the Centre's replies ⁽²⁾,
 - having regard to the Council's Recommendation of 27 February 2007 (5711/2007 — C6-0080/2007),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽³⁾ and in particular Article 185 thereof,
 - having regard to Council Regulation (EC) No 1035/97 of 2 June 1997 establishing a European Monitoring Centre on Racism and Xenophobia ⁽⁴⁾, and in particular Article 12a thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular, Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the Report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A6-0118/2007),
- A. whereas the Court of Auditors stated that it obtained reasonable assurance that the annual accounts for the financial year ended 31 December 2005 were reliable, and that, the underlying transactions, taken as a whole, were legal and regular,
- B. whereas on 27 April 2006 Parliament gave discharge to the director in respect of the Centre's budget for the 2004 financial year ⁽⁶⁾ and in the Resolution accompanying the discharge Decision Parliament, *inter alia*,
- expressed its concern about the high level of cancelled carry-overs in particular in Title I (staff expenditure),

⁽¹⁾ OJ C 266, 31.10.2006, p. 46.

⁽²⁾ OJ C 312, 19.12.2006, p. 93.

⁽³⁾ OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).

⁽⁴⁾ OJ L 151, 10.6.1997, p. 1. Regulation as amended by Regulation (EC) No 1652/2003 (OJ L 245, 29.9.2003, p. 33).

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

⁽⁶⁾ OJ L 340, 6.12.2006, p. 80.

- was concerned by the irregularities noted by the Court of Auditors in contract tendering and awards.

General points concerning the majority of EU Agencies requiring individual discharge

1. Considers that the ever-growing number of Community Agencies and the activities of certain of them do not seem to form part of an overall policy framework, and that the remits of some Agencies do not always reflect the real needs of the Union or the expectations of its citizens, and notes that in general terms the Agencies do not always have a good image or a good press;
2. Invites the Commission therefore to define an overall policy framework for the setting up of new Community Agencies and to present a cost-benefit study before the setting up of any new Agency, while being careful to avoid any overlap of activities between Agencies or with the remits of other European organisations;
3. Calls on the Court of Auditors to give its opinion on the cost-benefit study before Parliament takes its decision;
4. Invites the Commission to present every five years a study on the added value of every existing Agency; invites all relevant institutions in the case of a negative evaluation of the added value of an Agency to take the necessary steps by reformulating the mandate of that Agency or by closing it;
5. Considers it regrettable, given the growing number of regulatory agencies, that the negotiations on the draft interinstitutional agreement on the operating framework for the European regulatory Agencies have not yet been concluded, and calls on the relevant departments of the Commission, in consultation with the Court of Auditors, to do their utmost to ensure that the agreement is brought to a rapid conclusion;
6. Notes that the Commission's budgetary responsibility calls for closer linking of the Agencies to the Commission; calls on the Commission and the Council to take all necessary steps to give the Commission a blocking minority in the supervisory bodies of the regulatory Agencies by 31 December 2007 and to provide for such a minority from the outset when new Agencies are set up;
7. Invites the Court of Auditors to create an additional chapter in its Annual Report, devoted to all Agencies to be discharged under the Commission's accounts in order to have a much clearer picture of the use of EU funds by Agencies;
8. Recalls the principle according to which all Community Agencies, whether subsidised or not, are subject to discharge by the Parliament, even where a discharge authority exists by virtue of their constitutive texts;
9. Calls on the Court of Auditors to perform performance audits for all Agencies and to report back to the relevant committees of Parliament, including the Committee on Budgetary Control;
10. Notes that the number of Agencies is constantly increasing and that, in accordance with the Commission's political responsibility for the operation of the Agencies, which goes far beyond mere logistical support, there is an even higher need for the Directorates-General of the Commission charged with the setting up and monitoring of Agencies to develop a common approach to the Agencies; considers that a structure similar to the one created by the Agencies for coordination among the DGs concerned would be a pragmatic way forward towards a common approach by the Commission on all matters relating to the Agencies;
11. Invites the Commission to improve administrative and technical support to the Agencies, taking into account the growing complexity of the Community's administrative rules and technical problems;

12. Notes the lack of a disciplinary body in any of the Community Agencies, and calls on the Commission to take the necessary steps to ensure that such a mechanism is rapidly put in place;
13. Welcomes the considerable improvements in the coordination among the Agencies, which allows them to tackle recurring problems and makes cooperation with the Commission and Parliament more efficient;
14. Takes the view that the establishment by a number of Agencies of a shared support service aimed at making their computerised financial management systems consistent with those of the Commission is a measure that should be taken further and extended;
15. Calls upon the Agencies to improve their cooperation and benchmarking with actors in the field; urges the Commission to adopt any measures it considers necessary to help the Agencies enhance their image and raise the profile of their activities;
16. Calls upon the Commission to come up with a proposal to harmonise the format of the annual reporting by the Agencies and to develop performance indicators which would allow a comparison of their efficiency;
17. Invites the Agencies to present at the beginning of every year performance indicators against which they could be measured;
18. Invites all Agencies to increasingly use SMART objectives which should lead to more realistic planning and implementation of goals;
19. Agrees with the Court of Auditors that the Commission also bears responsibility for the (financial) management of the Agencies; therefore, urges the Commission to monitor and where necessary direct and help the management of the different Agencies, especially in relation to the proper application of tender procedures, transparency of recruitment procedures, sound financial management (underspending and overbudgeting) and most importantly the proper application of the rules concerning the internal control framework;
20. Considers that the Agencies' work programmes should express their contributions in operational and measurable terms and that due consideration should be given to the Commission's Internal Control Standards;

Specific points

21. Notes that although the Centre's rate of commitment for the appropriations for the financial year 2005 was over 90 %, it was found that more than 50 % of the commitments for administrative expenditure were carried over and that in general there was a high rate of cancellation of the appropriations carried over (between 15 % and 25 %, depending on the title); invites the Centre to improve its expenditure planning and the way it monitors the implementation of this expenditure; underlines that transfers between budget headings need to be justified and documented in accordance with the provisions in force;
22. Notes that no activity-based management had been brought in despite the Centre's financial regulation making provision for its introduction on the lines of that applied to the general budget with a view to improving the monitoring of performance; invites the Centre to present a work programme which expresses its contributions in operational and measurable terms;
23. Notes that the Centre had no system for planning and managing its equipment acquisitions and that it did not make any cyclical checks on its inventory, although this would have improved the inventory's reliability; invites the Centre to remedy this situation;
24. Notes that the Centre's internal control system suffered from various shortcomings, such as for instance the fact that the financial circuits set up by the authorising officer had not been described, the systems whereby the authorising officer and his delegates supplied information to the accounting officer had in particular not been validated by the latter and the principle of the segregation of duties was not applied strictly, especially between the duties of initiation and verification; invites the Centre, in relation to commitments, to include sound financial management in the list of matters to be covered by *ex ante* verifications;

25. Invites the Centre to fully apply the rule whereby members of the selection boards must always be of a grade equivalent to or higher than that of the post to be filled;
 26. Notes that the invitations to tender issued by the Centre do not offer much by way of explanation as regards the minimum quality of bids and the weighting of price factors; invites the Centre to apply the rules for tenders strictly.
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DECISION OF THE EUROPEAN PARLIAMENT

of 24 April 2007

on closing the accounts of the European Monitoring Centre on Racism and Xenophobia for the financial year 2005

(2008/512/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Monitoring Centre on Racism and Xenophobia for the financial year 2005 ⁽¹⁾,
- having regard to the Court of Auditors' report on the final annual accounts of the European Monitoring Centre on Racism and Xenophobia for the financial year 2005, together with the Centre's replies ⁽²⁾,
- having regard to the Council's Recommendation of 27 February 2007 (5711/2007 — C6-0080/2007),
- having regard to the EC Treaty, and in particular Article 276 thereof,
- having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽³⁾, and in particular Article 185 thereof,
- having regard to Council Regulation (EC) No 1035/97 of 2 June 1997 establishing a European Monitoring Centre on Racism and Xenophobia ⁽⁴⁾, and in particular Article 12a thereof,
- having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
- having regard to Rule 71 of and Annex V to its Rules of Procedure,
- having regard to the Report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A6-0118/2007),

1. Notes that the final annual accounts of the European Monitoring Centre on Racism and Xenophobia for the financial years 2004 and 2005 are as follows:

Revenue and expenditure account for the financial years 2004 and 2005

(in EUR 1000)

	2005	2004
Revenue		
Community subsidies	8 189	5 675
Other revenue	151	455
Financial revenue		21
Phare subsidy	90	82
Total revenue (a)	8 430	6 233

⁽¹⁾ OJ C 266, 31.10.2006, p. 46.

⁽²⁾ OJ C 312, 19.12.2006, p. 93.

⁽³⁾ OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).

⁽⁴⁾ OJ L 151, 10.6.1997, p. 1. Regulation as amended by Regulation (EC) No 1652/2003 (OJ L 245, 29.9.2003, p. 33).

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

(in EUR 1000)		
	2005	2004
Expenditure		
<i>Staff — Title I of the budget</i>		
Payments	3 008	2 645
Appropriations carried over	70	85
<i>Administration — Title II of the budget</i>		
Payments	550	447
Appropriations carried over	582	37
<i>Operating activities — Title III of the budget</i>		
Payments	2 731	2 352
Appropriations carried over	667	745
<i>Assigned revenue (Phare and other)</i>		
Payments	0	7
Appropriations carried over	90	0
Total expenditure (b)	7 698	6 318
Outturn for the financial year (a-b)	732	- 85
Balance carried over from the previous financial year	231	98
Appropriations carried over, cancelled	210	241
Appropriations for re-use from the previous financial year, not used		0
Amounts due written off		- 23
Exchange-rate differences	- 2	0
Balance for the financial year	1 171	231

Source: Data compiled by the Centre. This table summarises the data supplied by the Centre in its own annual accounts;

2. Approves closing the accounts of the European Monitoring Centre on Racism and Xenophobia for the financial year 2005;
3. Instructs its President to forward this Decision to the director of the European Monitoring Centre on Racism and Xenophobia, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Harald RØMER

DECISION OF THE EUROPEAN PARLIAMENT

of 24 April 2007

on the discharge for the implementation of the budget of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2005

(2008/513/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2005 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2005, together with the Centre's replies ⁽²⁾,
 - having regard to the Council's Recommendation of 27 February 2007 (5711/2007 — C6-0080/2007),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽³⁾, and in particular Article 185 thereof,
 - having regard to Council Regulation (EEC) No 302/93 of 8 February 1993 on the establishment of a European Monitoring Centre for Drugs and Drug Addiction ⁽⁴⁾, and in particular Article 11a thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the Report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A6-0100/2007),
1. Grants the director of the European Monitoring Centre for Drugs and Drug Addiction discharge for the implementation of the Centre's budget for the financial year 2005;
 2. Sets out its observations in the Resolution below;
 3. Instructs its President to forward this Decision and the Resolution that forms an integral part of it to the director of the European Monitoring Centre for Drugs and Drug Addiction, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President

Hans-Gert PÖTTERING

The Secretary-General

Harald RØMER

⁽¹⁾ OJ C 266, 31.10.2006, p. 43.

⁽²⁾ OJ C 312, 19.12.2006, p. 86.

⁽³⁾ OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).

⁽⁴⁾ OJ L 36, 12.2.1993, p. 1, Regulation as last amended by Regulation (EC) No 1651/2003 (OJ L 245, 29.9.2003, p. 30).

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

RESOLUTION OF THE EUROPEAN PARLIAMENT

24 April 2007

with observations forming an integral part of the Decision on the discharge for the implementation of the budget of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2005

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2005 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2005, together with the Centre's replies ⁽²⁾,
 - having regard to the Council's Recommendation of 27 February 2007 (5711/2007 — C6-0080/2007),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽³⁾, and in particular Article 185 thereof,
 - having regard to Council Regulation (EEC) No 302/93 of 8 February 1993 on the establishment of a European Monitoring Centre for Drugs and Drug Addiction ⁽⁴⁾, and in particular Article 11a thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the Report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A6-0100/2007),
- A. whereas the Court of Auditors stated that it obtained reasonable assurance that the annual accounts for the financial year ended 31 December 2005 were reliable, and that, the underlying transactions, taken as a whole, were legal and regular,
- B. whereas on 27 April 2006 Parliament gave discharge to the director in respect of the implementation of the Centre's budget for the for the 2004 financial year ⁽⁶⁾ and in the resolution accompanying the discharge decision Parliament, *inter alia*,
- regretted the very high level of transfers made; urged the Centre to respect more closely the budget originally set by the Budgetary Authority.

⁽¹⁾ OJ C 266, 31.10.2006, p. 43.

⁽²⁾ OJ C 312, 19.12.2006, p. 86.

⁽³⁾ OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).

⁽⁴⁾ OJ L 36, 12.2.1993, p. 1, Regulation as last amended by Regulation (EC) No 1651/2003 (OJ L 245, 29.9.2003, p. 30).

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

⁽⁶⁾ OJ L 340, 6.12.2006, p. 85.

General points concerning the majority of EU Agencies requiring individual discharge

1. Considers that the ever-growing number of Community Agencies and the activities of certain of them do not seem to form part of an overall policy framework, and that the remits of some Agencies do not always reflect the real needs of the Union or the expectations of its citizens, and notes that in general terms the Agencies do not always have a good image or a good press;
2. Invites the Commission therefore to define an overall policy framework for the setting up of new Community Agencies and to present a cost-benefit study before the setting up of any new Agency, while being careful to avoid any overlap of activities between Agencies or with the remits of other European organisations;
3. Calls on the Court of Auditors to give its opinion on the cost-benefit study before Parliament takes its decision;
4. Invites the Commission to present every five years a study on the added value of every existing Agency; invites all relevant institutions in the case of a negative evaluation of the added value of an Agency to take the necessary steps by reformulating the mandate of that Agency or by closing it;
5. Considers it regrettable, given the growing number of regulatory Agencies, that the negotiations on the draft interinstitutional agreement on the operating framework for the European regulatory Agencies have not yet been concluded, and calls on the relevant departments of the Commission, in consultation with the Court of Auditors, to do their utmost to ensure that the agreement is brought to a rapid conclusion;
6. Notes that the Commission's budgetary responsibility calls for closer linking of the Agencies to the Commission; calls on the Commission and the Council to take all necessary steps to give the Commission a blocking minority in the supervisory bodies of the regulatory Agencies by 31 December 2007 and to provide for such a minority from the outset when new Agencies are set up;
7. Invites the Court of Auditors to create an additional chapter in its Annual Report, devoted to all Agencies to be discharged under the Commission's accounts in order to have a much clearer picture of the use of EU funds by Agencies;
8. Recalls the principle according to which all Community Agencies, whether subsidised or not, are subject to discharge by the Parliament, even where a discharge authority exists by virtue of their constitutive texts;
9. Calls on the Court of Auditors to perform performance audits for all Agencies and to report back to the relevant committees of Parliament, including the Committee on Budgetary Control;
10. Notes that the number of Agencies is constantly increasing and that, in accordance with the Commission's political responsibility for the operation of the Agencies, which goes far beyond mere logistical support, there is an even higher need for the Directorates-General of the Commission charged with the setting up and monitoring of Agencies to develop a common approach to the Agencies; considers that a structure similar to the one created by the Agencies for coordination among the DGs concerned would be a pragmatic way forward towards a common approach by the Commission on all matters relating to the Agencies;
11. Invites the Commission to improve administrative and technical support to the Agencies, taking into account the growing complexity of the Community's administrative rules and technical problems;

12. Notes the lack of a disciplinary body in any of the Community Agencies, and calls on the Commission to take the necessary steps to ensure that such a mechanism is rapidly put in place;
13. Welcomes the considerable improvements in the coordination among the Agencies, which allows them to tackle recurring problems and makes cooperation with the Commission and Parliament more efficient;
14. Takes the view that the establishment by a number of Agencies of a shared support service aimed at making their computerised financial management systems consistent with those of the Commission is a measure that should be taken further and extended;
15. Calls upon the Agencies to improve their cooperation and benchmarking with actors in the field; urges the Commission to adopt any measures it considers necessary to help the Agencies enhance their image and raise the profile of their activities;
16. Calls upon the Commission to come up with a proposal to harmonise the format of the annual reporting by the Agencies and to develop performance indicators which would allow a comparison of their efficiency;
17. Invites the Agencies to present at the beginning of every year performance indicators against which they could be measured;
18. Invites all Agencies to increasingly use SMART objectives which should lead to more realistic planning and implementation of goals;
19. Agrees with the Court of Auditors that the Commission also bears responsibility for the (financial) management of the Agencies; therefore, urges the Commission to monitor and where necessary direct and help the management of the different Agencies, especially in relation to the proper application of tender procedures, transparency of recruitment procedures, sound financial management (underspending and overbudgeting) and most importantly the proper application of the rules concerning the internal control framework;
20. Considers that the Agencies' work programmes should express their contributions in operational and measurable terms and that due consideration should be given to the Commission's Internal Control Standards;

Specific points

21. Notes that the utilisation rate of commitment appropriations is greater than 90 %, whereas the corresponding rate for payment appropriations is only 85 %; notes also that expenditure on administration shows a high carry-over rate of almost 40 %; invites the Centre to manage its procurement policy better, in order to avoid carrying over appropriations, which makes management more cumbersome;
22. Welcomes that, for the purposes of management, the Centre has prepared an activity-based budget; invites the Centre to take further this initiative with a view to improved performance monitoring and evaluation of its effectiveness by introducing analytical accounts so that the cost of the Centre's various activities can be ascertained;
23. Invites the Centre to include the fixed asset inventory systems into the general accounts as without a reliable labelling system, the traceability of the assets entered in the inventory cannot be assured;
24. Notes deficiencies in staff recruitment procedures; invites the Centre to apply recruitment procedures correctly;

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25. Notes that at the end of 2004, a member of staff was sent on a long-term (two-year) mission to Brussels; invites the centre to explain fully this procedure; asks the Centre and the Commission to investigate the case and to take measures to avoid recurrence of such a case in the future;
 26. Notes that a number of anomalies were revealed in the course of checks on procurement and contracting procedures; invites the Centre to fully apply procurement and contracting procedures in order to avoid similar situations as occurred in 2005.
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DECISION OF THE EUROPEAN PARLIAMENT

of 24 April 2007

on closing the accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2005

(2008/514/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2005 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2005, together with the Centre's replies ⁽²⁾,
 - having regard to the Council's Recommendation of 27 February 2007 (5711/2007 — C6-0080/2007),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽³⁾, and in particular Article 185 thereof,
 - having regard to Council Regulation (EEC) No 302/93 of 8 February 1993 on the establishment of a European Monitoring Centre for Drugs and Drug Addiction ⁽⁴⁾, and in particular Article 11a thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the Report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A6-0100/2007),
1. Notes that the final annual accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial years 2004 and 2005 are as follows:

Revenue and expenditure account for the financial years 2004 and 2005

(in EUR 1000)

	2005	2004
Revenue		
Subsidies from the Commission	12 000	11 730
Subsidies from Norway	516	514
Assigned revenue	190	211
Miscellaneous revenue	93	33
Total revenue (a)	12 799	12 488

⁽¹⁾ OJ C 266, 31.10.2006, p. 43.⁽²⁾ OJ C 312, 19.12.2006, p. 86.⁽³⁾ OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).⁽⁴⁾ OJ L 36, 12.2.1993, p. 1, Regulation as last amended by Regulation (EC) No 1651/2003 (OJ L 245, 29.9.2003, p. 30).⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

(in EUR 1000)

	2005	2004
Budgetary expenditure for the financial year		
<i>Staff — Title I of the budget</i>		
Payments	5 762	5 832
Appropriations carried over	154	122
<i>Administration — Title II of the budget</i>		
Payments	1 094	1 088
Appropriations carried over	650	356
<i>Operating activities — Title III of the budget (except assigned revenue)</i>		
Payments against payment appropriations for the financial year	4 159	2 342
Appropriations carried over		1 260
<i>Assigned revenue (Phare and third countries)</i>	101	201
Total expenditure (b)	11 920	11 200
Outturn for the financial year (a-b)	879	1 288
Balance carried over from the previous financial year	1 508	295
Appropriations carried over and cancelled	1 239	245
Sums for re-use from the previous financial year not used	- 58	15
Refunds to the Commission	- 1 508	- 3
Refunds to Norway	-128	81
Exchange-rate differences	1	- 1
Balance for the financial year (EC grant + Norway contribution)	1 933	1 920
Norway Grant 2005	- 516	
Balance for the financial Year only EC Grant	1 417	

Source: Information supplied by the Monitoring Centre — This table summarises the data provided by the Monitoring Centre in its own annual accounts;

2. Approves closing the accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2005;
3. Instructs its President to forward this Decision to the director of the European Monitoring Centre for Drugs and Drug Addiction, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Harald RØMER

DECISION OF THE EUROPEAN PARLIAMENT**of 24 April 2007****on the discharge for the implementation of the budget of the European Environment Agency for the financial year 2005**

(2008/515/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Environment Agency for the financial year 2005 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Environment Agency for the financial year 2005, together with the Agency's replies ⁽²⁾,
 - having regard to the Council's Recommendation of 27 February 2007 (5711/2007 — C6-0080/2007),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽³⁾, and in particular Article 185 thereof,
 - having regard to Council Regulation (EEC) No 1210/90 of 7 May 1990 on the establishment of the European Environment Agency and the European Environment Information and Observation network ⁽⁴⁾, and in particular Article 13 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the Report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A6-0103/2007),
1. Grants the executive director of the European Environment Agency discharge for the implementation of the Agency's budget for the financial year 2005;
 2. Sets out its observations in the Resolution below;
 3. Instructs its President to forward this Decision and the Resolution that forms an integral part of it to the executive director of the European Environment Agency, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President

Hans-Gert PÖTTERING

The Secretary-General

Harald RØMER

⁽¹⁾ OJ C 266, 31.10.2006, p. 1.

⁽²⁾ OJ C 312, 19.12.2006, p. 36.

⁽³⁾ OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).

⁽⁴⁾ OJ L 120, 11.5.1990, p. 1. Regulation as last amended by Regulation (EC) No 1641/2003 (OJ L 245, 29.9.2003, p. 1).

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 24 April 2007****with observations forming an integral part of the Decision on the discharge for the implementation of the budget of the European Environment Agency for the financial year 2005**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Environment Agency for the financial year 2005 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Environment Agency for the financial year 2005, together with the Agency's replies ⁽²⁾,
 - having regard to the Council's Recommendation of 27 February 2007 (5711/2007 — C6-0080/2007),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽³⁾, and in particular Article 185 thereof,
 - having regard to Council Regulation (EEC) No 1210/90 of 7 May 1990 on the establishment of the European Environment Agency and the European Environment Information and Observation network ⁽⁴⁾, and in particular Article 13 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the Report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A6-0103/2007),
- A. whereas the Court of Auditors stated that it obtained reasonable assurance that the annual accounts for the financial year ended 31 December 2005 were reliable and that the underlying transactions, taken as a whole, were legal and regular;
- B. whereas on 27 April 2006 Parliament gave discharge to the director in respect of the implementation of the Agency's budget for the 2004 financial year ⁽⁶⁾ and in the resolution accompanying the discharge decision Parliament, *inter alia*,
- noted that surplus appropriations in 2004 had been committed for operations to be carried out in 2005, and that appropriations relating to staff expenditure were carried over; insisted that the Agency respect the principle of budget annuality as defined in the Financial Regulation and the rule prohibiting carry over of appropriations relating to staff expenditure, in order to allow a correct and transparent implementation of the budgets as set by the Budgetary Authority,

⁽¹⁾ OJ C 266, 31.10.2006, p. 1.⁽²⁾ OJ C 312, 19.12.2006, p. 36.⁽³⁾ OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).⁽⁴⁾ OJ L 120, 11.5.1990, p. 1. Regulation as last amended by Regulation (EC) No 1641/2003 (OJ L 245, 29.9.2003, p. 1).⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.⁽⁶⁾ OJ L 340, 6.12.2006, p. 90.

- noted the weaknesses in checking and omissions found by the Court of Auditors in its audit of the inventory;

General points concerning the majority of EU Agencies requiring individual discharge

1. Considers that the ever-growing number of Community Agencies and the activities of certain of them do not seem to form part of an overall policy framework, and that the remits of some Agencies do not always reflect the real needs of the Union or the expectations of its citizens, and notes that in general terms the Agencies do not always have a good image or a good press;
2. Invites the Commission therefore to define an overall policy framework for the setting up of new Community Agencies and to present a cost-benefit study before the setting up of any new agency, while being careful to avoid any overlap of activities between Agencies or with the remits of other European organisations;
3. Calls on the Court of Auditors to give its opinion on the cost-benefit study before Parliament takes its decision;
4. Invites the Commission to present every five years a study on the added value of every existing Agency; invites all relevant institutions in the case of a negative evaluation of the added value of an Agency to take the necessary steps by reformulating the mandate of that Agency or by closing it;
5. Considers it regrettable, given the growing number of regulatory Agencies, that the negotiations on the draft interinstitutional agreement on the operating framework for the European regulatory Agencies have not yet been concluded, and calls on the relevant departments of the Commission, in consultation with the Court of Auditors, to do their utmost to ensure that the agreement is brought to a rapid conclusion;
6. Notes that the Commission's budgetary responsibility calls for closer linking of the Agencies to the Commission; calls on the Commission and the Council to take all necessary steps to give the Commission a blocking minority in the supervisory bodies of the regulatory Agencies by 31 December 2007 and to provide for such a minority from the outset when new Agencies are set up;
7. Invites the Court of Auditors to create an additional chapter in its Annual Report, devoted to all Agencies to be discharged under the Commission's accounts in order to have a much clearer picture of the use of EU funds by Agencies;
8. Recalls the principle according to which all Community Agencies, whether subsidised or not, are subject to discharge by the Parliament, even where a discharge authority exists by virtue of their constitutive texts;
9. Calls on the Court of Auditors to perform performance audits for all Agencies and to report back to the relevant committees of Parliament, including the Committee on Budgetary Control;
10. Notes that the number of Agencies is constantly increasing and that, in accordance with the Commission's political responsibility for the operation of the Agencies, which goes far beyond mere logistical support, there is an even higher need for the Directorates-General of the Commission charged with the setting up and monitoring of Agencies to develop a common approach to the Agencies; considers that a structure similar to the one created by the Agencies for coordination among the DGs concerned would be a pragmatic way forward towards a common approach by the Commission on all matters relating to the Agencies;
11. Invites the Commission to improve administrative and technical support to the Agencies, taking into account the growing complexity of the Community's administrative rules and technical problems;

12. Notes the lack of a disciplinary body in any of the Community Agencies, and calls on the Commission to take the necessary steps to ensure that such a mechanism is rapidly put in place;
13. Welcomes the considerable improvements in the coordination among the Agencies, which allows them to tackle recurring problems and makes cooperation with the Commission and Parliament more efficient;
14. Takes the view that the establishment by a number of Agencies of a shared support service aimed at making their computerised financial management systems consistent with those of the Commission is a measure that should be taken further and extended;
15. Calls upon the Agencies to improve their cooperation and benchmarking with actors in the field; urges the Commission to adopt any measures it considers necessary to help the Agencies enhance their image and raise the profile of their activities;
16. Calls upon the Commission to come up with a proposal to harmonise the format of the annual reporting by the Agencies and to develop performance indicators which would allow a comparison of their efficiency;
17. Invites the Agencies to present at the beginning of every year performance indicators against which they could be measured;
18. Invites all Agencies to increasingly use SMART objectives which should lead to more realistic planning and implementation of goals;
19. Agrees with the Court of Auditors that the Commission also bears responsibility for the (financial) management of the Agencies; therefore, urges the Commission to monitor and where necessary direct and help the management of the different Agencies, especially in relation to the proper application of tender procedures, transparency of recruitment procedures, sound financial management (underspending and overbudgeting) and most importantly the proper application of the rules concerning the internal control framework;
20. Considers that the Agencies' work programmes should express their contributions in operational and measurable terms and that due consideration should be given to the Commission's Internal Control Standards;

Specific points

21. Notes that the Agency committed nearly all the appropriations in its budget for the financial year 2005; notes nevertheless that the carry-over rate (over 30 %) for commitments for its operating activities (Title III) is high; invites the Agency to ensure a reduction in carry-overs, whose volume hampers the management of the following year's appropriations, which subsequently creates delays in implementation or even increases them;
22. Notes that there is no description of the internal control systems and that the authorising officers have not provided a formal description of the systems that they use for supplying and substantiating accounts information and the accounting officer has therefore still not been able to validate them; invites the Agency to remedy this;
23. Notes that there are still shortcomings in the authorising officer's annual activity report which does not supply adequate information on the results of the year's activities in relation to the objectives established, the associated risks, the use of resources and the functioning of the internal control systems; asks the Agency to solve this problem;

24. Notes that during the audit of the procedures for the recruitment of temporary staff, it was observed that certain internal provisions concerning the joint nature of the selection committees and the inalterability of the selection criteria adopted beforehand did not comply with the provisions of the conditions of employment of other servants of the Communities; demands that in future the procedures for recruitment should be fully respected;
 25. Invites the Agency to respect evaluation criteria in procurement procedures;
 26. Considers the Agency to be a source of important environmental information for all EU institutions and policy-making; notes with satisfaction that the Agency has been able to transform some complicated data into clear conclusions and to communicate them to the public; acknowledges, in particular, the importance of the report *The European environment — State and outlook 2005* in providing user-friendly information on the environment and pinpointing the key challenges facing the EU and Member States;
 27. Encourages the Agency to continue its efforts to further develop its communication methods in order to attract more media coverage for its findings and thus feed public debate on important environmental issues, such as climate change, biodiversity and the management of natural resources;
 28. Points out that the impact of environmental programmes is often hampered by the lack of assessment of environmental impacts of other Community policies; invites the Agency to further develop its work in the field of environmental impact assessment;
 29. Requests that, before 1 January 2010 and every five years thereafter, the Agency commission an independent external evaluation of its achievements on the basis of its founding Regulation and the work programmes decided by the Management Board; requests that the evaluation assess the working practices and the impact of the Agency and take into account the views of the stakeholders, at both Community and national level; requests further that the Management Board of the Agency examine the conclusions of the evaluation and draft such recommendations to the Commission and Parliament as may be necessary regarding changes in the Agency, its working practices and programmes, that the evaluation and the recommendations to the Commission and Parliament be made public, for example on their websites, and that the funds needed to carry out the external evaluation shall be allocated through the budget of the corresponding DG;
 30. Emphasises the role of the Agency in the evaluation of the implementation of EU environmental legislation.
-

DECISION OF THE EUROPEAN PARLIAMENT

of 24 April 2007

on closing the accounts of the European Environment Agency for the financial year 2005

(2008/516/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Environment Agency for the financial year 2005 ⁽¹⁾,
- having regard to the Court of Auditors' report on the final annual accounts of the European Environment Agency for the financial year 2005, together with the Agency's replies ⁽²⁾,
- having regard to the Council's Recommendation of 27 February 2007 (5711/2007 — C6-0080/2007),
- having regard to the EC Treaty, and in particular Article 276 thereof,
- having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽³⁾, and in particular Article 185 thereof,
- having regard to Council Regulation (EEC) No 1210/90 of 7 May 1990 on the establishment of the European Environment Agency and the European Environment Information and Observation network ⁽⁴⁾, and in particular Article 13 thereof,
- having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
- having regard to Rule 71 of and Annex V to its Rules of Procedure,
- having regard to the Report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A6-0103/2007),

1. Notes that the final annual accounts of the European Environment Agency for the financial years 2004 and 2005 are as follows:

Revenue and expenditure account for the financial years 2004 and 2005

(in EUR 1000)

	2005	2004
Revenue		
EC subsidy	34 970	29 658
Other subsidies	745	1 998
Bank interest	153	126
Total revenue (a)	35 868	31 782

⁽¹⁾ OJ C 266, 31.10.2006, p. 1.

⁽²⁾ OJ C 312, 19.12.2006, p. 36.

⁽³⁾ OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).

⁽⁴⁾ OJ L 120, 11.5.1990, p. 1. Regulation as last amended by Regulation (EC) No 1641/2003 (OJ L 245, 29.9.2003, p. 1).

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

(in EUR 1000)		
	2005	2004
Expenditure		
Total expenditure for Title 1 of the budget		
Payments	13 958	12 447
Payments — Assigned revenues	207	2
Appropriations carried over	510	435
Appropriations carried over — Assigned revenue	343	66
Total expenditure for Title 2 of the budget		
Payments	2 960	3 451 ⁽¹⁾
Payments — Assigned revenue	16	
Appropriations carried over	896	394
Appropriations carried over — Assigned revenue	63	0
Total expenditure for Title 3 of the budget		
Payments	8 942	9 543
Payments — Assigned revenue	841	14
Appropriations carried over	4 075	4 845
Appropriations carried over — Assigned revenue	1 891	2 419
Total expenditure (b)	34 702	33 616
Net result for the year (a-b)	1 164	- 2 822
Appropriations carried over and cancelled	373	507
Refunds carried over and cancelled		0
Adjustment for carry-over from the previous year of appropriations available at 31.12 arising from assigned revenue	2 997	0
Balance carried over from the previous year	- 6 360	- 4 190
Assigned revenue cancelled		98
Exchange-rate differences	-7	3
Regularisation regarding previous years	0	43
Balance carried forward	- 1 832	- 6 360

⁽¹⁾ Includes EUR 905 823 of property taxes paid to the Danish government. The Agency is of the opinion that the amount should be refunded.

NB: Variations in total; are due to the effects of rounding.

Source: information supplied by the Agency — This table summarises the data provided by the Agency in its annual report;

2. Approves closing the accounts of the European Environment Agency for the financial year 2005;
3. Instructs its President to forward this Decision to the executive director of the European Environment Agency, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President

Hans-Gert PÖTTERING

The Secretary-General

Harald RØMER

DECISION OF THE EUROPEAN PARLIAMENT**of 24 April 2007****on the discharge for the implementation of the budget of the European Agency for Safety and Health at Work for the financial year 2005**

(2008/517/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Agency for Safety and Health at Work for the financial year 2005 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Agency for Safety and Health at Work for the financial year 2005, together with the Agency's replies ⁽²⁾,
 - having regard to the Council's Recommendation of 27 February 2007 (5711/2007 — C6-0080/2007),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽³⁾, and in particular Article 185 thereof,
 - having regard to Council Regulation (EC) No 2062/94 of 18 July 1994 establishing a European Agency for Safety and Health at Work ⁽⁴⁾, and in particular Article 14 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the Report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A6-0105/2007),
1. Grants the director of the European Agency for Safety and Health at Work discharge for the implementation of the Agency's budget for the financial year 2005;
 2. Sets out its observations in the Resolution below;
 3. Instructs its President to forward this Decision and the Resolution that forms an integral part of it to the director of the European Agency for Safety and Health at Work, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Harald RØMER

⁽¹⁾ OJ C 266, 31.10.2006, p. 19.

⁽²⁾ OJ C 312, 19.12.2006, p. 24.

⁽³⁾ OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).

⁽⁴⁾ OJ L 216, 20.8.1994, p. 1. Regulation as last amended by Regulation (EC) No 1112/2005 (OJ L 184, 15.7.2005, p. 5).

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 24 April 2007****with observations forming an integral part of the decision on the discharge for the implementation of the budget of the European Agency for Safety and Health at Work for the financial year 2005**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Agency for Safety and Health at Work for the financial year 2005 ⁽¹⁾,
- having regard to the Court of Auditors' report on the annual accounts of the European Agency for Safety and Health at Work for the financial year 2005, together with the Agency's replies ⁽²⁾,
- having regard to the Council's Recommendation of 27 February 2007 (5711/2007 — C6-0080/2007),
- having regard to the EC Treaty, and in particular Article 276 thereof,
- having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽³⁾, and in particular Article 185 thereof,
- having regard to Council Regulation (EC) No 2062/94 of 18 July 1994 establishing a European Agency for Safety and Health at Work ⁽⁴⁾, and in particular Article 14 thereof,
- having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
- having regard to Rule 71 of and Annex V to its Rules of Procedure,
- having regard to the Report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A6-0105/2007),
- A. whereas the Court of Auditors stated that it obtained reasonable assurance that the annual accounts for the financial year ended 31 December 2005 were reliable and that the underlying transactions, taken as a whole, were legal and regular,
- B. whereas on 27 April 2006 Parliament gave discharge to the director in respect of the implementation of the Agency's budget for the 2004 financial year ⁽⁶⁾ and in the resolution accompanying the discharge decision Parliament, *inter alia*,
 - welcomed the reduction in carry-overs achieved,
 - urged the Agency to put in place detailed rules for the implementation of its new financial regulation and internal control procedures based on risk analysis as soon as possible,

⁽¹⁾ OJ C 266, 31.10.2006, p. 19.

⁽²⁾ OJ C 312, 19.12.2006, p. 24.

⁽³⁾ OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).

⁽⁴⁾ OJ L 216, 20.8.1994, p. 1. Regulation as last amended by Regulation (EC) No 1112/2005 (OJ L 184, 15.7.2005, p. 5).

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

⁽⁶⁾ OJ L 340, 6.12.2006, p. 96.

- insisted that the Agency respects the rules concerning the duration of framework contracts,
- expected the Agency, in future, to include negative balances at year and in amending budgets for the following financial year;

General points concerning the majority of EU Agencies requiring individual discharge

1. Considers that the ever-growing number of Community Agencies and the activities of certain of them do not seem to form part of an overall policy framework, and that the remits of some Agencies do not always reflect the real needs of the Union or the expectations of its citizens, and notes that in general terms the Agencies do not always have a good image or a good press;
2. Invites the Commission therefore to define an overall policy framework for the setting up of new Community Agencies and to present a cost-benefit study before the setting up of any new Agency, while being careful to avoid any overlap of activities between Agencies or with the remits of other European organisations;
3. Calls on the Court of Auditors to give its opinion on the cost-benefit study before Parliament takes its decision;
4. Invites the Commission to present every five years a study on the added value of every existing Agency; invites all relevant institutions in the case of a negative evaluation of the added value of an Agency to take the necessary steps by reformulating the mandate of that Agency or by closing it;
5. Considers it regrettable, given the growing number of regulatory Agencies, that the negotiations on the draft interinstitutional agreement on the operating framework for the European regulatory Agencies have not yet been concluded, and calls on the relevant departments of the Commission, in consultation with the Court of Auditors, to do their utmost to ensure that the agreement is brought to a rapid conclusion;
6. Notes that the Commission's budgetary responsibility calls for closer linking of the Agencies to the Commission; calls on the Commission and the Council to take all necessary steps to give the Commission a blocking minority in the supervisory bodies of the regulatory Agencies by 31 December 2007 and to provide for such a minority from the outset when new Agencies are set up;
7. Invites the Court of Auditors to create an additional chapter in its Annual Report, devoted to all Agencies to be discharged under the Commission's accounts in order to have a much clearer picture of the use of EU funds by Agencies;
8. Recalls the principle according to which all Community Agencies, whether subsidised or not, are subject to discharge by the Parliament, even where a discharge authority exists by virtue of their constitutive texts;
9. Calls on the Court of Auditors to perform performance audits for all Agencies and to report back to the relevant committees of Parliament, including the Committee on Budgetary Control;
10. Notes that the number of Agencies is constantly increasing and that, in accordance with the Commission's political responsibility for the operation of the Agencies, which goes far beyond mere logistical support, there is an even higher need for the Directorates-General of the Commission charged with the setting up and monitoring of Agencies to develop a common approach to the Agencies; considers that a structure similar to the one created by the Agencies for coordination among the DGs concerned would be a pragmatic way forward towards a common approach by the Commission on all matters relating to the Agencies;

11. Invites the Commission to improve administrative and technical support to the Agencies, taking into account the growing complexity of the Community's administrative rules and technical problems;
12. Notes the lack of a disciplinary body in any of the Community Agencies, and calls on the Commission to take the necessary steps to ensure that such a mechanism is rapidly put in place;
13. Welcomes the considerable improvements in the coordination among the Agencies, which allows them to tackle recurring problems and makes cooperation with the Commission and Parliament more efficient;
14. Takes the view that the establishment by a number of Agencies of a shared support service aimed at making their computerised financial management systems consistent with those of the Commission is a measure that should be taken further and extended;
15. Calls upon the Agencies to improve their cooperation and benchmarking with actors in the field; urges the Commission to adopt any measures it considers necessary to help the Agencies enhance their image and raise the profile of their activities;
16. Calls upon the Commission to come up with a proposal to harmonise the format of the annual reporting by the Agencies and to develop performance indicators which would allow a comparison of their efficiency;
17. Invites the Agencies to present at the beginning of every year performance indicators against which they could be measured;
18. Invites all Agencies to increasingly use SMART objectives which should lead to more realistic planning and implementation of goals;
19. Agrees with the Court of Auditors that the Commission also bears responsibility for the (financial) management of the Agencies; therefore, urges the Commission to monitor and where necessary direct and help the management of the different Agencies, especially in relation to the proper application of tender procedures, transparency of recruitment procedures, sound financial management (underspending and overbudgeting) and most importantly the proper application of the rules concerning the internal control framework;
20. Considers that the Agencies' work programmes should express their contributions in operational and measurable terms and that due consideration should be given to the Commission's Internal Control Standards;

Specific points

21. Notes that the commitment rate for appropriations entered in the budget for the financial year 2005 was over 90 % and that the carry-over rate remained high for operating expenditure (Title III), at 30 %, whereas the cancellation rate for appropriations carried over was close to 15 %; invites the Agency to improve its programming and adhere to it more strictly; notes that the management of the budget shows a high number of transfers of appropriations between budget lines and considers that the supporting documentation for these transfers is inadequate; invites the Agency to guarantee that the rules and limits applicable to transfers are observed;
22. Considers the Agency to be a source of important information for all EU institutions, for political decision-making, for the business world and for the general public;
23. Notes that the implementation of the internal control system was not yet complete in 2005 and that the Governing Board had not adopted any internal control standards; deplores the fact that there is no risk analysis and no checklists to meet the needs of authorising officers and staff who perform operational checks; invites the Agency to tackle these issues in the interests of transparency and efficiency;

24. Notes that the general implementing provisions concerning the recruitment of staff to the Agency do not specify the criteria and formalities to be observed at the various stages of the selection of candidates; insists that decisions taken in this regard must be rigorously documented in order to ensure the transparency and impartiality of decisions made;
 25. Considers it regrettable that in public procurement procedures often no supporting evidence was given for the tender evaluation committee's assessments of the quality of the bids; considers it regrettable further that the evaluation reports were signed only by the authorising officer responsible and not by all the members of the tender evaluation committee; invites the Agency to put even more effort into the correct documentation of procurement procedures;
 26. Welcomes the fact that the Agency has improved its methods of communication and that greater use is being made of its specialist know-how by small and medium-sized enterprises in particular.
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DECISION OF THE EUROPEAN PARLIAMENT

of 24 April 2007

on closing the accounts of the European Agency for Safety and Health at Work for the financial year 2005

(2008/518/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Agency for Safety and Health at Work for the financial year 2005 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Agency for Safety and Health at Work for the financial year 2005, together with the Agency's replies ⁽²⁾,
 - having regard to the Council's Recommendation of 27 February 2007 (5711/2007 — C6-0080/2007),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽³⁾, and in particular Article 185 thereof,
 - having regard to Council Regulation (EC) No 2062/94 of 18 July 1994 establishing a European Agency for Safety and Health at Work ⁽⁴⁾, and in particular Article 14 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the Report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A6-0105/2007),
1. Notes that the final annual accounts of the European Agency for Safety and Health at Work for the financial years 2004 and 2005 are as follows:

Revenue and expenditure account for the financial years 2004 and 2005

(in EUR 1000)

	2005	2004
Revenue		
Community subsidies	12 209	9 542
Other subsidies	150	66
Other revenue	66	111
Phare revenue	340	121
Total revenue (a)	12 765	9 840

⁽¹⁾ OJ C 266, 31.10.2006, p. 19.⁽²⁾ OJ C 312, 19.12.2006, p. 24.⁽³⁾ OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).⁽⁴⁾ OJ L 216, 20.8.1994, p. 1. Regulation as last amended by Regulation (EC) No 1112/2005 (OJ L 184, 15.7.2005, p. 5).⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

	(in EUR 1000)	
	2005	2004
Expenditure		
<i>Staff — Title I of the budget</i>		
Payments	3 435	3 379
Appropriations carried over	75	60
<i>Administration — Title II of the budget</i>		
Payments	1 052	966
Appropriations carried over	331	248
<i>Operating activities — Title III of the budget</i>		
Payments ⁽¹⁾	4 589	2 426
Appropriations carried over	2 213	2 549
<i>Phare expenditure</i>		
Payments	133	0
Appropriations carried over	206	0
Total expenditure (b)	12 035	9 628
Outturn for the financial year (c = a - b)⁽²⁾	730	212
Appropriations carried over and cancelled	404	887
Sums to be reused from the previous financial year and not used	0	0
RO (Phare II) appropriations not used	0	144
Payments against commitment cancelled in 2002	0	0
Exchange-rate differences	0	0
Phare amount to be refunded to the Commission	0	- 39
Adjustment entries	24	3
Outturn for the financial year before economic adjustments (d)	1 158	1 208
Balance carried over from the previous financial year	- 779	- 1 987
Accumulated outturn before economic adjustments (e)	379	- 779
Budget revenue to be recovered		0
Other revenue to be recovered		0
Acquisitions of fixed assets	171	57
Depreciation	- 161	- 174
Stock	0	- 6
Scrapping of fixed assets	0	- 91
Depreciation	0	88
Miscellaneous expenditure		- 34
Cumulated 2005 budgetary outturn to reimburse to the EC	- 379	
Phare III — Prefinancing received	- 206	
Prefinancing given	- 314	
Long term receivables	4	
Adjustment of budgetary expenses	1 990	

(in EUR 1000)

	2005	2004
Adjustment of incomes	- 806	
Reversal of accrual operations	1 585	
Amounts paid carry over 2004-2005	- 2 453	
Economic adjustments (f)	- 571	- 161
Balance for the financial year (e + f)	587	- 940

Source: The Agency's data — This table summarises the data provided by the Agency in its annual accounts;

2. Approves closing the accounts of the European Agency for Safety and Health at Work for the financial year 2005;
3. Instructs its President to forward this Decision to the director of the European Agency for Safety and Health at Work, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Harald RØMER

DECISION OF THE EUROPEAN PARLIAMENT**of 24 April 2007****on the discharge for the implementation of the budget of the Translation Centre for the bodies of the European Union for the financial year 2005**

(2008/519/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Translation Centre for the bodies of the European Union for the financial year 2005 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the Translation Centre for the bodies of the European Union for the financial year 2005, together with the Centre's replies ⁽²⁾,
 - having regard to the Council's Recommendation of 27 February 2007 (5711/2007 — C6-0080/2007),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽³⁾, and in particular Article 185 thereof,
 - having regard to Council Regulation (EC) No 2965/94 of 28 November 1994 setting up a Translation Centre for the bodies of the European Union ⁽⁴⁾, and in particular Article 14 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular, Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the Report of the Committee on Budgetary Control (A6-0101/2007),
1. Grants the director of the Translation Centre for the bodies of the European Union discharge for the implementation of the Centre's budget for the financial year 2005;
 2. Sets out its observations in the Resolution below;
 3. Instructs its President to forward this Decision and the Resolution that forms an integral part of it to the director of the Translation Centre for the bodies of the European Union, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Harald RØMER

⁽¹⁾ OJ C 266, 31.10.2006, p. 25.

⁽²⁾ OJ C 312, 19.12.2006, p. 48.

⁽³⁾ OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).

⁽⁴⁾ OJ L 314, 7.12.1994, p. 1. Regulation as last amended by Regulation (EC) No 1645/2003 (OJ L 245, 29.9.2003, p. 13).

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 24 April 2007****with observations forming an integral part of the Decision on the discharge for the implementation of the budget of the Translation Centre for the bodies of the European Union for the financial year 2005**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Translation Centre for the bodies of the European Union for the financial year 2005 ⁽¹⁾,
- having regard to the Court of Auditors' report on the final annual accounts of the Translation Centre for the bodies of the European Union for the financial year 2005, together with the Centre's replies ⁽²⁾,
- having regard to the Council's Recommendation of 27 February 2007 (5711/2007 — C6-0080/2007),
- having regard to the EC Treaty, and in particular Article 276 thereof,
- having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽³⁾, and in particular Article 185 thereof,
- having regard to Council Regulation (EC) No 2965/94 of 28 November 1994 setting up a Translation Centre for the bodies of the European Union ⁽⁴⁾, and in particular Article 14 thereof,
- having regard to the Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
- having regard to Rule 71 of and Annex V to its Rules of Procedure,
- having regard to the Report of the Committee on Budgetary Control (A6-0101/2007),
- A. whereas the Court of Auditors stated that it obtained reasonable assurance that the annual accounts for the financial year ended 31 December 2005 were reliable and that, except for a number of irregularities noted in the award of contracts, the underlying transactions, taken as a whole, were legal and regular;
- B. whereas on 27 April 2006 Parliament gave discharge to the director in respect of the implementation of the Centre's budget for the 2004 financial year ⁽⁶⁾ and in the Resolution accompanying the discharge Decision Parliament, *inter alia*,
 - noted the high level of appropriations cancelled by the Centre in 2004; insisted that the Centre improve its estimates in order that the budget as implemented more closely resembled the budget adopted by the Budgetary Authority,
 - was disappointed to note that the conflict concerning payment of employer's pension contributions was still not resolved; urged the Centre to step up its efforts to settle this dispute;

⁽¹⁾ OJ C 266, 31.10.2006, p. 25.⁽²⁾ OJ C 312, 19.12.2006, p. 48.⁽³⁾ OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).⁽⁴⁾ OJ L 314, 7.12.1994, p. 1. Regulation as last amended by Regulation (EC) No 1645/2003 (OJ L 245, 29.9.2003, p. 13).⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.⁽⁶⁾ OJ L 340, 6.12.2006, p. 102.

General points concerning the majority of EU Agencies requiring individual discharge

1. Considers that the ever-growing number of Community Agencies and the activities of certain of them do not seem to form part of an overall policy framework, and that the remits of some Agencies do not always reflect the real needs of the Union or the expectations of its citizens, and notes that in general terms the Agencies do not always have a good image or a good press;
2. Invites the Commission therefore to define an overall policy framework for the setting up of new Community Agencies and to present a cost-benefit study before the setting up of any new Agency, while being careful to avoid any overlap of activities between Agencies or with the remits of other European organisations;
3. Calls on the Court of Auditors to give its opinion on the cost-benefit study before Parliament takes its decision;
4. Invites the Commission to present every five years a study on the added value of every existing Agency; invites all relevant institutions in the case of a negative evaluation of the added value of an Agency to take the necessary steps by reformulating the mandate of that Agency or by closing it;
5. Considers it regrettable, given the growing number of regulatory Agencies, that the negotiations on the draft interinstitutional agreement on the operating framework for the European regulatory Agencies have not yet been concluded, and calls on the relevant departments of the Commission, in consultation with the Court of Auditors, to do their utmost to ensure that the agreement is brought to a rapid conclusion;
6. Notes that the Commission's budgetary responsibility calls for closer linking of the Agencies to the Commission; calls on the Commission and the Council to take all necessary steps to give the Commission a blocking minority in the supervisory bodies of the regulatory Agencies by 31 December 2007 and to provide for such a minority from the outset when new Agencies are set up;
7. Invites the Court of Auditors to create an additional chapter in its Annual Report, devoted to all Agencies to be discharged under the Commission's accounts in order to have a much clearer picture of the use of EU funds by Agencies;
8. Recalls the principle according to which all Community Agencies, whether subsidised or not, are subject to discharge by the Parliament, even where a discharge authority exists by virtue of their constitutive texts;
9. Calls on the Court of Auditors to perform performance audits for all Agencies and to report back to the relevant committees of Parliament, including the Committee on Budgetary Control;
10. Notes that the number of Agencies is constantly increasing and that, in accordance with the Commission's political responsibility for the operation of the Agencies, which goes far beyond mere logistical support, there is an even higher need for the Directorates-General of the Commission charged with the setting up and monitoring of Agencies to develop a common approach to the Agencies; considers that a structure similar to the one created by the Agencies for coordination among the DGs concerned would be a pragmatic way forward towards a common approach by the Commission on all matters relating to the Agencies;
11. Invites the Commission to improve administrative and technical support to the Agencies, taking into account the growing complexity of the Community's administrative rules and technical problems;
12. Notes the lack of a disciplinary body in any of the Community Agencies, and calls on the Commission to take the necessary steps to ensure that such a mechanism is rapidly put in place;
13. Welcomes the considerable improvements in the coordination among the Agencies, which allows them to tackle recurring problems and makes cooperation with the Commission and Parliament more efficient;

14. Takes the view that the establishment by a number of Agencies of a shared support service aimed at making their computerised financial management systems consistent with those of the Commission is a measure that should be taken further and extended;
15. Calls upon the Agencies to improve their cooperation and benchmarking with actors in the field; urges the Commission to adopt any measures it considers necessary to help the Agencies enhance their image and raise the profile of their activities;
16. Calls upon the Commission to come up with a proposal to harmonise the format of the annual reporting by the Agencies and to develop performance indicators which would allow a comparison of their efficiency;
17. Invites the Agencies to present at the beginning of every year performance indicators against which they could be measured;
18. Invites all Agencies to increasingly use SMART objectives which should lead to more realistic planning and implementation of goals;
19. Agrees with the Court of Auditors that the Commission also bears responsibility for the (financial) management of the Agencies; therefore, urges the Commission to monitor and where necessary direct and help the management of the different Agencies, especially in relation to the proper application of tender procedures, transparency of recruitment procedures, sound financial management (underspending and overbudgeting) and most importantly the proper application of the rules concerning the internal control framework;
20. Considers that the Agencies' work programmes should express their contributions in operational and measurable terms and that due consideration should be given to the Commission's Internal Control Standards;

Specific points

21. Notes that for the financial year 2005, the overall rate of implementation for commitment appropriations was over 90 % and the same was true for payment appropriations, and that under-utilisation was noted with regard to expenditure on administration (Title II), where less than 75 % of the appropriations were committed, and 24 % of commitments were carried over; is concerned as, for the same period, more than 50 % of the total commitments carried over from the previous year were cancelled; insists that the Centre has to improve its programming of administrative expenditure;
 22. Invites the Centre to seek clarification of the intellectual property rights linked to the IATE database;
 23. Expresses its hope that the conflict between the Centre and the Commission as to the employer's portion of pension contributions for staff can be solved as quickly as possible.
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DECISION OF THE EUROPEAN PARLIAMENT

of 24 April 2007

on closing the accounts of the Translation Centre for the bodies of the European Union for the financial year 2005

(2008/520/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Translation Centre for the bodies of the European Union for the financial year 2005 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the Translation Centre for the bodies of the European Union for the financial year 2005, together with the Centre's replies ⁽²⁾,
 - having regard to the Council's Recommendation of 27 February 2007 (5711/2007 — C6-0080/2007),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽³⁾, and in particular Article 185 thereof,
 - having regard to Council Regulation (EC) No 2965/94 of 28 November 1994 setting up a Translation Centre for the bodies of the European Union ⁽⁴⁾, and in particular Article 14 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the Report of the Committee on Budgetary Control (A6-0101/2007),
1. Notes that the final annual accounts of the Translation Centre for the bodies of the European Union for the financial years 2004 and 2005 are as follows:

Revenue and expenditure account for the financial years 2004 and 2005

(in EUR 1000)

	2005	2004
Operating revenue		
Invoicing for the financial year	30 408	23 423
Miscellaneous revenue	372	150
Total operating revenue(a)	30 780	23 573

⁽¹⁾ OJ C 266, 31.10.2006, p. 25.⁽²⁾ OJ C 312, 19.12.2006, p. 48.⁽³⁾ OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).⁽⁴⁾ OJ L 314, 7.12.1994, p. 1. Regulation as last amended by Regulation (EC) No 1645/2003 (OJ L 245, 29.9.2003, p. 13).⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

(in EUR 1000)

	2005	2004
Operating expenditure		
Current expenses	13 200	11 929
Buildings, equipment and sundry operating expenditure	3 547	2 734
Operational expenditure	7 397	5 919
Allocation to provisions	1 849	1 410
Total operating expenditure (b)	25 993	21 992
Operating result (c = a - b)	4 787	1 581
Financial income		
Bank interest	428	387
Exchange-rate gain	1	1
Total financial income (d)	429	388
Financial expenses		
Bank charges	4	7
Total financial expenses (e)	4	7
Financial result (f = d - e)	425	381
Result for ordinary activities (g = c + f)	5 212	1 962
Exceptional income (h)	0	2 230
Exceptional expenses (i)	0	0
Exceptional result (j = h - i)	0	2 230
Result for the financial year (g + j)	5 212	4 192

Source: Data compiled by the Centre. This table summarises the data supplied by the Centre in its own annual accounts;

2. Approves closing the accounts of the Translation Centre for the bodies of the European Union for the financial year 2005;
3. Instructs its President to forward this Decision to the director of the Translation Centre for the bodies of the European Union, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Harald RØMER

DECISION OF THE EUROPEAN PARLIAMENT**of 24 April 2007****on the discharge for the implementation of the budget of the European Medicines Agency for the financial year 2005**

(2008/521/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Medicines Agency for the financial year 2005 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Medicines Agency for the financial year 2005, together with the Agency's replies ⁽²⁾,
 - having regard to the Council's Recommendation of 27 February 2007 (5711/2007 — C6-0080/2007),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽³⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EC) No 726/2004 of the European Parliament and of the Council of 31 March 2004 laying down Community procedures for the authorisation and supervision of medicinal products for human and veterinary use and establishing a European Medicines Agency ⁽⁴⁾, and in particular Article 68 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the Report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A6-0099/2007),
1. Grants the executive director of the European Medicines Agency discharge for the implementation of the Agency's budget for the financial year 2005;
 2. Sets out its observations in the Resolution below;
 3. Instructs its President to forward this Decision and the Resolution that forms an integral part of it to the executive director of the European Medicines Agency, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President

Hans-Gert PÖTTERING

The Secretary-General

Harald RØMER

⁽¹⁾ OJ C 266, 31.10.2006, p. 4.

⁽²⁾ OJ C 312, 19.12.2006, p. 12.

⁽³⁾ OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).

⁽⁴⁾ OJ L 136, 30.4.2004, p. 1. Regulation as amended by Regulation (EC) No 1901/2006 (OJ L 378, 27.12.2006, p. 1).

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 24 April 2007****with observations forming an integral part of the Decision on the discharge for the implementation of the budget of the European Medicines Agency for the financial year 2005**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Medicines Agency for the financial year 2005 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Medicines Agency for the financial year 2005, together with the Agency's replies ⁽²⁾,
 - having regard to the Council's Recommendation of 27 February 2007 (5711/2007 — C6-0080/2007),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽³⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EC) No 726/2004 of the European Parliament and of the Council of 31 March 2004 laying down Community procedures for the authorisation and supervision of medicinal products for human and veterinary use and establishing a European Medicines Agency ⁽⁴⁾, and in particular Article 68 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the Report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A6-0099/2007),
- A. whereas the Court of Auditors stated that it obtained reasonable assurance that the annual accounts for the financial year ended 31 December 2005 were reliable and that the underlying transactions, taken as a whole, were legal and regular;
- B. whereas on 27 April 2006 Parliament gave discharge to the director in respect of the implementation of the Agency's budget for the 2004 financial year ⁽⁶⁾ and in the Resolution accompanying the discharge decision Parliament, *inter alia*,
- noted the Court of Auditor's finding that contracts concluded with banks had been in force for over five years, in contravention of the Agency's financial regulation implementing rules, which require a new invitation to tender at least every five years; noted the Agency's reply, explaining the reasons for the delay in launching a call for tendering, and setting out the benefits achieved through direct negotiation with the bank, and will bear this in mind when considering revisions to the Financial Regulation,

⁽¹⁾ OJ C 266, 31.10.2006, p. 4.

⁽²⁾ OJ C 312, 19.12.2006, p. 12.

⁽³⁾ OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).

⁽⁴⁾ OJ L 136, 30.4.2004, p. 1. Regulation as amended by Regulation (EC) No 1901/2006 (OJ L 378, 27.12.2006, p. 1).

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

⁽⁶⁾ OJ L 340, 6.12.2006, p. 107.

- pointed out that the new pharmaceuticals legislation, which was adopted in 2004, had a considerable impact on the Agency's work and management structures;

General points concerning the majority of EU Agencies requiring individual discharge

1. Considers that the ever-growing number of Community Agencies and the activities of certain of them do not seem to form part of an overall policy framework, and that the remits of some Agencies do not always reflect the real needs of the Union or the expectations of its citizens, and notes that in general terms the Agencies do not always have a good image or a good press;
2. Invites the Commission therefore to define an overall policy framework for the setting up of new Community Agencies and to present a cost-benefit study before the setting up of any new Agency, while being careful to avoid any overlap of activities between Agencies or with the remits of other European organisations;
3. Calls on the Court of Auditors to give its opinion on the cost-benefit study before Parliament takes its decision;
4. Invites the Commission to present every five years a study on the added value of every existing Agency; invites all relevant institutions in the case of a negative evaluation of the added value of an Agency to take the necessary steps by reformulating the mandate of that Agency or by closing it;
5. Considers it regrettable, given the growing number of regulatory Agencies, that the negotiations on the draft interinstitutional agreement on the operating framework for the European regulatory Agencies have not yet been concluded, and calls on the relevant departments of the Commission, in consultation with the Court of Auditors, to do their utmost to ensure that the agreement is brought to a rapid conclusion;
6. Notes that the Commission's budgetary responsibility calls for closer linking of the Agencies to the Commission; calls on the Commission and the Council to take all necessary steps to give the Commission a blocking minority in the supervisory bodies of the regulatory Agencies by 31 December 2007 and to provide for such a minority from the outset when new Agencies are set up;
7. Invites the Court of Auditors to create an additional chapter in its Annual Report, devoted to all Agencies to be discharged under the Commission's accounts in order to have a much clearer picture of the use of EU funds by Agencies;
8. Recalls the principle according to which all Community Agencies, whether subsidised or not, are subject to discharge by the Parliament, even where a discharge authority exists by virtue of their constitutive texts;
9. Calls on the Court of Auditors to perform performance audits for all Agencies and to report back to the relevant committees of Parliament, including the Committee on Budgetary Control;
10. Notes that the number of Agencies is constantly increasing and that, in accordance with the Commission's political responsibility for the operation of the Agencies, which goes far beyond mere logistical support, there is an even higher need for the Directorates-General of the Commission charged with the setting up and monitoring of Agencies to develop a common approach to the Agencies; considers that a structure similar to the one created by the Agencies for coordination among the DGs concerned would be a pragmatic way forward towards a common approach by the Commission on all matters relating to the Agencies;
11. Invites the Commission to improve administrative and technical support to the Agencies, taking into account the growing complexity of the Community's administrative rules and technical problems;

12. Notes the lack of a disciplinary body in any of the Community Agencies, and calls on the Commission to take the necessary steps to ensure that such a mechanism is rapidly put in place;
13. Welcomes the considerable improvements in the coordination among the Agencies, which allows them to tackle recurring problems and makes cooperation with the Commission and Parliament more efficient;
14. Takes the view that the establishment by a number of Agencies of a shared support service aimed at making their computerised financial management systems consistent with those of the Commission is a measure that should be taken further and extended;
15. Calls upon the Agencies to improve their cooperation and benchmarking with actors in the field; urges the Commission and to adopt any measures it considers necessary to help the Agencies enhance their image and raise the profile of their activities;
16. Calls upon the Commission to come up with a proposal to harmonise the format of the annual reporting by the Agencies and to develop performance indicators which would allow a comparison of their efficiency;
17. Invites the Agencies to present at the beginning of every year performance indicators against which they could be measured;
18. Invites all Agencies to increasingly use SMART objectives which should lead to more realistic planning and implementation of goals;
19. Agrees with the Court of Auditors that the Commission also bears responsibility for the (financial) management of the Agencies; therefore, urges the Commission to monitor and where necessary direct and help the management of the different Agencies, especially in relation to the proper application of tender procedures, transparency of recruitment procedures, sound financial management (underspending and overbudgeting) and most importantly the proper application of the rules concerning the internal control framework;
20. Considers that the Agencies' work programmes should express their contributions in operational and measurable terms and that due consideration should be given to the Commission's Internal Control Standards;

Specific points

21. Notes that the implementation of the budget, the utilisation rates for commitment appropriations (94 %) and payment appropriations (82 %) were on the whole high, and that for administrative expenditure (Title II) the utilisation rate for commitment appropriations was less than 90 %, with more than 40 % of the commitments made being carried over to the following financial year;
22. Notes that the budget of the Agency has grown considerably between 2003 and 2005 due to the enlargement of the European Union and new tasks; is very pleased with the increased appropriations for, and the full implementation of, the Orphan Drugs budget line;
23. Invites the Agency to make sure that only staff members with delegation rights have access to the corresponding computer system;
24. Invites the Agency to integrate into its accounts the funds (7) collected from other Agencies and bodies to finance a common support service to develop their financial management information systems;
25. Demands that contract award procedures should be transparent and follow the guiding rules including in the IT area;

(7) Approximately EUR 400 000.

26. Invites the Agency to inform Parliament about the new call for tender concerning bank contracts according to standard rules as soon as possible;
 27. Points out that the new pharmaceuticals legislation, which was adopted in 2004, has had a considerable impact on the Agency's work, management structures and staff; congratulates the Agency on successfully adapting to the new regulatory framework, which entered into force in November 2005;
 28. Is pleased at the launch of the 'SME office', providing financial and administrative assistance to micro, small and medium-sized enterprises (SMEs) pursuant to Commission Regulation (EC) No 2049/2005 ⁽⁸⁾;
 29. Welcomes the efforts of the Agency to provide more scientific advice at early stages of the development of new medicines as well as the introduction of measures to accelerate the assessment of medicines that are of critical importance to public health; notes the work done by the Agency to facilitate a quick assessment of vaccines in the event of an influenza pandemic;
 30. Requests that, before 1 January 2010 and every five years thereafter, the Agency commission an independent external evaluation of its achievements on the basis of its founding Regulation and the work programmes decided by the Management Board; requests further that the evaluation assess the working practices and the impact of the Agency and take into account the views of the stakeholders, at both Community and national level; requests that the Management Board of the Agency examine the conclusions of the evaluation and draft such recommendations to the Commission and Parliament as may be necessary regarding changes in the Agency, its working practices and programmes, that the evaluation and the recommendations to the Commission and Parliament shall be made public, for example on their websites, and that the Funds needed to carry out the external evaluation shall be allocated through the budget of the corresponding DG.
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⁽⁸⁾ Commission Regulation (EC) No 2049/2005 of 15 December 2005 laying down, pursuant to Regulation (EC) No 726/2004 of the European Parliament and of the Council, rules regarding the payment of fees to, and the receipt of administrative assistance from, the European Medicines Agency by micro, small and medium-sized enterprises. (OJ L 329, 16.12.2005, p. 4).

DECISION OF THE EUROPEAN PARLIAMENT

of 24 April 2007

on closing the accounts of the European Medicines Agency for the financial year 2005

(2008/522/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Medicines Agency for the financial year 2005 ⁽¹⁾,
- having regard to the Court of Auditors' report on the final annual accounts of the European Medicines Agency for the financial year 2005, together with the Agency's replies ⁽²⁾,
- having regard to the Council's Recommendation of 27 February 2007 (5711/2007 — C6-0080/2007),
- having regard to the EC Treaty, and in particular Article 276 thereof,
- having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽³⁾, and in particular Article 185 thereof,
- having regard to Regulation (EC) No 726/2004 of the European Parliament and of the Council of 31 March 2004 laying down Community procedures for the authorisation and supervision of medicinal products for human and veterinary use and establishing a European Medicines Agency ⁽⁴⁾, and in particular Article 68 thereof,
- having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
- having regard to Rule 71 of and Annex V to its Rules of Procedure,
- having regard to the Report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A6-0099/2007),

1. Notes that the final annual accounts of the European Medicines Agency for the financial years 2004 and 2005 are as follows:

Revenue and expenditure account for the financial years 2004 and 2005

(in EUR 1 000)

	2005	2004
Revenue		
Fees relating to marketing authorisations	72 613	68 412
Commission subsidy including contributions received from the EE	22 847	20 529
Community subsidy for orphan medicines	6 110	4 026

⁽¹⁾ OJ C 266, 31.10.2006, p. 4.

⁽²⁾ OJ C 312, 19.12.2006, p. 12.

⁽³⁾ OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).

⁽⁴⁾ OJ L 136, 30.4.2004, p. 1. Regulation as amended by Regulation (EC) No 1901/2006 (OJ L 378, 27.12.2006, p. 1).

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

(in EUR 1 000)

	2005	2004
Contributions for Community programmes	0	0
Administrative revenue	3 423	1 973
Sundry revenue	1 643	1 473
Total revenue (a)	106 636	96 413
Expenditure		
Staff expenditure	40 057	34 333
Administrative expenditure	17 022	11 224
Operating expenditure	41 999	38 573
Depreciation	5 333	3 650
Other expenses	104	280
Total expenditure (b)	104 515	88 060
Operating result (c = a - b)	2 121	8 353
Financial result (e)	2 257	1 160
Economic outturn (f = c + e)	4 378	9 513

Source: The Agency's data — This table summarises the data provided by the Agency in its annual accounts;

2. Approves closing the accounts of the European Medicines Agency for the financial year 2005;
3. Instructs its President to forward this Decision to the executive director of the European Medicines Agency, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Harald RØMER

DECISION OF THE EUROPEAN PARLIAMENT**of 24 April 2007****on the discharge for the implementation of the budget of Eurojust for the financial year 2005**

(2008/523/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of Eurojust for the financial year 2005 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of Eurojust for the financial year 2005, together with Eurojust's replies ⁽²⁾,
 - having regard to the Council's Recommendation of 27 February 2007 (5711/2007 — C6-0080/2007),
 - having regard to the EC Treaty, and in particular Article 276 thereof, and the EU Treaty, and in particular Article 41 thereof,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽³⁾, and in particular Article 185 thereof,
 - having regard to Council Decision 2002/187/JHA of 28 February 2002 setting up Eurojust with a view to reinforcing the fight against serious crime ⁽⁴⁾, and in particular Article 36 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the Report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A6-0120/2007),
1. Grants the administrative director of Eurojust discharge for the implementation of Eurojust's budget for the financial year 2005;
 2. Sets out its observations in the Resolution below;
 3. Instructs its President to forward this Decision and the Resolution that forms an integral part of it to the administrative director of Eurojust, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President

Hans-Gert PÖTTERING

The Secretary-General

Harald RØMER

⁽¹⁾ OJ C 266, 31.10.2006, p. 34.

⁽²⁾ OJ C 312, 19.12.2006, p. 67.

⁽³⁾ OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).

⁽⁴⁾ OJ L 63, 6.3.2002, p. 1. Decision as amended by Decision 2003/659/JHA (OJ L 245, 29.9.2003, p. 44).

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 24 April 2007****with observations forming an integral part of the Decision on the discharge for the implementation of the budget of Eurojust for the financial year 2005**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of Eurojust for the financial year 2005 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of Eurojust for the financial year 2005, together with Eurojust's replies ⁽²⁾,
 - having regard to the Council's Recommendation of 27 February 2007 (5711/2007 — C6-0080/2007),
 - having regard to the EC Treaty, and in particular Article 276 thereof, and the EU Treaty, and in particular Article 41 thereof,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽³⁾, and in particular Article 185 thereof,
 - having regard to Council Decision 2002/187/JHA of 28 February 2002 setting up Eurojust with a view to reinforcing the fight against serious crime ⁽⁴⁾, and in particular Article 36 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the Report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A6-0120/2007),
- A. whereas the Court of Auditors stated that it obtained reasonable assurance that the annual accounts for the financial year ended 31 December 2005 were reliable and that the underlying transactions, taken as a whole, were legal and regular,
- B. whereas on 27 April 2006 Parliament gave discharge to the director in respect of the implementation of Eurojust's budget for the 2004 financial year ⁽⁶⁾ and in the resolution accompanying the discharge decision Parliament, *inter alia*,
- expressed its wish to be kept fully informed of the intentions of the Dutch host authorities regarding any new premises for Eurojust; in particular, wished to be informed of the possibilities for Eurojust and Europol to occupy the same premises and of the conditions of such a move and the financial support that the host state would grant to Eurojust in that respect,

⁽¹⁾ OJ C 266, 31.10.2006, p. 34.

⁽²⁾ OJ C 312, 19.12.2006, p. 67.

⁽³⁾ OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).

⁽⁴⁾ OJ L 63, 6.3.2002, p. 1. Decision as amended by Decision 2003/659/JHA (OJ L 245, 29.9.2003, p. 44).

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

⁽⁶⁾ OJ L 340, 6.12.2006, p. 112.

- noted that Eurojust implemented a different budget from the one set by the Budgetary Authority; insisted that Eurojust follow the correct procedures and await approval from the Budgetary Authority before implementing any such changes in future,
- stressed that the principle of the segregation of the duties of authorising officer and accounting officer should be respected and that there should be no repetition of the situation occurring in 2004 when one member of staff filled both roles;

General points concerning the majority of EU Agencies requiring individual discharge

1. Considers that the ever-growing number of Community Agencies and the activities of certain of them do not seem to form part of an overall policy framework, and that the remits of some Agencies do not always reflect the real needs of the Union or the expectations of its citizens, and notes that in general terms the Agencies do not always have a good image or a good press;
2. Invites the Commission therefore to define an overall policy framework for the setting up of new Community Agencies and to present a cost-benefit study before the setting up of any new Agency, while being careful to avoid any overlap of activities between Agencies or with the remits of other European organisations;
3. Calls on the Court of Auditors to give its opinion on the cost-benefit study before Parliament takes its decision;
4. Invites the Commission to present every five years a study on the added value of every existing Agency; invites all relevant institutions in the case of a negative evaluation of the added value of an Agency to take the necessary steps by reformulating the mandate of that Agency or by closing it;
5. Considers it regrettable, given the growing number of regulatory Agencies, that the negotiations on the draft interinstitutional agreement on the operating framework for the European regulatory Agencies have not yet been concluded, and calls on the relevant departments of the Commission, in consultation with the Court of Auditors, to do their utmost to ensure that the agreement is brought to a rapid conclusion;
6. Notes that the Commission's budgetary responsibility calls for closer linking of the Agencies to the Commission; calls on the Commission and the Council to take all necessary steps to give the Commission a blocking minority in the supervisory bodies of the regulatory Agencies by 31 December 2007 and to provide for such a minority from the outset when new Agencies are set up;
7. Invites the Court of Auditors to create an additional chapter in its Annual Report, devoted to all Agencies to be discharged under the Commission's accounts in order to have a much clearer picture of the use of EU funds by Agencies;
8. Recalls the principle according to which all Community Agencies, whether subsidised or not, are subject to discharge by the Parliament, even where a discharge authority exists by virtue of their constitutive texts;
9. Calls on the Court of Auditors to perform performance audits for all Agencies and to report back to the relevant committees of Parliament, including the Committee on Budgetary Control;
10. Notes that the number of Agencies is constantly increasing and that, in accordance with the Commission's political responsibility for the operation of the Agencies, which goes far beyond mere logistical support, there is an even higher need for the Directorates-General of the Commission charged with the setting up and monitoring of Agencies to develop a common approach to the Agencies; considers that a structure similar to the one created by the Agencies for coordination among the DGs concerned would be a pragmatic way forward towards a common approach by the Commission on all matters relating to the Agencies;

11. Invites the Commission to improve administrative and technical support to the Agencies, taking into account the growing complexity of the Community's administrative rules and technical problems;
12. Notes the lack of a disciplinary body in any of the Community Agencies, and calls on the Commission to take the necessary steps to ensure that such a mechanism is rapidly put in place;
13. Welcomes the considerable improvements in the coordination among the Agencies, which allows them to tackle recurring problems and makes cooperation with the Commission and Parliament more efficient;
14. Takes the view that the establishment by a number of Agencies of a shared support service aimed at making their computerised financial management systems consistent with those of the Commission is a measure that should be taken further and extended;
15. Calls upon the Agencies to improve their cooperation and benchmarking with actors in the field; urges the Commission to adopt any measures it considers necessary to help the Agencies enhance their image and raise the profile of their activities;
16. Calls upon the Commission to come up with a proposal to harmonise the format of the annual reporting by the Agencies and to develop performance indicators which would allow a comparison of their efficiency;
17. Invites the Agencies to present at the beginning of every year performance indicators against which they could be measured;
18. Invites all Agencies to increasingly use SMART objectives which should lead to more realistic planning and implementation of goals;
19. Agrees with the Court of Auditors that the Commission also bears responsibility for the (financial) management of the Agencies; therefore, urges the Commission to monitor and where necessary direct and help the management of the different Agencies, especially in relation to the proper application of tender procedures, transparency of recruitment procedures, sound financial management (underspending and overbudgeting) and most importantly the proper application of the rules concerning the internal control framework;
20. Considers that the Agencies' work programmes should express their contributions in operational and measurable terms and that due consideration should be given to the Commission's Internal Control Standards;

Specific points

21. Notes that the implementation of the budget showed that 90 % of the appropriations granted for the year had been committed and that the overall rate of payment was 84 %; notes furthermore that the utilisation rate of appropriations for operating activities (Title III) was only 80 % of the commitment appropriations for the financial year and that a third of commitments had to be carried over; notes that more than 15 % of the commitments carried over to the year had to be cancelled; invites Eurojust to even further improve the programming of operating expenditure;
22. Notes that the College decided to authorise a non-automatic carryover of appropriations for a total of EUR 285 484 and recalls that such carryovers are permitted only if most of the stages preparatory to the act of commitment have been completed before the end of the financial year, and that this was not the case;
23. Underlines that Eurojust still does not have its own financial regulation and has continued to apply Regulation (EC, Euratom) No 2343/2002; invites the Commission to inform Parliament of its opinion concerning the draft regulation submitted by Eurojust;
24. Invites Eurojust to improve its inventory procedure;

25. Invites Eurojust to inform Parliament about the adoption by its Board of any internal control standard; is concerned that the formalisation of operating and accounting procedures was mostly lacking and that in 2005 the checklists describing the checks to be carried out on budgetary commitments relating to important operating procedures (procurement and recruitment) were insufficiently developed; invites Eurojust to present Parliament with a short description of any improvements in this field in time for the 2006 discharge procedure;
 26. Invites Eurojust to respect public procurement procedures and contract management and to respect the time limits for framework contracts as laid down in the regulatory provisions.
-

DECISION OF THE EUROPEAN PARLIAMENT
of 24 April 2007
on closing the accounts of Eurojust for the financial year 2005
(2008/524/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of Eurojust for the financial year 2005 ⁽¹⁾,
- having regard to the Court of Auditors' report on the final annual accounts of Eurojust for the financial year 2005, together with Eurojust's replies ⁽²⁾,
- having regard to the Council's Recommendation of 27 February 2007 (5711/2007 — C6-0080/2007),
- having regard to the EC Treaty, and in particular Article 276 thereof, and the EU Treaty, and in particular Article 41 thereof,
- having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽³⁾, and in particular Article 185 thereof,
- having regard to Council Decision 2002/187/JHA of 28 February 2002 setting up Eurojust with a view to reinforcing the fight against serious crime ⁽⁴⁾, and in particular Article 36 thereof,
- having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
- having regard to Rule 71 of and Annex V to its Rules of Procedure,
- having regard to the Report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A6-0120/2007),

1. Notes that the final annual accounts of Eurojust for the financial years 2004 and 2005 are as follows:

Revenue and expenditure account for the financial years 2004 and 2005

(in EUR 1000)

	2005	2004
Operating revenue		
Community subsidies	11 991	8 726
Miscellaneous revenue	59	397
Total (a)	12 050	9 123

⁽¹⁾ OJ C 266, 31.10.2006, p. 34.

⁽²⁾ OJ C 312, 19.12.2006, p. 67.

⁽³⁾ OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).

⁽⁴⁾ OJ L 63, 6.3.2002, p. 1. Decision as amended by Decision 2003/659/JHA (OJ L 245, 29.9.2003, p. 44).

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

(in EUR 1000)

	2005	2004
Operating expenditure		
Purchases of goods and services	4 854	4 476
Staff costs	5 149	4 142
Depreciation	508	332
Total (b)	10 511	8 950
Outturn for the financial year (a - b)	1 539	173

Source: Eurojust data. — This table summarises the data supplied by Eurojust in its annual accounts;

2. Approves closing the accounts of Eurojust for the financial year 2005;
3. Instructs its President to forward this Decision to the administrative director of Eurojust, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Harald RØMER

DECISION OF THE EUROPEAN PARLIAMENT**of 24 April 2007****on the discharge for the implementation of the budget of the European Training Foundation for the financial year 2005**

(2008/525/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Training Foundation for the financial year 2005 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Training Foundation for the financial year 2005, together with the Foundation's replies ⁽²⁾,
 - having regard to the Council's Recommendation of 27 February 2007 (5711/2007 — C6-0080/2007),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽³⁾, and in particular Article 185 thereof,
 - having regard to Council Regulation (EEC) No 1360/90 of 7 May 1990 establishing a European Training Foundation ⁽⁴⁾, and in particular Article 11 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the Report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A6-0113/2007),
1. Grants the director of the European Training Foundation discharge for the implementation of the Foundation's budget for the financial year 2005;
 2. Sets out its observations in the Resolution below;
 3. Instructs its President to forward this Decision and the Resolution that forms an integral part of it to the director of the European Training Foundation, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Harald RØMER

⁽¹⁾ OJ C 266, 31.10.2006, p. 40.

⁽²⁾ OJ C 312, 19.12.2006, p. 73.

⁽³⁾ OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).

⁽⁴⁾ OJ L 131, 23.5.1990, p. 1. Regulation as last amended by regulation (EC) No 1648/2003 (OJ L 245, 29.9.2003, p. 22).

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 24 April 2007****with observations forming an integral part of the Decision on the discharge for the implementation of the budget of the European Training Foundation for the financial year 2005**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Training Foundation for the financial year 2005 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Training Foundation for the financial year 2005, together with the Foundation's replies ⁽²⁾,
 - having regard to the Council's Recommendation of 27 February 2007 (5711/2007 — C6-0080/2007),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽³⁾, and in particular Article 185 thereof,
 - having regard to Council Regulation (EEC) No 1360/90 of 7 May 1990 establishing a European Training Foundation ⁽⁴⁾, and in particular Article 11 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the Report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A6-0113/2007),
- A. whereas the Court of Auditors stated the annual accounts for the financial year ended 31 December 2005 were reliable and that the underlying transactions, taken as a whole, were legal and regular,
- B. whereas on 27 April 2006 Parliament gave discharge to the director in respect of the implementation of the Foundation's budget for the 2004 financial year ⁽⁶⁾ and in the resolution accompanying the discharge decision Parliament, *inter alia*,
- was disappointed to note that the Foundation had still not solved the problem concerning the correct presentation in its accounts of expenditure related to the Tempus programme; noted that this problem had persisted despite repeated criticism from the Court of Auditors in annual reports since 1999, and that the Court of Auditors had placed a reserve on the Foundation's accounts as a consequence; insisted that the accounts of the Foundation respect the principles of unity and budget accuracy,

⁽¹⁾ OJ C 266, 31.10.2006, p. 40.⁽²⁾ OJ C 312, 19.12.2006, p. 73.⁽³⁾ OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).⁽⁴⁾ OJ L 131, 23.5.1990, p. 1. Regulation as last amended by Regulation (EC) No 1648/2003 (OJ L 245, 29.9.2003, p. 22).⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.⁽⁶⁾ OJ L 340, 6.12.2006, p. 117.

- insisted that the Agency comply with the regulations in force concerning the publication of a budget sub-divided into articles and items and including an establishment plan;

General points concerning the majority of EU Agencies requiring individual discharge

1. Considers that the ever-growing number of Community Agencies and the activities of certain of them do not seem to form part of an overall policy framework, and that the remits of some Agencies do not always reflect the real needs of the Union or the expectations of its citizens, and notes that in general terms the Agencies do not always have a good image or a good press;
2. Invites the Commission therefore to define an overall policy framework for the setting up of new Community Agencies and to present a cost-benefit study before the setting up of any new Agency, while being careful to avoid any overlap of activities between Agencies or with the remits of other European organisations;
3. Calls on the Court of Auditors to give its opinion on the cost-benefit study before Parliament takes its decision;
4. Invites the Commission to present every five years a study on the added value of every existing Agency; invites all relevant institutions in the case of a negative evaluation of the added value of an Agency to take the necessary steps by reformulating the mandate of that Agency or by closing it;
5. Considers it regrettable, given the growing number of regulatory Agencies, that the negotiations on the draft interinstitutional agreement on the operating framework for the European regulatory Agencies have not yet been concluded, and calls on the relevant departments of the Commission, in consultation with the Court of Auditors, to do their utmost to ensure that the agreement is brought to a rapid conclusion;
6. Notes that the Commission's budgetary responsibility calls for closer linking of the Agencies to the Commission; calls on the Commission and the Council to take all necessary steps to give the Commission a blocking minority in the supervisory bodies of the regulatory Agencies by 31 December 2007 and to provide for such a minority from the outset when new Agencies are set up;
7. Invites the Court of Auditors to create an additional chapter in its Annual Report, devoted to all Agencies to be discharged under the Commission's accounts in order to have a much clearer picture of the use of EU funds by Agencies;
8. Recalls the principle according to which all Community Agencies, whether subsidised or not, are subject to discharge by the Parliament, even where a discharge authority exists by virtue of their constitutive texts;
9. Calls on the Court of Auditors to perform performance audits for all Agencies and to report back to the relevant committees of Parliament, including the Committee on Budgetary Control;
10. Notes that the number of Agencies is constantly increasing and that, in accordance with the Commission's political responsibility for the operation of the Agencies, which goes far beyond mere logistical support, there is an even higher need for the Directorates-General of the Commission charged with the setting up and monitoring of Agencies to develop a common approach to the Agencies; considers that a structure similar to the one created by the Agencies for coordination among the DGs concerned would be a pragmatic way forward towards a common approach by the Commission on all matters relating to the Agencies;
11. Invites the Commission to improve administrative and technical support to the Agencies, taking into account the growing complexity of the Community's administrative rules and technical problems;

12. Notes the lack of a disciplinary body in any of the Community Agencies, and calls on the Commission to take the necessary steps to ensure that such a mechanism is rapidly put in place;
13. Welcomes the considerable improvements in the coordination among the Agencies, which allows them to tackle recurring problems and makes cooperation with the Commission and Parliament more efficient;
14. Takes the view that the establishment by a number of Agencies of a shared support service aimed at making their computerised financial management systems consistent with those of the Commission is a measure that should be taken further and extended;
15. Calls upon the Agencies to improve their cooperation and benchmarking with actors in the field; urges the Commission to adopt any measures it considers necessary to help the Agencies enhance their image and raise the profile of their activities;
16. Calls upon the Commission to come up with a proposal to harmonise the format of the annual reporting by the Agencies and to develop performance indicators which would allow a comparison of their efficiency;
17. Invites the Agencies to present at the beginning of every year performance indicators against which they could be measured;
18. Invites all Agencies to increasingly use SMART objectives which should lead to more realistic planning and implementation of goals;
19. Agrees with the Court of Auditors that the Commission also bears responsibility for the (financial) management of the Agencies; therefore, urges the Commission to monitor and where necessary direct and help the management of the different Agencies, especially in relation to the proper application of tender procedures, transparency of recruitment procedures, sound financial management (underspending and overbudgeting) and most importantly the proper application of the rules concerning the internal control framework;
20. Considers that the Agencies' work programmes should express their contributions in operational and measurable terms and that due consideration should be given to the Commission's Internal Control Standards;

Specific points

21. Notes that the commitment rate for the appropriations for the financial year is high (practically 100 % for the Foundation's own activities) and draws the Foundation's attention to the high rate (over 40 %) of carry-overs of commitments for operating activities (Title III); is particularly concerned as a similar situation prevails for the implementation of MEDA and Tempus activities; invites the Foundation to better ensure its programming;
22. Considers the Foundation to be a source of important information and of exchange of experience for the partner countries of the European Union and for all EU institutions;
23. Points out that training programmes and the improvement thereof form the basis for the development and expansion of democracy; consequently encourages the Foundation to step up its activities in partner countries where major obstacles stand in the way of the progress of democracy;
24. Criticises the fact that, as in previous years and in infringement of its financial regulation, the Foundation only published a summary of its budget in the Official Journal;
25. Invites the Foundation to present a new budget nomenclature which corresponds better to the Foundation's reality and which could avoid constant transfers; invites the Foundation to improve coordination between the financial unit and the operational units, which should lead to a decrease in transfers which are necessary;
26. Invites the Foundation to improve compliance with existing rules for final accounts;

27. Deplores the fact that the Foundation has still not finished introducing its system of internal control and the fact that at the end of 2005 there was no analysis of operational risks and *ex post* checks and that at the same time the accounting officer had not yet validated the accounts information and inventory systems;
 28. Welcomes the fact that the Foundation has continued to step up its work on the development of human resources, thus enabling partner countries to make better use of its experience when tackling the reform of their training and further training systems;
 29. Insists that the Foundation has to overcome shortcomings in the field of the documentation of staff selection procedures.
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DECISION OF THE EUROPEAN PARLIAMENT

of 24 April 2007

on closing the accounts of the European Training Foundation for the financial year 2005

(2008/526/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Training Foundation for the financial year 2005 ⁽¹⁾,
- having regard to the Court of Auditors' report on the final annual accounts of the European Training Foundation for the financial year 2005, together with the Foundation's replies ⁽²⁾,
- having regard to the Council's Recommendation of 27 February 2007 (5711/2007 — C6-0080/2007),
- having regard to the EC Treaty, and in particular Article 276 thereof,
- having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽³⁾, and in particular Article 185 thereof,
- having regard to Council Regulation (EEC) No 1360/90 of 7 May 1990 establishing a European Training Foundation ⁽⁴⁾, and in particular Article 11 thereof,
- having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
- having regard to Rule 71 of and Annex V to its Rules of Procedure,
- having regard to the Report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A6-0113/2007),

1. Notes that the final annual accounts of the European Training Foundation for the financial years 2004 and 2005 are as follows:

Revenue and expenditure account for the financial years 2004 and 2005

(in EUR 1 000)

	2005	2004
Revenue		
Commission subsidies	18 500	17 600
Other donors — Italian Ministry Foreign Affairs	479	800
Other donors — CE — ETE MED convention	2 500	0
Other donors — CE — Tempus TA 2004/05 convention	1 739	0
Miscellaneous revenue	34	80
Total revenue (a)	23 252	18 480

⁽¹⁾ OJ C 266, 31.10.2006, p. 40.

⁽²⁾ OJ C 312, 19.12.2006, p. 73.

⁽³⁾ OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).

⁽⁴⁾ OJ L 131, 23.5.1990, p. 1. Regulation as last amended by Regulation (EC) No 1648/2003 (OJ L 245, 29.9.2003, p. 22).

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

(in EUR 1 000)

	2005	2004
Expenditure		
<i>Staff — Title I of the budget</i>		
Payments	11 310	11 122
Appropriations carried over	478	123
<i>Administration — Title II of the budget</i>		
Payments	1 232	1 213
Appropriations carried over	326	247
<i>Operating activities — Title III of the budget</i>		
Payments	2 818	3 449
Appropriations carried over	1 925	1 168
<i>Earmarked revenue — Title IV</i>		
Payments	123	260
Appropriations received — not paid in 2005	356	540
<i>CE — ETE MED convention — Title V</i>		
Payments	135	0
Appropriations received — not paid in 2005	2 365	0
<i>CE — Tempus TA 2004/05 convention — Title VI</i>		
Payments	677	0
Appropriations received — not paid in 2005	1 062	0
Total expenditure (b)	22 808	18 122
Outturn for the financial year (a – b)	444	358
Balance carried over from the previous financial year	- 759	- 1 318
Appropriations carried over and cancelled	388	204
Reimbursements to the Commission	0	0
Exchange-rate differences	1	- 4
Balance for the financial year	74	- 759

Source: Foundation data — This table summarises the data supplied by the Foundation in its annual accounts;

2. Approves closing the accounts of the European Training Foundation for the financial year 2005;
3. Instructs its President to forward this Decision to the director of the European Training Foundation, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Harald RØMER

DECISION OF THE EUROPEAN PARLIAMENT

of 24 April 2007

on the discharge for the implementation of the budget of the European Maritime Safety Agency for the financial year 2005

(2008/527/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Maritime Safety Agency for the financial year 2005 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Maritime Safety Agency for the financial year 2005, together with the Agency's replies ⁽²⁾,
 - having regard to the Council's Recommendation of 27 February 2007 (5711/2007 — C6-0080/2007),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽³⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EC) No 1406/2002 of the European Parliament and of the Council of 27 June 2002 establishing a European Maritime Safety Agency ⁽⁴⁾, and in particular Article 19 thereof,
 - having regard to the Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the Report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A6-0114/2007),
1. Grants to the executive director of the European Maritime Safety Agency discharge for the implementation of the Agency's budget for the financial year 2005;
 2. Sets out its observations in the Resolution below;
 3. Instructs its President to forward this Decision and the Resolution that forms an integral part of it to the executive director of the European Maritime Safety Agency, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President

Hans-Gert PÖTTERING

The Secretary-General

Harald RØMER

⁽¹⁾ OJ C 266, 31.10.2006, p. 13.

⁽²⁾ OJ C 312, 19.12.2006, p. 30.

⁽³⁾ OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).

⁽⁴⁾ OJ L 208, 5.8.2002, p. 1. Regulation as last amended by Regulation (EC) No 1891/2006 (OJ L 394, 30.12.2006, p. 1).

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 24 April 2007****with observations forming an integral part of the Decision on the discharge for the implementation of the budget of the European Maritime Safety Agency for the financial year 2005**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Maritime Safety Agency for the financial year 2005 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Maritime Safety Agency for the financial year 2005, together with the Agency's replies ⁽²⁾,
 - having regard to the Council's Recommendation of 27 February 2007 (5711/2007 — C6-0080/2007),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽³⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EC) No 1406/2002 of the European Parliament and of the Council of 27 June 2002 establishing a European Maritime Safety Agency ⁽⁴⁾, and in particular Article 19 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the Report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A6-0114/2007),
- A. whereas the Court of Auditors stated that it obtained reasonable assurance that the annual accounts for the financial year ended 31 December 2005 were reliable and that the underlying transactions, taken as a whole, were legal and regular,
- B. whereas on 27 April 2006 Parliament gave discharge to the director in respect of the implementation of the Agency's budget for 2004 financial year ⁽⁶⁾ and in the Resolution accompanying the discharge Decision Parliament, *inter alia*,
- noted the Court of Auditors' finding of a number of failures in the internal control system,

⁽¹⁾ OJ C 266, 31.10.2006, p. 13.

⁽²⁾ OJ C 312, 19.12.2006, p. 30.

⁽³⁾ OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).

⁽⁴⁾ OJ L 208, 5.8.2002, p. 1. Regulation as last amended by Regulation (EC) No 1891/2006 (OJ L 394, 30.12.2006, p. 1).

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

⁽⁶⁾ OJ L 340, 6.12.2006, p. 123.

- regretted the little use made of appropriations for maritime anti-pollution measures; only EUR 200 000 of the EUR 700 000 available in both commitment and payment appropriations was used, representing a rate of 28 %;

General points concerning the majority of EU Agencies requiring individual discharge

1. Considers that the ever-growing number of Community Agencies and the activities of certain of them do not seem to form part of an overall policy framework, and that the remits of some Agencies do not always reflect the real needs of the Union or the expectations of its citizens, and notes that in general terms the Agencies do not always have a good image or a good press;
2. Invites the Commission therefore to define an overall policy framework for the setting up of new Community Agencies and to present a cost-benefit study before the setting up of any new Agency, while being careful to avoid any overlap of activities between Agencies or with the remits of other European organisations;
3. Calls on the Court of Auditors to give its opinion on the cost-benefit study before Parliament takes its decision;
4. Invites the Commission to present every five years a study on the added value of every existing Agency; invites all relevant institutions in the case of a negative evaluation of the added value of an Agency to take the necessary steps by reformulating the mandate of that Agency or by closing it;
5. Considers it regrettable, given the growing number of regulatory Agencies, that the negotiations on the draft interinstitutional agreement on the operating framework for the European regulatory Agencies have not yet been concluded, and calls on the relevant departments of the Commission, in consultation with the Court of Auditors, to do their utmost to ensure that the agreement is brought to a rapid conclusion;
6. Notes that the Commission's budgetary responsibility calls for closer linking of the Agencies to the Commission; calls on the Commission and the Council to take all necessary steps to give the Commission a blocking minority in the supervisory bodies of the regulatory Agencies by 31 December 2007 and to provide for such a minority from the outset when new Agencies are set up;
7. Invites the Court of Auditors to create an additional chapter in its Annual Report, devoted to all Agencies to be discharged under the Commission's accounts in order to have a much clearer picture of the use of EU funds by Agencies;
8. Recalls the principle according to which all Community Agencies, whether subsidised or not, are subject to discharge by the Parliament, even where a discharge authority exists by virtue of their constitutive texts;
9. Calls on the Court of Auditors to perform performance audits for all Agencies and to report back to the relevant committees of Parliament, including the Committee on Budgetary Control;
10. Notes that the number of Agencies is constantly increasing and that, in accordance with the Commission's political responsibility for the operation of the Agencies, which goes far beyond mere logistical support, there is an even higher need for the Directorates-General of the Commission charged with the setting up and monitoring of Agencies to develop a common approach to the Agencies; considers that a structure similar to the one created by the Agencies for coordination among the DGs concerned would be a pragmatic way forward towards a common approach by the Commission on all matters relating to the Agencies;
11. Invites the Commission to improve administrative and technical support to the Agencies, taking into account the growing complexity of the Community's administrative rules and technical problems;

12. Notes the lack of a disciplinary body in any of the Community Agencies, and calls on the Commission to take the necessary steps to ensure that such a mechanism is rapidly put in place;
13. Welcomes the considerable improvements in the coordination among the Agencies, which allows them to tackle recurring problems and makes cooperation with the Commission and Parliament more efficient;
14. Takes the view that the establishment by a number of Agencies of a shared support service aimed at making their computerised financial management systems consistent with those of the Commission is a measure that should be taken further and extended;
15. Calls upon the Agencies to improve their cooperation and benchmarking with actors in the field; urges the Commission to adopt any measures it considers necessary to help the Agencies enhance their image and raise the profile of their activities;
16. Calls upon the Commission to come up with a proposal to harmonise the format of the annual reporting by the Agencies and to develop performance indicators which would allow a comparison of their efficiency;
17. Invites the Agencies to present at the beginning of every year performance indicators against which they could be measured;
18. Invites all Agencies to increasingly use SMART objectives which should lead to more realistic planning and implementation of goals;
19. Agrees with the Court of Auditors that the Commission also bears responsibility for the (financial) management of the Agencies; therefore, urges the Commission to monitor and where necessary direct and help the management of the different Agencies, especially in relation to the proper application of tender procedures, transparency of recruitment procedures, sound financial management (underspending and overbudgeting) and most importantly the proper application of the rules concerning the internal control framework;
20. Considers that the Agencies' work programmes should express their contributions in operational and measurable terms and that due consideration should be given to the Commission's Internal Control Standards;

Specific points

21. Notes that the implementation of the budget for the financial year 2005 was affected by delays in staff recruitment and that this situation had repercussions on the utilisation of appropriations for administrative expenditure;
22. Notes that activity-based management was not brought in, even though the Agency's financial regulation made provision for its introduction on the model that was applied to the general budget with a view to better monitoring performance;
23. Is concerned that the Agency's computerised accounting system for the general accounts allows direct changes to be made to accounting records without corrective journal entries;
24. Insists that the register of liabilities to be entered in the balance sheet should be checked more carefully as liabilities are actually overestimated by at least EUR 92 000 (i.e. almost 10 % of current liabilities), corresponding to goods and services not yet received as at 31 December 2005;
25. Notes that the documentation of transactions, a prerequisite for a valid system of internal control, showed some weaknesses and that files which relate to commitments and payments were often incomplete or confused;
26. Is concerned that it is difficult to ascertain the total number of contracts concluded during the financial year and the number of contracts in progress; insists that the system of control must be tightened up, beginning with the adoption of minimum standards for administrative and control procedures, including the nature and organisation of data;

27. Notes that contract clauses which provide for pre-financing are not standardised with regard to the provision of bank guarantees; invites the Agency to solve this problem immediately;
 28. Notes furthermore various shortcomings in public procurement management and insists that the Agency has to comply with the regulatory requirements;
 29. Deplores the fact that delays in staff recruitment have had repercussions on the utilisation of appropriations for operating activities (Title III); welcomes the Agency's decision to establish a recruitment plan and insists that similar delays be avoided in the future in order for the Agency to be fully operational.
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DECISION OF THE EUROPEAN PARLIAMENT

of 24 April 2007

on closing the accounts of the European Maritime Safety Agency for the financial year 2005

(2008/528/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Maritime Safety Agency for the financial year 2005 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Maritime Safety Agency for the financial year 2005, together with the Agency's replies ⁽²⁾,
 - having regard to the Council's Recommendation of 27 February 2007 (5711/2007 — C6-0080/2007),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽³⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EC) No 1406/2002 of the European Parliament and of the Council of 27 June 2002 establishing a European Maritime Safety Agency ⁽⁴⁾, and in particular Article 19 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the Report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A6-0114/2007),
1. Notes that the final annual accounts of the European Maritime Safety Agency for the financial years 2004 and 2005 are as follows:

Revenue and expenditure account for the financial years 2004 and 2005

(in EUR 1000)

	2005	2004
Revenue		
Community subsidies	16 060	12 800
Other revenue		5
Total budget revenue (a)	16 060	12 805

⁽¹⁾ OJ C 266, 31.10.2006, p. 13.⁽²⁾ OJ C 312, 19.12.2006, p. 30.⁽³⁾ OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).⁽⁴⁾ OJ L 208, 5.8.2002, p. 1. Regulation as last amended by Regulation (EC) No 1891/2006 (OJ L 394, 30.12.2006, p. 1).⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

(in EUR 1000)

	2005	2004
Expenditure		
<i>Staff — Title I of the budget</i>		
Payments	6 063	3 594
Appropriations carried over	161	143
<i>Administration — Title II of the budget</i>		
Payments	1 598	635
Appropriations carried over	333	684
<i>Operating activities — Title III of the budget</i>		
Payments	7 515	437
Appropriations carried over		2 074
Total budget expenditure (b)	15 670	7 567
Balance (c = a – b)	390	5 238
Appropriations carried over and cancelled	126	251
Exchange-rate differences	- 1	- 1
Balance of the budget implementation for the financial year	515	5 488
Variation in automatic carry-overs of appropriations and invoices t	- 1 021	2 089
Variation in investments for the financial year	469	242
Variation in debts (Commission)	- 52	- 5 489
Depreciation for the financial year	- 151	- 43
Variation in advances/Pre-financing to suppliers	5 296	56
Provisions	- 106	
Other items	- 515	
Outturn of the economic adjustments for the financial year (e)	4 435	2 343

NB — Variations in totals are due to the effects of rounding.

Source: Agency data. This table summarises the data supplied by the Agency in its annual accounts;

2. Approves closing the accounts of the European Maritime Safety Agency for the financial year 2005;
3. Instructs its President to forward this Decision to the executive director of the European Maritime Safety Agency, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Harald RØMER

DECISION OF THE EUROPEAN PARLIAMENT**of 24 April 2007****on the discharge for the implementation of the budget of the European Aviation Safety Agency for the financial year 2005**

(2008/529/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Aviation Safety Agency for the financial year 2005 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Aviation Safety Agency for the financial year 2005, together with the Agency's replies ⁽²⁾,
 - having regard to the Council's Recommendation of 27 February 2007 (5711/2007 — C6-0080/2007),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽³⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EC) No 1592/2002 of the European Parliament and of the Council of 15 July 2002 on common rules in the field of civil aviation and establishing a European Aviation Safety Agency ⁽⁴⁾, and in particular Article 49 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾ and, in particular, Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the Report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A6-0121/2007),
1. Grants the executive director of the European Aviation Safety Agency discharge for the implementation of the Agency's budget for the financial year 2005;
 2. Sets out its observations in the Resolution below;
 3. Instructs its President to forward this Decision and the Resolution that forms an integral part of it to the executive director of the European Aviation Safety Agency, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President

Hans-Gert PÖTTERING

The Secretary-General

Harald RØMER

⁽¹⁾ OJ C 266, 31.10.2006, p. 10⁽²⁾ OJ C 312, 19.12.2006, p. 6.⁽³⁾ OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).⁽⁴⁾ OJ L 240, 7.9.2002, p. 1. Regulation as last amended by Commission Regulation (EC) No 1701/2003 (OJ L 243, 27.9.2003, p. 5).⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 24 April 2007****with observations forming an integral part of the Decision on the discharge for the implementation of the budget of the European Aviation Safety Agency for the financial year 2005**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Aviation Safety Agency for the financial year 2005 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Aviation Safety Agency for the financial year 2005, together with the Agency's replies ⁽²⁾,
 - having regard to the Council's Recommendation of 27 February 2007 (5711/2007 — C6-0080/2007),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽³⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EC) No 1592/2002 of the European Parliament and of the Council of 15 July 2002 on common rules in the field of civil aviation and establishing a European Aviation Safety Agency ⁽⁴⁾, and in particular Article 49 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the Report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A6-0121/2007),
- A. whereas the Court of Auditors stated that it obtained reasonable assurance that the annual accounts for the financial year ended 31 December 2005 were reliable and that the underlying transactions, taken as a whole, were legal and regular,
- B. whereas on 27 April 2006 Parliament gave discharge to the director in respect of the implementation of the Agency's budget for 2004 financial year ⁽⁶⁾ and in the Resolution accompanying the discharge Decision Parliament, *inter alia*,
- was concerned by the anomalies noted by the Court of Auditors in budgetary management, including a lack of any indication in the amending budgets about transfers carried out or about the reasons for these transfers and a failure to inform the Management Board about transfers and payment of advances outside the budget,

⁽¹⁾ OJ C 266, 31.10.2006, p. 10.

⁽²⁾ OJ C 312, 19.12.2006, p. 6.

⁽³⁾ OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).

⁽⁴⁾ OJ L 240, 7.9.2002, p. 1. Regulation as last amended by Commission Regulation (EC) No 1701/2003 (OJ L 243, 27.9.2003, p. 5).

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

⁽⁶⁾ OJ L 340, 6.12.2006, p. 128.

- noted that in 2004 the Agency had not yet adopted the implementing rules for its financial regulation and had not carried out any risk analysis or prepared any internal control standards,
- noted that staff selection procedures at the Agency have varied from one round of selections to another and urged the Commission and the Agency to agree on a transparent and coherent recruitment procedure consistent with the Agency's needs in terms of specifically qualified personnel;

General points concerning the majority of EU Agencies requiring individual discharge

1. Considers that the ever-growing number of Community Agencies and the activities of certain of them do not seem to form part of an overall policy framework, and that the remits of some Agencies do not always reflect the real needs of the Union or the expectations of its citizens, and notes that in general terms the Agencies do not always have a good image or a good press;
2. Invites the Commission therefore to define an overall policy framework for the setting up of new Community Agencies and to present a cost-benefit study before the setting up of any new agency, while being careful to avoid any overlap of activities between Agencies or with the remits of other European organisations;
3. Calls on the Court of Auditors to give its opinion on the cost-benefit study before Parliament takes its decision;
4. Invites the Commission to present every five years a study on the added value of every existing Agency; invites all relevant institutions in the case of a negative evaluation of the added value of an Agency to take the necessary steps by reformulating the mandate of that Agency or by closing it;
5. Considers it regrettable, given the growing number of regulatory agencies, that the negotiations on the draft interinstitutional agreement on the operating framework for the European regulatory agencies have not yet been concluded, and calls on the relevant departments of the Commission, in consultation with the Court of Auditors, to do their utmost to ensure that the agreement is brought to a rapid conclusion;
6. Notes that the Commission's budgetary responsibility calls for closer linking of the Agencies to the Commission; calls on the Commission and the Council to take all necessary steps to give the Commission a blocking minority in the supervisory bodies of the regulatory Agencies by 31 December 2007 and to provide for such a minority from the outset when new Agencies are set up;
7. Invites the Court of Auditors to create an additional chapter in its Annual Report, devoted to all Agencies to be discharged under the Commission's accounts in order to have a much clearer picture of the use of EU funds by Agencies;
8. Recalls the principle according to which all Community Agencies, whether subsidised or not, are subject to discharge by the Parliament, even where a discharge authority exists by virtue of their constitutive texts;
9. Calls on the Court of Auditors to perform performance audits for all Agencies and to report back to the relevant committees of Parliament, including the Committee on Budgetary Control;
10. Notes that the number of Agencies is constantly increasing and that, in accordance with the Commission's political responsibility for the operation of the Agencies, which goes far beyond mere logistical support, there is an even higher need for the Directorates-General of the Commission charged with the setting up and monitoring of Agencies to develop a common approach to the Agencies; considers that a structure similar to the one created by the Agencies for coordination among the DGs concerned would be a pragmatic way forward towards a common approach by the Commission on all matters relating to the Agencies;

11. Invites the Commission to improve administrative and technical support to the Agencies, taking into account the growing complexity of the Community's administrative rules and technical problems;
12. Notes the lack of a disciplinary body in any of the Community Agencies, and calls on the Commission to take the necessary steps to ensure that such a mechanism is rapidly put in place;
13. Welcomes the considerable improvements in the coordination among the Agencies, which allows them to tackle recurring problems and makes cooperation with the Commission and Parliament more efficient;
14. Takes the view that the establishment by a number of Agencies of a shared support service aimed at making their computerised financial management systems consistent with those of the Commission is a measure that should be taken further and extended;
15. Calls upon the Agencies to improve their cooperation and benchmarking with actors in the field; urges the Commission to adopt any measures it considers necessary to help the Agencies enhance their image and raise the profile of their activities;
16. Calls upon the Commission to come up with a proposal to harmonise the format of the annual reporting by the Agencies and to develop performance indicators which would allow a comparison of their efficiency;
17. Invites the Agencies to present at the beginning of every year performance indicators against which they could be measured;
18. Invites all Agencies to increasingly use SMART objectives which should lead to more realistic planning and implementation of goals;
19. Agrees with the Court of Auditors that the Commission also bears responsibility for the (financial) management of the Agencies; therefore, urges the Commission to monitor and where necessary direct and help the management of the different Agencies, especially in relation to the proper application of tender procedures, transparency of recruitment procedures, sound financial management (underspending and overbudgeting) and most importantly the proper application of the rules concerning the internal control framework;
20. Considers that the Agencies' work programmes should express their contributions in operational and measurable terms and that due consideration should be given to the Commission's Internal Control Standards;

Specific points

21. Notes that the utilisation rate for commitment and payment appropriations was less than 80 % and that this situation was due to the low rate of implementation of commitment and payment appropriations (69 % and 32 % respectively) for operating expenditure; notes furthermore that the cancellation rate for appropriations for the financial year is also high (ranging from 7 % to more than 30 % depending on the title of the expenditure and the nature of the appropriations) and that the cancellation rates for appropriations carried over from the previous year are also high; invites the Agency in this context to improve and step up the monitoring of its planning so as to ensure that resources are not mobilised unnecessarily;
22. Notes the failure to introduce activity-based management, even though the Agency's financial regulation provides for it, along the lines applied to the general budget, so as to allow better monitoring of performance;

23. Regrets that the Management Board did not adopt minimal internal-control standards by the end of 2005 and that management and internal-control systems and procedures were not always described; notes that procedures introduced by the authorising officers to guarantee the accuracy and exhaustiveness of the financial information they submit to the accounting officer were not validated and that at the end of 2005 the Agency still did not have a system for ensuring that the fees which it charges its clients for the services it provides were sufficient to cover the cost of those services; invites the Agency to overcome this situation as quickly as possible;
 24. Welcomes the Management Board's decision to adopt internal-control standards based on the standards adopted by the Commission and on ISO 9000; urges the Agency to press ahead with the implementation of these standards;
 25. Deplores the fact that the principle of open competition was not always observed and invites the Agency to do so in the future.
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DECISION OF THE EUROPEAN PARLIAMENT

of 24 April 2007

on closing the accounts of the European Aviation Safety Agency for the financial year 2005

(2008/530/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Aviation Safety Agency for the financial year 2005 ⁽¹⁾,
- having regard to the Court of Auditors' report on the final annual accounts of the European Aviation Safety Agency for the financial year 2005, together with the Agency's replies ⁽²⁾,
- having regard to the Council's Recommendation of 27 February 2007 (5711/2007 — C6-0080/2007),
- having regard to the EC Treaty, and in particular Article 276 thereof,
- having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽³⁾, and in particular Article 185 thereof,
- having regard to Regulation (EC) No 1592/2002 of the European Parliament and of the Council of 15 July 2002 on common rules in the field of civil aviation and establishing a European Aviation Safety Agency ⁽⁴⁾, and in particular Article 49 thereof,
- having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
- having regard to Rule 71 of and Annex V to its Rules of Procedure,
- having regard to the Report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A6-0121/2007),

1. Notes that the final annual accounts of the European Aviation Safety Agency for the financial years 2004 and 2005 are as follows:

Revenue and expenditure account for the financial years 2004 and 2005

(in EUR 1000)

	2005	2004
Operating revenue		
Community subsidies	17 416	7 777
Other subsidies	1 446	248
Fees and charges revenue	10 888	
Reimbursement of expenditure	26	3

⁽¹⁾ OJ C 266, 31.10.2006, p. 10.

⁽²⁾ OJ C 312, 19.12.2006, p. 6.

⁽³⁾ OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).

⁽⁴⁾ OJ L 240, 7.9.2002, p. 1. Regulation as last amended by Commission Regulation (EC) No 1701/2003 (OJ L 243, 27.9.2003, p. 5).

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

(in EUR 1000)

	2005	2004
Other revenue	693	350
Total (a)	30 469	8 378
Operating expenditure		
Staff	13 636	5 556
Buildings and related expenditure	2 121	689
Other administrative expenditure	1 319	743
Allocation to provisions	576	89
Operating expenditure	11 660	2 081
Total (b)	29 312	9 158
Operating outturn (c = a - b)	1 157	- 780
Financial income (d)	41	0
Financial expenses (e)	- 14	2
Financial outturn (f = d - e)	27	- 2
Outturn for the financial year (g = c + f)	1 184	- 782

Source: Agency data — This table summarises the data supplied by the Agency in its annual accounts;

2. Approves closing the accounts of the European Aviation Safety Agency for the financial year 2005;
3. Instructs its President to forward this Decision to the executive director of the European Aviation Safety Agency, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Harald RØMER

DECISION OF THE EUROPEAN PARLIAMENT

of 24 April 2007

on the discharge for the implementation of the budget of the European Food Safety Authority for the financial year 2005

(2008/531/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Food Safety Authority for the financial year 2005 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Food Safety Authority for the financial year 2005, together with the Authority's replies ⁽²⁾,
 - having regard to the Council's Recommendation of 27 February 2007 (5711/2007 — C6-0080/2007),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽³⁾, and in particular Article 185 thereof,
 - having regard to (EC) No 178/2002 of the European Parliament and of the Council of 28 January 2002 laying down the general principles and requirements of food law, establishing the European Food Safety Authority and laying down procedures in matters of food safety ⁽⁴⁾, and in particular Article 44 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the Report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A6-0112/2007),
1. Grants the executive director of the European Food Safety Authority discharge for the implementation of the Authority's budget for the financial year 2005;
 2. Sets out its observations in the Resolution below;
 3. Instructs its President to forward this Decision and the Resolution that forms an integral part of it to the executive director of the European Food Safety Authority, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President

Hans-Gert PÖTTERING

The Secretary-General

Harald RØMER

⁽¹⁾ OJ C 266, 31.10.2006, p. 22.⁽²⁾ OJ C 312, 19.12.2006, p. 42.⁽³⁾ OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).⁽⁴⁾ OJ L 31, 1.2.2002, p. 1. Regulation as last amended by Commission Regulation (EC) No 575/2006 (OJ L 100, 8.4.2006, p. 3).⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 24 April 2007****with observations forming an integral part of the Decision on the discharge for the implementation of the budget of the European Food Safety Authority for the financial year 2005**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Food Safety Authority for the financial year 2005 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Food Safety Authority for the financial year 2005, together with the Authority's replies ⁽²⁾,
 - having regard to Council's Recommendation of 27 February 2007 (5711/2007 — C6-0080/2007),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽³⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EC) No 178/2002 of the European Parliament and of the Council of 28 January 2002 laying down the general principles and requirements of food law, establishing the European Food Safety Authority and laying down procedures in matters of food safety ⁽⁴⁾, and in particular Article 44 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the Report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A6-0112/2007),
- A. whereas the Court of Auditors stated, that it obtained reasonable assurance that the annual accounts for the financial year ended 31 December 2005 were reliable, and the underlying transactions, subject to reservation, were legal and regular;
- B. whereas on 27 April 2006 Parliament gave discharge to the director in respect of the implementation of the Authority's budget for the 2004 financial year ⁽⁶⁾ and in the Resolution accompanying the discharge Decision Parliament, *inter alia*,
- was disappointed to note that the Court of Auditors again discovered anomalies in the application of the rules concerning staff recruitment, and urged the Authority to apply with more transparency the rules regarding selection procedures,

⁽¹⁾ OJ C 266, 31.10.2006, p. 22.⁽²⁾ OJ C 312, 19.12.2006, p. 42.⁽³⁾ OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).⁽⁴⁾ OJ L 31, 1.2.2002, p. 1. Regulation as last amended by Commission Regulation (EC) No 575/2006 (OJ L 100, 8.4.2006, p. 3).⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.⁽⁶⁾ OJ L 340, 6.12.2006, p. 134.

— was concerned by the irregularities noted by the Court of Auditors in contract award procedures;

General points concerning the majority of EU Agencies requiring individual discharge

1. Considers that the ever-growing number of Community Agencies and the activities of certain of them do not seem to form part of an overall policy framework, and that the remits of some Agencies do not always reflect the real needs of the Union or the expectations of its citizens, and notes that in general terms the Agencies do not always have a good image or a good press;
2. Invites the Commission therefore to define an overall policy framework for the setting up of new Community Agencies and to present a cost-benefit study before the setting up of any new Agency, while being careful to avoid any overlap of activities between Agencies or with the remits of other European organisations;
3. Calls on the Court of Auditors to give its opinion on the cost-benefit study before Parliament takes its decision;
4. Invites the Commission to present every five years a study on the added value of every existing Agency; invites all relevant institutions in the case of a negative evaluation of the added value of an Agency to take the necessary steps by reformulating the mandate of that Agency or by closing it;
5. Considers it regrettable, given the growing number of regulatory Agencies, that the negotiations on the draft interinstitutional agreement on the operating framework for the European regulatory Agencies have not yet been concluded, and calls on the relevant departments of the Commission, in consultation with the Court of Auditors, to do their utmost to ensure that the agreement is brought to a rapid conclusion;
6. Notes that the Commission's budgetary responsibility calls for closer linking of the Agencies to the Commission; calls on the Commission and the Council to take all necessary steps to give the Commission a blocking minority in the supervisory bodies of the regulatory Agencies by 31 December 2007 and to provide for such a minority from the outset when new Agencies are set up;
7. Invites the Court of Auditors to create an additional chapter in its Annual Report, devoted to all Agencies to be discharged under the Commission's accounts in order to have a much clearer picture of the use of EU funds by Agencies;
8. Recalls the principle according to which all Community Agencies, whether subsidised or not, are subject to discharge by the Parliament, even where a discharge authority exists by virtue of their constitutive texts;
9. Calls on the Court of Auditors to perform performance audits for all Agencies and to report back to the relevant committees of Parliament, including the Committee on Budgetary Control;
10. Notes that the number of Agencies is constantly increasing and that, in accordance with the Commission's political responsibility for the operation of the Agencies, which goes far beyond mere logistical support, there is an even higher need for the Directorates-General of the Commission charged with the setting up and monitoring of Agencies to develop a common approach to the Agencies; considers that a structure similar to the one created by the Agencies for coordination among the DGs concerned would be a pragmatic way forward towards a common approach by the Commission on all matters relating to the Agencies;
11. Invites the Commission to improve administrative and technical support to the Agencies, taking into account the growing complexity of the Community's administrative rules and technical problems;

12. Notes the lack of a disciplinary body in any of the Community Agencies, and calls on the Commission to take the necessary steps to ensure that such a mechanism is rapidly put in place;
13. Welcomes the considerable improvements in the coordination among the Agencies, which allows them to tackle recurring problems and makes cooperation with the Commission and Parliament more efficient;
14. Takes the view that the establishment by a number of Agencies of a shared support service aimed at making their computerised financial management systems consistent with those of the Commission is a measure that should be taken further and extended;
15. Calls upon the Agencies to improve their cooperation and benchmarking with actors in the field; urges the Commission to adopt any measures it considers necessary to help the Agencies enhance their image and raise the profile of their activities;
16. Calls upon the Commission to come up with a proposal to harmonise the format of the annual reporting by the Agencies and to develop performance indicators which would allow a comparison of their efficiency;
17. Invites the Agencies to present at the beginning of every year performance indicators against which they could be measured;
18. Invites all Agencies to increasingly use SMART objectives which should lead to more realistic planning and implementation of goals;
19. Agrees with the Court of Auditors that the Commission also bears responsibility for the (financial) management of the Agencies; therefore, urges the Commission to monitor and where necessary direct and help the management of the different Agencies, especially in relation to the proper application of tender procedures, transparency of recruitment procedures, sound financial management (underspending and overbudgeting) and most importantly the proper application of the rules concerning the internal control framework;
20. Considers that the Agencies' work programmes should express their contributions in operational and measurable terms and that due consideration should be given to the Commission's Internal Control Standards;

Specific points

21. Notes that the financial year 2005 was marked by a significant under-implementation of the budget, with only 80 % of commitment and payment appropriations being used; considers that the Authority should make a serious effort to improve the use it makes of the appropriations with which it is entrusted to achieve its objectives;
22. Strongly deplores the fact that the changes it made to the establishment plan were not respected and that it restored the grades initially provided for in the draft budget in respect of 19 posts without informing Parliament;
23. Notes the failure to introduce activity-based management although this is laid down by the Authority's financial regulation, along the lines of what was applied to the general budget with a view to improving performance monitoring;
24. Regrets the fact that the Authority did not carry out a risk analysis or formally lay down the internal control systems and procedures it follows and invites the Authority to do so as quickly as possible;
25. Notes with regard to recruitment that the Authority rejected candidates on the basis of criteria other than those provided for in the vacancy notices and, in addition, did not observe the regulatory provisions concerning the grades of selection board members in relation to the posts to be filled; insists on the strict application of the relevant criteria and on an effective check as to whether the documents submitted by candidates in support of their applications actually offer genuine proof;

26. Notes that the Authority had difficulties in recruiting highly skilled scientific staff in Parma;
 27. Regrets that a considerable number of anomalies were revealed during the audits carried out on the award and conclusion of contracts; invites the Authority to urgently tighten up its internal control system;
 28. Notes that buildings intended to house the Authority permanently are still not available and that the Authority was thus obliged to rent and fit out temporary premises (cost in 2005: approximately EUR 3 500 000); invites the Authority, together with the Commission, to clarify this situation with the national authorities, in particular with a view to any financial compensation.
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DECISION OF THE EUROPEAN PARLIAMENT**of 24 April 2007****on closing the accounts of the European Food Safety Authority for the financial year 2005**

(2005/532/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Food Safety Authority for the financial year 2005 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Food Safety Authority for the financial year 2005, together with the Authority's replies ⁽²⁾,
 - having regard to the Council's Recommendation of 27 February 2007 (5711/2007 — C6-0080/2007),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽³⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EC) No 178/2002 of the European Parliament and of the Council of 28 January 2002 laying down the general principles and requirements of food law, establishing the European Food Safety Authority and laying down procedures in matters of food safety ⁽⁴⁾, and in particular Article 44 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the Report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A6-0112/2007),
1. Notes that the final annual accounts of the European Food Safety Authority for the financial years 2004 and 2005 are as follows:

Revenue and expenditure account for the financial years 2004 and 2005

(in EUR 1000)

	2005	2004
Operating revenue	27 405	20 591
Total operating revenue	27 405	20 591

⁽¹⁾ OJ C 266, 31.10.2006, p. 22.⁽²⁾ OJ C 312, 19.12.2006, p. 42.⁽³⁾ OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).⁽⁴⁾ OJ L 31, 1.2.2002, p. 1. Regulation as last amended by Commission Regulation (EC) No 575/2006 (OJ L 100, 8.4.2006, p. 3).⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

(in EUR 1000)

	2005	2004
Administrative expenditure		
Staff expenditure	- 13 012	- 7 564
Buildings and related expenditure	- 3 627	- 4 192
Other expenditure (including expenses with consolidated EC entities)	- 2 205	- 1 263
Depreciation and reduction in value of consolidated entities	- 603	- 333
Operating expenditure (including expenses with consolidated EC entities)	- 8 413	- 6 431
Total operating expenditure	- 27 674	- 19 783
<i>Operating profit/(loss)</i>	- 761	808
Revenue from financial operations	—	0
Expenditure from financial operations	- 7	- 7
<i>Profit/(loss) on financial operations</i>	- 7	- 6
<i>Current profit/(loss)</i>	- 768	802
Extraordinary revenue		
Extraordinary expenditure	—	- 27
<i>Extraordinary profit/(loss)</i>	—	- 27
Economic outturn for the financial year	- 768	775

NB: Variations in totals are due to the effects of rounding.

Source: The Authority's data — This table summarises the data provided by the Authority in its own annual accounts;

2. Approves closing the accounts of the European Food Safety Authority for the financial year 2005;
3. Instructs its President to forward this Decision to the executive director of the European Food Safety Authority, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Harald RØMER

DECISION OF THE EUROPEAN PARLIAMENT

of 24 April 2007

on the discharge for the implementation of the budget of the European Centre for Disease Prevention and Control for the financial year 2005

(2008/533/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Centre for Disease Prevention and Control for the financial year 2005 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Centre for Disease Prevention and Control for the financial year 2005, together with the Centre's replies ⁽²⁾,
 - having regard to the Council's Recommendation of 27 February 2007 (5711/2007 — C6-0080/2007),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽³⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EC) No 851/2004 of the European Parliament and of the Council of 21 April 2004 establishing a European Centre for Disease Prevention and Control ⁽⁴⁾, and in particular Article 23 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the Report of the Committee on Budgetary Control and the opinion of the Committee for Environment, Public Health and Food Safety (A6-0119/2007),
1. Grants the executive director of the European Centre for Disease Prevention and Control discharge for the implementation of the Centre's budget for the financial year 2005;
 2. Sets out its observations in the Resolution below;
 3. Instructs its President to forward this Decision and the Resolution that forms an integral part of it to the executive director of European Centre for Disease Prevention and Control, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President

Hans-Gert PÖTTERING

The Secretary-General

Harald RØMER

⁽¹⁾ OJ C 266, 31.10.2006, p. 31.⁽²⁾ OJ C 312, 19.12.2006, p. 54.⁽³⁾ OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).⁽⁴⁾ OJ L 142, 30.4.2004, p. 1.⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 24 April 2007****with observations forming an integral part of the Decision on the discharge for the implementation of the budget of the European Centre for Disease Prevention and Control for the financial year 2005**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Centre for Disease Prevention and Control for the financial year 2005 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Centre for Disease Prevention and Control for the financial year 2005, together with the Centre's replies ⁽²⁾,
 - having regard to the Council's Recommendation of 27 February 2007 (5711/2007 — C6-0080/2007),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽³⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EC) No 851/2004 of the European Parliament and of the Council of 21 April 2004 establishing a European Centre for Disease Prevention and Control ⁽⁴⁾, and in particular Article 23 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the Report of the Committee on Budgetary Control and the opinion of the Committee for Environment, Public Health and Food Safety (A6-0119/2007),
- A. whereas the Court of Auditors stated, that it obtained reasonable assurance that the annual accounts for the financial year ended 31 December 2005 were reliable and that the underlying transactions, taken as a whole, were legal and regular;

General points concerning the majority of EU Agencies requiring individual discharge

1. Considers that the ever-growing number of Community Agencies and the activities of certain of them do not seem to form part of an overall policy framework, and that the remits of some Agencies do not always reflect the real needs of the Union or the expectations of its citizens, and notes that in general terms the Agencies do not always have a good image or a good press;
2. Invites the Commission therefore to define an overall policy framework for the setting up of new Community Agencies and to present a cost-benefit study before the setting up of any new Agency, while being careful to avoid any overlap of activities between Agencies or with the remits of other European organisations;

⁽¹⁾ OJ C 266, 31.10.2006, p. 31.

⁽²⁾ OJ C 312, 19.12.2006, p. 54.

⁽³⁾ OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).

⁽⁴⁾ OJ L 142, 30.4.2004, p. 1.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

3. Calls on the Court of Auditors to give its opinion on the cost-benefit study before Parliament takes its decision;
4. Invites the Commission to present every five years a study on the added value of every existing Agency; invites all relevant institutions in the case of a negative evaluation of the added value of an Agency to take the necessary steps by reformulating the mandate of that Agency or by closing it;
5. Considers it regrettable, given the growing number of regulatory Agencies, that the negotiations on the draft interinstitutional agreement on the operating framework for the European regulatory Agencies have not yet been concluded, and calls on the relevant departments of the Commission, in consultation with the Court of Auditors, to do their utmost to ensure that the agreement is brought to a rapid conclusion;
6. Notes that the Commission's budgetary responsibility calls for closer linking of the Agencies to the Commission; calls on the Commission and the Council to take all necessary steps to give the Commission a blocking minority in the supervisory bodies of the regulatory Agencies by 31 December 2007 and to provide for such a minority from the outset when new Agencies are set up;
7. Invites the Court of Auditors to create an additional chapter in its Annual Report, devoted to all Agencies to be discharged under the Commission's accounts in order to have a much clearer picture of the use of EU funds by Agencies;
8. Recalls the principle according to which all Community Agencies, whether subsidised or not, are subject to discharge by the Parliament, even where a discharge authority exists by virtue of their constitutive texts;
9. Calls on the Court of Auditors to perform performance audits for all Agencies and to report back to the relevant committees of Parliament, including the Committee on Budgetary Control;
10. Notes that the number of Agencies is constantly increasing and that, in accordance with the Commission's political responsibility for the operation of the Agencies, which goes far beyond mere logistical support, there is an even higher need for the Directorates-General of the Commission charged with the setting up and monitoring of Agencies to develop a common approach to the Agencies; considers that a structure similar to the one created by the Agencies for coordination among the DGs concerned would be a pragmatic way forward towards a common approach by the Commission on all matters relating to the Agencies;
11. Invites the Commission to improve administrative and technical support to the Agencies, taking into account the growing complexity of the Community's administrative rules and technical problems;
12. Notes the lack of a disciplinary body in any of the Community Agencies, and calls on the Commission to take the necessary steps to ensure that such a mechanism is rapidly put in place;
13. Welcomes the considerable improvements in the coordination among the Agencies, which allows them to tackle recurring problems and makes cooperation with the Commission and Parliament more efficient;
14. Takes the view that the establishment by a number of Agencies of a shared support service aimed at making their computerised financial management systems consistent with those of the Commission is a measure that should be taken further and extended;
15. Calls upon the Agencies to improve their cooperation and benchmarking with actors in the field; urges the Commission to adopt any measures it considers necessary to help the Agencies enhance their image and raise the profile of their activities;
16. Calls upon the Commission to come up with a proposal to harmonise the format of the annual reporting by the Agencies and to develop performance indicators which would allow a comparison of their efficiency;

17. Invites the Agencies to present at the beginning of every year performance indicators against which they could be measured;
18. Invites all Agencies to increasingly use SMART objectives which should lead to more realistic planning and implementation of goals;
19. Agrees with the Court of Auditors that the Commission also bears responsibility for the (financial) management of the Agencies; therefore, urges the Commission to monitor and where necessary direct and help the management of the different Agencies, especially in relation to the proper application of tender procedures, transparency of recruitment procedures, sound financial management (underspending and overbudgeting) and most importantly the proper application of the rules concerning the internal control framework;
20. Considers that the Agencies' work programmes should express their contributions in operational and measurable terms and that due consideration should be given to the Commission's Internal Control Standards;

Specific points

21. Notes that the implementation of the budget for the financial year 2005 was marked by a low rate of commitment (84 %) and a substantial rate of carry-overs (35 % overall and almost 90 % for operating expenditure); notes that this situation was in part due to problems inherent in the Centre's start-up period;
22. Notes that the Centre's establishment phase was given a further boost by the global concern over a potential influenza pandemic; congratulates the Centre on its ability to consolidate its position in the field of surveillance of communicable diseases in a very short time;
23. Points out that the Commission (DG SANCO) was responsible for the budgetary management of the Centre in 2005;
24. Notes that no activity-based management has been brought in, despite the Centre's financial regulation making provision for its introduction, on the lines of that applied to the general budget, with a view to improving the monitoring of performance;
25. Insists that requests to the Commission for the payment of subsidies should be justified by a forecast of cash needs ⁽⁶⁾ and regrets that the Centre had no such system for producing forecasts;
26. Notes that the Centre's financial regulation stipulates that the authorising officer should make a budgetary commitment before entering into a legal commitment in relation to third parties and regrets that no budgetary commitments were made for the Centre's expenditure in 2005 prior to such legal commitments; regrets that for the same period, all the Centre's payments were made by the accounting officer without the authorising officer having issued any payment orders ⁽⁷⁾;
27. Notes that contrary to the provisions of the Centre's financial regulation, its accounts were not kept in accordance with the double-entry method during 2005, thus creating the risk of errors; insists that this should be rectified as soon as possible;
28. Notes that there were shortcomings in the documentation of the Centre's staff selection procedures (lack of formalisation of decisions on the appointment and composition of selection boards, lack of final report by selection boards on their work); insists on the strict application of its selection procedures.

⁽⁶⁾ Article 50 of the Centre's financial regulation.

⁽⁷⁾ Article 66 of the Centre's financial regulation.

DECISION OF THE EUROPEAN PARLIAMENT

of 24 April 2007

on closing the accounts of the European Centre for Disease Prevention and Control for the financial year 2005

(2008/534/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Centre for Disease Prevention and Control for the financial year 2005 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Centre for Disease Prevention and Control for the financial year 2005, together with the Centre's replies ⁽²⁾,
 - having regard to the Council's Recommendation of 27 February 2007 (5711/2007 — C6-0080/2007),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽³⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EC) No 851/2004 of the European Parliament and of the Council of 21 April 2004 establishing a European Centre for Disease Prevention and Control ⁽⁴⁾, and in particular Article 23 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the Report of the Committee on Budgetary Control and the opinion of the Committee for Environment, Public Health and Food Safety (A6-0119/2007),
1. Notes that the final annual accounts of the European Centre for Disease Prevention and Control for the financial year 2005 are as follows:

Revenue and expenditure account for the financial year 2005 ⁽¹⁾

(in EUR)	
	2005
REVENUE	
Commission subsidy (for the operating budget of the agency)	3 402 280,45
Fee income	
Other revenue	
TOTAL REVENUE (a)	3 402 280,45

⁽¹⁾ OJ C 266, 31.10.2006, p. 31.⁽²⁾ OJ C 312, 19.12.2006, p. 54.⁽³⁾ OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).⁽⁴⁾ OJ L 142, 30.4.2004, p. 1.⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

(in EUR)	
	2005
EXPENDITURE	
<i>Title I: Staff</i>	
Payments	- 500 909,02
Appropriations carried over	- 361 771,74
<i>Title II: Administrative Expenses</i>	
Payments	- 597 024,15
Appropriations carried over	- 534 581,62
<i>Title III: Operating Expenditure</i>	
Payments	- 69 773,55
Appropriations carried over	- 540 654,36
TOTAL EXPENDITURE (b)	- 2 604 714,44
OUTTURN FOR THE FINANCIAL YEAR (a - b)	797 566,01
Cancellation of unused payment appropriations carried over from previous year	
Adjustment for carry-over from the previous year of appropriations available at 31 December arising from assigned revenue	
Exchange differences for the year (gain +/loss -)	- 10 168,55
Balance of the budget implementation for the financial year	787 397,46
Part of the subsidy to reimburse to EC	- 787 397,46
Impact on Assets	
Impact of assets and depreciation	222 011,07
Impact on the Accruals of the year	
Carry Overs	1 437 007,72
Accruals	- 363 538,58
Other adjustments	
Pending liabilities	- 448 377,86
Prepayments and Deferred expenses	20 636,80
Goods in transit	63 108,90
Payment of services by the Commission	- 8 490,00
Exceptional revenue	31 250,85
Outturn of the economic adjustments for the financial year (e)	953 608,90

(¹) Only figures for 2005 due to the fact it is a newly created Agency;

NB: Variations in totals are due to the effects of rounding.

Source: Agency data — This table summarises the data supplied by the Agency in its annual accounts.

2. Approves closing the accounts of the European Centre for Disease Prevention and Control for the financial year 2005;
3. Instructs its President to forward this Decision to the executive director of the European Centre for Disease Prevention and Control, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Harald RØMER

DECISION OF THE EUROPEAN PARLIAMENT**of 24 April 2007****on the discharge for the implementation of the budget of the European Network and Information Security Agency for the financial year 2005**

(2008/535/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Network and Information Security Agency for the financial year 2005 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Network and Information Security Agency for the financial year 2005, together with the Agency's replies ⁽²⁾,
 - having regard to the Council's Recommendation of 27 February 2007 (5711/2007 — C6-0080/2007),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽³⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EC) No 460/2004 of the European Parliament and of the Council of 10 March 2004 establishing a European Network and Information Security Agency ⁽⁴⁾, and in particular Article 17 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the Report of the Committee on Budgetary Control (A6-0102/2007),
1. Grants the director of the European Network and Information Security Agency Discharge for the implementation of the Agency's budget for the financial year 2005;
 2. Sets out its observations in the Resolution below;
 3. Instructs its President to forward this Decision and the Resolution that forms an integral part of it to the director of the European Network and Information Security Agency, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President

Hans-Gert PÖTTERING

The Secretary-General

Harald RØMER

⁽¹⁾ OJ C 266, 31.10.2006, p. 16.

⁽²⁾ OJ C 312, 19.12.2006, p. 1.

⁽³⁾ OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).

⁽⁴⁾ OJ L 77, 13.3.2004, p. 1.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 24 April 2007****with observations forming an integral part of the Decision on the discharge for the implementation of the budget of the European Network and Information Security Agency for the financial year 2005**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Network and Information Security Agency for the financial year 2005 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Network and Information Security Agency for the financial year 2005, together with the Agency's replies ⁽²⁾,
 - having regard to the Council's Recommendation of 27 February 2007 (5711/2007 — C6-0080/2007),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽³⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EC) No 460/2004 of the European Parliament and of the Council of 10 March 2004 establishing a European Network and Information Security Agency ⁽⁴⁾, and in particular Article 17 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the Report of the Committee on Budgetary Control (A6-0102/2007),
- A. whereas the Court of Auditors stated that it obtained reasonable assurance that the annual accounts for the financial year ended 31 December 2005 were reliable, and the underlying transactions, taken as a whole, were legal and regular;

General points concerning the majority of EU Agencies requiring individual discharge

1. Considers that the ever-growing number of Community Agencies and the activities of certain of them do not seem to form part of an overall policy framework, and that the remits of some Agencies do not always reflect the real needs of the Union or the expectations of its citizens, and notes that in general terms the Agencies do not always have a good image or a good press;
2. Invites the Commission therefore to define an overall policy framework for the setting up of new Community Agencies and to present a cost-benefit study before the setting up of any new Agency, while being careful to avoid any overlap of activities between Agencies or with the remits of other European organisations;

⁽¹⁾ OJ C 266, 31.10.2006, p. 16.

⁽²⁾ OJ C 312, 19.12.2006, p. 1.

⁽³⁾ OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).

⁽⁴⁾ OJ L 77, 13.3.2004, p. 1.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

3. Calls on the Court of Auditors to give its opinion on the cost-benefit study before Parliament takes its decision;
4. Invites the Commission to present every five years a study on the added value of every existing Agency; invites all relevant institutions in the case of a negative evaluation of the added value of an Agency to take the necessary steps by reformulating the mandate of that Agency or by closing it;
5. Considers it regrettable, given the growing number of regulatory Agencies, that the negotiations on the draft interinstitutional agreement on the operating framework for the European regulatory Agencies have not yet been concluded, and calls on the relevant departments of the Commission, in consultation with the Court of Auditors, to do their utmost to ensure that the agreement is brought to a rapid conclusion;
6. Notes that the Commission's budgetary responsibility calls for closer linking of the Agencies to the Commission; calls on the Commission and the Council to take all necessary steps to give the Commission a blocking minority in the supervisory bodies of the regulatory Agencies by 31 December 2007 and to provide for such a minority from the outset when new Agencies are set up;
7. Invites the Court of Auditors to create an additional chapter in its Annual Report, devoted to all Agencies to be discharged under the Commission's accounts in order to have a much clearer picture of the use of EU funds by Agencies;
8. Recalls the principle according to which all Community Agencies, whether subsidised or not, are subject to discharge by the Parliament, even where a discharge authority exists by virtue of their constitutive texts;
9. Calls on the Court of Auditors to perform performance audits for all Agencies and to report back to the relevant committees of Parliament, including the Committee on Budgetary Control;
10. Notes that the number of Agencies is constantly increasing and that, in accordance with the Commission's political responsibility for the operation of the Agencies, which goes far beyond mere logistical support, there is an even higher need for the Directorates-General of the Commission charged with the setting up and monitoring of Agencies to develop a common approach to the Agencies; considers that a structure similar to the one created by the Agencies for coordination among the DGs concerned would be a pragmatic way forward towards a common approach by the Commission on all matters relating to the Agencies;
11. Invites the Commission to improve administrative and technical support to the Agencies, taking into account the growing complexity of the Community's administrative rules and technical problems;
12. Notes the lack of a disciplinary body in any of the Community Agencies, and calls on the Commission to take the necessary steps to ensure that such a mechanism is rapidly put in place;
13. Welcomes the considerable improvements in the coordination among the Agencies, which allows them to tackle recurring problems and makes cooperation with the Commission and Parliament more efficient;
14. Takes the view that the establishment by a number of Agencies of a shared support service aimed at making their computerised financial management systems consistent with those of the Commission is a measure that should be taken further and extended;
15. Calls upon the Agencies to improve their cooperation and benchmarking with actors in the field; urges the Commission to adopt any measures it considers necessary to help the Agencies enhance their image and raise the profile of their activities;
16. Calls upon the Commission to come up with a proposal to harmonise the format of the annual reporting by the Agencies and to develop performance indicators which would allow a comparison of their efficiency;

17. Invites the Agencies to present at the beginning of every year performance indicators against which they could be measured;
18. Invites all Agencies to increasingly use SMART objectives which should lead to more realistic planning and implementation of goals;
19. Agrees with the Court of Auditors that the Commission also bears responsibility for the (financial) management of the Agencies; therefore, urges the Commission to monitor and where necessary direct and help the management of the different Agencies, especially in relation to the proper application of tender procedures, transparency of recruitment procedures, sound financial management (underspending and overbudgeting) and most importantly the proper application of the rules concerning the internal control framework;
20. Considers that the Agencies' work programmes should express their contributions in operational and measurable terms and that due consideration should be given to the Commission's Internal Control Standards;

Specific points

21. Notes that the implementation of the budget for the financial year 2005 was marked by a low rate of commitment (70 %) and a substantial rate of carry-over (more than 40 % overall and up to almost 80 % for operating expenditure) and that this situation was in part due to problems inherent in the Agency's start-up period and to the fact that it did not start becoming operational until the second half of 2005;
 22. Notes that no activity-based management has been brought in, despite the Agency's financial regulation making provision for its introduction, on the lines of that applied to the general budget, with a view to improving the monitoring of performance.
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DECISION OF THE EUROPEAN PARLIAMENT

of 24 April 2007

on closing the accounts of the European Network and Information Security Agency for the financial year 2005

(2008/536/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Network and Information Security Agency for the financial year 2005 ⁽¹⁾,
- having regard to the Court of Auditors' report on the final annual accounts of the European Network and Information Security Agency for the financial year 2005, together with the Agency's replies ⁽²⁾,
- having regard to the Council's Recommendation of 27 February 2007 (5711/2007 — C6-0080/2007),
- having regard to the EC Treaty, and in particular Article 276 thereof,
- having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽³⁾, and in particular Article 185 thereof,
- having regard to Regulation (EC) No 460/2004 of the European Parliament and of the Council of 10 March 2004 establishing a European Network and Information Security Agency ⁽⁴⁾, and in particular Article 17 thereof,
- having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
- having regard to Rule 71 of and Annex V to its Rules of Procedure,
- having regard to the Report of the Committee on Budgetary Control (A6-0102/2007),

1. Notes that the final annual accounts of the European Network and Information Security Agency for the financial year 2005 are as follows:

Revenue and expenditure account for the financial year 2005 ⁽⁶⁾

(in EUR 1000)

	2005
Revenue	
Commission subsidies	4 400
Assigned revenue	
Miscellaneous revenue	
Total revenue (a)	4 400

⁽¹⁾ OJ C 266, 31.10.2006, p. 16.

⁽²⁾ OJ C 312, 19.12.2006, p. 1.

⁽³⁾ OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).

⁽⁴⁾ OJ L 77, 13.3.2004, p. 1.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

⁽⁶⁾ Only figures for 2005 due to the fact it is a newly created Agency;

(in EUR 1000)

	2005
Budgetary expenditure for the financial year	
<i>Staff — Title I of the budget</i>	
Payments	- 1 490
Appropriations carried over	- 257
<i>Administration — Title II of the budget</i>	
Payments	- 453
Appropriations carried over	- 1 065
<i>Operating activities — Title III of the budget (except for assigned revenue)</i>	
Payments against payment appropriations for the financial year	- 196
Payments against outstanding commitments at 31.12.2003	
Appropriations carried over	- 790
<i>Assigned revenue (Phare and third countries)</i>	
Payments	
Appropriations carried over	
Total expenditure (b)	- 4 251
Outturn for the financial year (a - b)	149
Balance carried over from the previous financial year	
N - 1 appropriations carried over and cancelled (Title I and II non-differentiated)	
Neutralisation of N - 1 carry-over for Title III connected with changeover to differentiated appropriations	
Sums for re-use from the previous financial year not used	
Refunds to the Commission	
Exchange-rate differences	
Balance for the financial year	149

Source: Information supplied by the Agency — This table summarises the data provided by the Agency in its annual accounts.

2. Approves closing the accounts of the European Network and Information Security Agency for the financial year 2005;
3. Instructs its President to forward this Decision to the director of the European Network and Information Security Agency, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Harald RØMER

DECISION OF THE EUROPEAN PARLIAMENT

of 24 April 2007

on the discharge for the implementation of the budget of the European Agency for Reconstruction for the financial year 2005

(2008/537/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Agency for Reconstruction for the financial year 2005 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Agency for Reconstruction for the financial year 2005, together with the Agency's replies ⁽²⁾,
 - having regard to the Council's Recommendation of 27 February 2007 (5711/2007 — C6-0080/2007),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽³⁾, and in particular Article 185 thereof,
 - having regard to Council Regulation (EC) No 2667/2000 of 5 December 2000 on the European Agency for Reconstruction ⁽⁴⁾, and in particular Article 8 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the Report of the Committee on Budgetary Control (A6-0116/2007),
1. Grants the director of the European Agency for Reconstruction discharge for the implementation of the Agency's budget for the financial year 2005;
 2. Sets out its observations in the Resolution below;
 3. Instructs its President to forward this Decision and the Resolution that forms an integral part of it to the director of the European Agency for Reconstruction, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President

Hans-Gert PÖTTERING

The Secretary-General

Harald RØMER

⁽¹⁾ OJ C 266, 31.10.2006, p. 7.

⁽²⁾ OJ C 312, 19.12.2006, p. 18.

⁽³⁾ OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).

⁽⁴⁾ OJ L 306, 7.12.2000, p. 7. Regulation as last amended by Regulation (EC) No 1756/2006 (OJ L 332, 30.11.2006, p. 18).

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 24 April 2007****with observations forming an integral part of the Decision on the discharge for the implementation of the budget of the European Agency for Reconstruction for the financial year 2005**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Agency for Reconstruction for the financial year 2005 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Agency for Reconstruction for the financial year 2005, together with the Agency's replies ⁽²⁾,
 - having regard to the Council's Recommendation of 27 February 2007 (5711/2007 — C6-0080/2007),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽³⁾, and in particular Article 185 thereof,
 - having regard to Council Regulation (EC) No 2667/2000 of 5 December 2000 on the European Agency for Reconstruction ⁽⁴⁾, and in particular Article 8 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the Report of the Committee on Budgetary Control (A6-0116/2007),
- A. whereas the Court of Auditors stated that it obtained reasonable assurance that the annual accounts for the financial year ended 31 December 2005 were reliable, and the underlying transactions, subject to the reservation, were legal and regular,
- B. whereas on 27 April 2006 Parliament gave discharge to the director in respect of the implementation of the Agency's budget for the 2004 financial year ⁽⁶⁾ and in the Resolution accompanying the discharge Decision Parliament, *inter alia*,
- urged the Agency to seek guidance to improve its Treasury Management Policy in order to make best use of the often considerable sums maintained in current bank accounts,
 - noted that the transactions relating to counterpart funds, credit line schemes and special funds had been completely recorded in the absence of effective internal control procedures for long-term receivables; insisted that all transactions be capable of verification by the Court of Auditors,

⁽¹⁾ OJ C 266, 31.10.2006, p. 7.⁽²⁾ OJ C 312, 19.12.2006, p. 18.⁽³⁾ OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).⁽⁴⁾ OJ L 306, 7.12.2000, p. 7. Regulation as last amended by Regulation (EC) No 1756/2006 (OJ L 332, 30.11.2006, p. 18).⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.⁽⁶⁾ OJ L 340, 6.12.2006, p. 74.

- in order to address the serious problems of unreliability (and accusations of corrupt practices) then surrounding the conditions under which public procurement contracts and concessions were awarded for highly sensitive projects (e.g. mobile telephony operators), urged the Commission and the Agency, in close cooperation with UNMIK (United Nations Interim Administration Mission in Kosovo) and the FIU (Financial Investigation Unit), to lay down clear and transparent procurement rules, to establish internal and supreme audit institutions, and to keep Parliament informed as to progress made;

General points concerning the majority of EU Agencies requiring individual discharge

1. Considers that the ever-growing number of Community Agencies and the activities of certain of them do not seem to form part of an overall policy framework, and that the remits of some Agencies do not always reflect the real needs of the Union or the expectations of its citizens, and notes that in general terms the Agencies do not always have a good image or a good press;
2. Invites the Commission therefore to define an overall policy framework for the setting up of new Community Agencies and to present a cost-benefit study before the setting up of any new agency, while being careful to avoid any overlap of activities between Agencies or with the remits of other European organisations;
3. Calls on the Court of Auditors to give its opinion on the cost-benefit study before Parliament takes its decision;
4. Invites the Commission to present every five years a study on the added value of every existing Agency; invites all relevant institutions in the case of a negative evaluation of the added value of an Agency to take the necessary steps by reformulating the mandate of that Agency or by closing it;
5. Considers it regrettable, given the growing number of regulatory Agencies, that the negotiations on the draft interinstitutional agreement on the operating framework for the European regulatory Agencies have not yet been concluded, and calls on the relevant departments of the Commission, in consultation with the Court of Auditors, to do their utmost to ensure that the agreement is brought to a rapid conclusion;
6. Notes that the Commission's budgetary responsibility calls for closer linking of the Agencies to the Commission; calls on the Commission and the Council to take all necessary steps to give the Commission a blocking minority in the supervisory bodies of the regulatory Agencies by 31 December 2007 and to provide for such a minority from the outset when new Agencies are set up;
7. Invites the Court of Auditors to create an additional chapter in its Annual Report, devoted to all Agencies to be discharged under the Commission's accounts in order to have a much clearer picture of the use of EU funds by Agencies;
8. Recalls the principle according to which all Community Agencies, whether subsidised or not, are subject to discharge by the Parliament, even where a discharge authority exists by virtue of their constitutive texts;
9. Calls on the Court of Auditors to perform performance audits for all Agencies and to report back to the relevant committees of Parliament, including the Committee on Budgetary Control;
10. Notes that the number of Agencies is constantly increasing and that, in accordance with the Commission's political responsibility for the operation of the Agencies, which goes far beyond mere logistical support, there is an even higher need for the Directorates-General of the Commission charged with the setting up and monitoring of Agencies to develop a common approach to the Agencies; considers that a structure similar to the one created by the Agencies for coordination among the DGs concerned would be a pragmatic way forward towards a common approach by the Commission on all matters relating to the Agencies;

11. Invites the Commission to improve administrative and technical support to the Agencies, taking into account the growing complexity of the Community's administrative rules and technical problems;
12. Notes the lack of a disciplinary body in any of the Community Agencies, and calls on the Commission to take the necessary steps to ensure that such a mechanism is rapidly put in place;
13. Welcomes the considerable improvements in the coordination among the Agencies, which allows them to tackle recurring problems and makes cooperation with the Commission and Parliament more efficient;
14. Takes the view that the establishment by a number of Agencies of a shared support service aimed at making their computerised financial management systems consistent with those of the Commission is a measure that should be taken further and extended;
15. Calls upon the Agencies to improve their cooperation and benchmarking with actors in the field; urges the Commission to adopt any measures it considers necessary to help the Agencies enhance their image and raise the profile of their activities;
16. Calls upon the Commission to come up with a proposal to harmonise the format of the annual reporting by the Agencies and to develop performance indicators which would allow a comparison of their efficiency;
17. Invites the Agencies to present at the beginning of every year performance indicators against which they could be measured;
18. Invites all Agencies to increasingly use SMART objectives which should lead to more realistic planning and implementation of goals;
19. Agrees with the Court of Auditors that the Commission also bears responsibility for the (financial) management of the Agencies; therefore, urges the Commission to monitor and where necessary direct and help the management of the different Agencies, especially in relation to the proper application of tender procedures, transparency of recruitment procedures, sound financial management (underspending and overbudgeting) and most importantly the proper application of the rules concerning the internal control framework;
20. Considers that the Agencies' work programmes should express their contributions in operational and measurable terms and that due consideration should be given to the Commission's Internal Control Standards;

Specific points

21. Underlines its high appraisal of the results achieved by the Agency and the considerable improvements the Agencies could put in place in order to respond positively to the recommendations of the Court of Auditors and the Parliament;
22. Congratulates the Director and its staff for the work done in a very difficult environment improving considerably the image of the EU and its visibility;
23. Insists that the Commission prolong the Agency's activity, which is scheduled to end in 2008; is of the opinion that the Agency should be transformed into an Agency for implementation of certain EU external actions, which transformation should be based on a prior cost-benefit analysis, in particular with a view to managing post-conflict situations, while being careful to avoid any overlap with the activities of other European or international organisations, in order to prevent acquired expertise being lost;
24. Calls on the Commission to inform Parliament which reasons, other than its intention to close the Agency in 2008, led to the fact that the Agency was not given the task of implementing the Union's special programme for the northern part of Cyprus and aid to the Palestinian population;

25. Considers that the Agency has not only the systems (logistics, IT systems, and others) to implement swiftly large amounts of support in post-conflict areas, but that it has especially also proven high levels of expertise and know how in post-war reconstruction;
 26. Is convinced that at a point where the Commission wants to take over the management of the new Instrument for Pre-Accession Assistance in view of the acquis-related tasks related to the Balkans, the Agency should take over the tasks required by a 'RELEX external actions Agency';
 27. Considers that a new mandate of this successful agency would be the most efficient way to implement the new tasks in external actions, which cannot be implemented by Commission services in Brussels or by delegations of the Commission;
 28. Considers that the Agency could play a most efficient role in areas where traditional development assistance cannot be implemented; considers also that this would significantly increase the EU's visibility;
 29. Welcomes the measures taken by the Agency to improve contract award procedures following the Court of Auditors' observations raised in its 2003 and 2004 annual reports, which resulted in increased transparency in various areas: for instance, important decisions made during the evaluation process which affect the contract award are better documented and furthermore the overall discipline of the evaluation and contract award procedures is improved;
 30. Invites the Agency to further develop selection criteria in order to make them more realistic as they sometimes are ill-suited to the circumstances in which the Agency is operating;
 31. Welcomes the progress made in the area of tendering and encourages the Agency to further intensify its efforts in order to ensure that contracts awarded fully comply with all regulatory provisions;
 32. Notes that in its 2004 report the Court of Auditors stated in a review of operations entrusted to UNMIK an absence of adequate financial control when making payments and serious difficulties in closing operations, mainly due to an absence of adequate accounts for the projects and of sufficient justification for the expenditure; welcomes the significant efforts made by the Agency in 2005 to resolve this situation, but notes however that some problems for closing operations remained.
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DECISION OF THE EUROPEAN PARLIAMENT

of 24 April 2007

on closing the accounts of the European Agency for Reconstruction for the financial year 2005

(2008/538/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Agency for Reconstruction for the financial year 2005 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Agency for Reconstruction for the financial year 2005, together with the Agency's replies ⁽²⁾,
 - having regard to the Council's Recommendation of 27 February 2007 (5711/2007 — C6-0080/2007),
 - having regard to the EC Treaty, and in particular Article 276 thereof,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽³⁾, and in particular Article 185 thereof,
 - having regard to Council Regulation (EC) No 2667/2000 of 5 December 2000 on the European Agency for Reconstruction ⁽⁴⁾, and in particular Article 8 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of and Annex V to its Rules of Procedure,
 - having regard to the Report of the Committee on Budgetary Control (A6-0116/2007),
1. Notes that the final annual accounts of the European Agency for Reconstruction for the financial years 2004 and 2005 are as follows:

Revenue and expenditure account for the financial years 2004 and 2005

(in EUR 1000)

	2005	2004
Revenue		
EC subsidy	261 009	231 909
Recovery of expenses (re-use Title III)	546	1 229
Revenues from administrative operations (re-use Titles I and II)	210	181
Other operating revenue	1 076	6 113
Total operating revenue	262 841	239 432

⁽¹⁾ OJ C 266, 31.10.2006, p. 7.⁽²⁾ OJ C 312, 19.12.2006, p. 18.⁽³⁾ OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).⁽⁴⁾ OJ L 306, 7.12.2000, p. 7. Regulation as last amended by Regulation (EC) No 1756/2006 (OJ L 332, 30.11.2006, p. 18).⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

(in EUR 1000)

	2005	2004
Expenditure		
Administrative expenses		
— Staff expenses	15 727	17 575
— Other administrative expenses	7 212	6 290
Operational expenses		
— Centralised direct management	243 442	268 965
Total administrative and operational expenditure	266 381	292 830
Surplus/(Deficit) from operating activities	- 3 540	- 53 398
Extraordinary gains	0	738
Extraordinary losses	0	- 1 269
Economic result of the year	- 3 540	- 53 929

Source: The Agency's data — This table summarises the data provided by the Agency in its annual accounts.

2. Approves closing the accounts of the European Agency for Reconstruction for the financial year 2005;
3. Instructs its President to forward this Decision to the director of the European Agency for Reconstruction, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Harald RØMER

DECISION OF THE EUROPEAN PARLIAMENT**of 24 April 2007****on the discharge for implementation of the budget for the Sixth, Seventh, Eighth and Ninth European Development Funds for the financial year 2005**

(2008/539/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the Commission report on the follow-up to the 2004 discharge decisions (COM(2006) 0641 and its Annex SEC(2006) 1376),
- having regard to the financial statements and revenue and expenditure accounts for the Sixth, Seventh, Eighth and Ninth European Development Funds for the financial year 2005 (COM(2006) 0429 — C6-0264/2006) ⁽¹⁾,
- having regard to the report on the financial management of the Sixth, Seventh, Eighth and Ninth European Development Funds for the year 2005 (COM(2006) 0405),
- having regard to the Court of Auditors' annual report on the activities funded by the Sixth, Seventh, Eighth and Ninth European Development Funds for the financial year 2005, together with the audited institutions' replies ⁽²⁾,
- having regard to the statement of assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors pursuant to Article 248 of the EC Treaty ⁽³⁾,
- having regard to the Council's Recommendations of 27 February 2007 (6061/2007 — C6-0094/2007, 6062/2007 — C6-0095/2007, 6063/2007 — C6-0096/2007, 6064/2007 — C6-0097/2007),
- having regard to Article 33 of the Internal Agreement of 20 December 1995, between the representatives of the governments of the Member States meeting within the Council, on the financing and administration of the Community aid under the Second Financial Protocol to the fourth ACP-EC Convention ⁽⁴⁾,
- having regard to Article 32 of the Internal Agreement of 18 September 2000, between the representatives of the governments of the Member States meeting within the Council, on the financing and administration of Community aid under the Financial Protocol to the Partnership Agreement between the African, Caribbean and Pacific States and the European Community and its Member States signed in Cotonou (Benin) on 23 June 2000, and the allocation of financial assistance for the Overseas Countries and Territories to which Part Four of the EC Treaty applies ⁽⁵⁾,
- having regard to Article 276 of the EC Treaty,
- having regard to Article 74 of the Financial Regulation of 16 June 1998 applicable to development finance cooperation under the fourth ACP-EC Convention ⁽⁶⁾,
- having regard to Article 119 of the Financial Regulation of 27 March 2003 applicable to the Ninth European Development Fund ⁽⁷⁾,
- having regard to Rules 70 and 71, third indent, of and Annex V to its Rules of Procedure,

⁽¹⁾ OJ C 265, 31.10.2006, p. 1.

⁽²⁾ OJ C 263, 31.10.2006, p. 205.

⁽³⁾ OJ C 263, 31.10.2006, p. 213.

⁽⁴⁾ OJ L 156, 29.5.1998, p. 108.

⁽⁵⁾ OJ L 317, 15.12.2000, p. 355.

⁽⁶⁾ OJ L 191, 7.7.1998, p. 53.

⁽⁷⁾ OJ L 83, 1.4.2003, p. 1.

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- having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Development (A6-0115/2007),
- A. whereas, in its statement of assurance on the European Development Funds (EDFs), the Court of Auditors concludes that, with certain exceptions, the accounts for the financial year 2005 reliably reflect the revenue and expenditure for the financial year and the financial situation at the end of the year,
- B. whereas the Court of Auditors' conclusion on the legality and regularity of the underlying transactions is based, inter alia, on the audit of a sample of transactions,
- C. whereas the Court of Auditors, on the basis of the documentation examined, is of the opinion that the revenue entered in the accounts, the EDF allocations and the commitments and payments are, taken as a whole, legal and regular,
1. Grants the Commission discharge for implementation of the budget for the Sixth, Seventh, Eighth and Ninth European Development Funds for the financial year 2005;
2. Sets out its observations in the Resolution below;
3. Instructs its President to forward this Decision and the accompanying Resolution to the Council, the Commission, the Court of Justice, the Court of Auditors and the European Investment Bank, and to have them published in the *Official Journal of the European Union* (L series).

The President

Hans-Gert PÖTTERING

The Secretary-General

Harald RØMER

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 24 April 2007****with observations forming an integral part of the Decision on the discharge for implementation of the budget for the Sixth, Seventh, Eighth and Ninth European Development Funds for the financial year 2005**

THE EUROPEAN PARLIAMENT,

- having regard to the Commission report on the follow-up to the 2004 discharge decisions (COM(2006) 0641 and its annex SEC(2006) 1376),
- having regard to the financial statements and revenue and expenditure accounts for the Sixth, Seventh, Eighth and Ninth European Development Funds for the financial year 2005 (COM(2006) 0429 — C6-0264/2006) ⁽¹⁾,
- having regard to the report on the financial management of the Sixth, Seventh, Eighth and Ninth European Development Funds for the year 2005 (COM(2006) 0405),
- having regard to the Court of Auditors' annual report on the activities funded by the Sixth, Seventh, Eighth and Ninth European Development Funds for the financial year 2005, together with the audited institutions' replies ⁽²⁾,
- having regard to the statement of assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors pursuant to Article 248 of the EC Treaty ⁽³⁾,
- having regard to the Council's Recommendations of 27 February 2007 (6061/2007 — C6-0094/2007, 6062/2007 — C6-0095/2007, 6063/2007 — C6-0096/2007, 6064/2007 — C6-0097/2007),
- having regard to Article 33 of the Internal Agreement of 20 December 1995, between the representatives of the governments of the Member States meeting within the Council, on the financing and administration of the Community aid under the Second Financial Protocol to the fourth ACP-EC Convention ⁽⁴⁾,
- having regard to Article 32 of the Internal Agreement of 18 September 2000, between the representatives of the governments of the Member States meeting within the Council, on the financing and administration of Community aid under the Financial Protocol to the Partnership Agreement between the African, Caribbean and Pacific States and the European Community and its Member States signed in Cotonou (Benin) on 23 June 2000, and the allocation of financial assistance for the Overseas Countries and Territories to which Part Four of the EC Treaty applies ⁽⁵⁾,
- having regard to Article 276 of the EC Treaty,
- having regard to Article 74 of the Financial Regulation of 16 June 1998 applicable to development finance cooperation under the fourth ACP-EC Convention ⁽⁶⁾,
- having regard to Article 119 of the Financial Regulation of 27 March 2003 applicable to the Ninth European Development Fund ⁽⁷⁾,
- having regard to Rules 70 and 71, third indent, of and Annex V to its Rules of Procedure,
- having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Development (A6-0115/2007),

⁽¹⁾ OJ C 265, 31.10.2006, p. 1.

⁽²⁾ OJ C 263, 31.10.2006, p. 205.

⁽³⁾ OJ C 263, 31.10.2006, p. 213.

⁽⁴⁾ OJ L 156, 29.5.1998, p. 108.

⁽⁵⁾ OJ L 317, 15.12.2000, p. 355.

⁽⁶⁾ OJ L 191, 7.7.1998, p. 53.

⁽⁷⁾ OJ L 83, 1.4.2003, p. 1.

- A. whereas Article 119 of the Financial Regulation of 27 March 2003 requires the Commission to take all appropriate steps to act on the observations accompanying the Decision giving discharge and to report, at the request of the European Parliament, on the measures taken in the light of those observations and comments,
- B. whereas the Partnership Agreement between the members of the African, Caribbean and Pacific Group of States, of the one part, and the European Community and its Member States, of the other part, signed in Cotonou on 23 June 2000 ⁽⁸⁾, was revised by the agreement signed in Luxembourg on 25 June 2005 ⁽⁹⁾,

The statement of assurance

- 1. Notes that, notwithstanding the problems detailed below, the European Court of Auditors (ECA) is of the opinion that the accounts reliably reflect the revenue and expenditure relating to the Sixth, Seventh, Eighth and Ninth European Development Funds (EDFs):
 - a) the inability of the existing IT system to provide full accounting information;
 - b) incomplete information on bank guarantees, resulting in an understatement of guarantees of 4 %;
- 2. Notes that, with regard to the underlying transactions, the ECA is of the opinion that the revenue, EDF allocations, commitments and payments are, taken as a whole, legal and regular;
- 3. Recalls that about half of the total allocations consist of programmable aid, intended for the implementation of projects; observes that these funds are implemented in two steps: the Commission takes the financing decision — shown in the accounts as financial commitment; the conclusion of contracts — shown in the accounts as individual legal commitments — and the authorization of payments are carried out by the national authorising officer (NAO) of the country concerned, in accordance with the financing agreement between the Commission and that particular country;
- 4. Highlights that the ECA observed an increased risk of errors affecting transactions that fall within the responsibility of the NAOs; notes that, as regards individual legal commitments, the errors detected concerned, for example, the use of appropriate tendering procedures, in particular under the programme estimates and grant agreements, banking guarantees and the failure to meet deadlines for starting the implementation of programmes; observes that, with regard to payments, errors concerned the amounts of payments and other errors such as non-compliance with contractual obligations;
- 5. Recognises, in line with the ECA, the Commission's efforts to build the NAOs' management capacity by providing technical assistance, equipment and training; is however worried that the ECA may judge the results of these efforts to be variable; requests the Commission to refine its support strategy as regards problematic cases;

Enhancing accountability in the Commission's management of EDF funds

- 6. Recalls that, in the previous discharge Resolution, Parliament called upon the Commission to clarify the breakdown of the Commissioners' responsibilities as regards the EDF and external aid; is conscious of the Commission's position that the division of responsibilities, despite a certain complexity due to the need for coordination of different Commission services, works well in practice; nevertheless, calls upon the Commission to reflect on possible ways to simplify the current management structure in order to minimise the risk of ambiguities as regards responsibilities for the EDF;

⁽⁸⁾ OJ L 317, 15.12.2000, p. 3.

⁽⁹⁾ OJ L 287, 28.10.2005, p. 4.

Stepping up democratic control over EDF funds managed by the European Investment Bank

7. Notes that, out of the total initial allocation of the Ninth EDF, which amounts to EUR 13 800 million, the European Investment Bank (EIB) is responsible for EUR 2 200 million, which is spent through the EDF investment facility; observes that the investment facility is neither covered by the ECA's statement of assurance nor by the Parliament's discharge procedure;
8. Proposes that the EIB give an account of its management of the EDF investment facility before Parliament's Committee on Budgetary Control and points out that, pursuant to Title VII of the Financial Regulation applicable to the Ninth EDF, the EIB-managed EDF accounts are subject to examination by the ECA;
9. Reiterates the view taken in previous discharge Resolutions that there is a certain discrepancy in the current EDF Financial Regulation as regards the EDF accounts: whereas, in the course of the discharge procedure, the Commission presents the consolidated EDF accounts to Parliament including the financial statements and information supplied by the EIB, Parliament subsequently only examines the accounts excluding the information provided by the EIB;
10. Recalls that the ECA, in its Opinion No 12/2002 ⁽¹⁰⁾, regretted that the EDF operations managed by the EIB were not subject to a discharge procedure involving the Parliament and the Council; supports the ECA's arguments that those operations were conducted by the EIB on behalf of and at the Community's risk and that, in the beginning, the funds for those operations were contributed by European taxpayers and not by the financial markets;
11. Is convinced that transparency and democratic control over EDF funds managed by the EIB would be strengthened if these operations were subject to a discharge procedure involving the Parliament and the Council; calls on Member States, the Commission and the EIB to address this issue during the forthcoming revision of the EDF Financial Regulation;

Tackling resource constraints

12. Concludes once again that integration of the EDF into the EU budget would enhance the overall consistency of European development cooperation, ensure greater transparency and effectiveness and facilitate democratic scrutiny;
13. Is concerned that the Commission, in its financial management report, indicates that, due to resource constraints, some areas of financial control were overlooked, with the monitoring of Stabex programmes and the implementation of ex post controls constituting appropriate examples; furthermore notes that annual activity reports by both DG AIDCO (EuropeAid) and DG Development predict a shortage of staff in the face of significant increases in workload during the coming years;
14. Notes that the Commission uses benchmarks derived from the comparison with other donors, and that the Commission has set itself the target of maintaining a ratio of 4,5 staff per EUR 10 million of assistance; is of the opinion that the fact of reaching a certain overall ratio of staff per EUR 10 million of assistance cannot in itself give the discharge authority sufficient assurance that implementation and financial control do not suffer from the existing shortage of staff as recognised by the Commission itself;
15. Requests, in line with the ECA, that the Commission, in its financial management report for 2006, indicates the priorities which have been established as a result of the existing resource constraints and the impact on the implementation of the EDFs;
16. Calls upon the Commission to review its audit strategy and to reorganise existing audit structures and staff and, not least in view of the possible resource constraints, to consider closer cooperation with national experts from the Member States' administrations in the financial management of EDF funds in general and the extended use of well known and highly reputable private enterprises from the Member States in the execution of programmes and individual projects;

⁽¹⁰⁾ OJ C 12, 17.1.2003, p. 19.

Building solid IT systems for accounting and management purposes

17. Shares the ECA's concerns with regard to the fact that the current accounting system did not deliver full accounting information for the financial year 2005 and that, therefore, the accounts had to be complemented manually in order to comply with accrual accounting principles;
18. Is worried about the result of an audit of EuropeAid's local IT system carried out by EuropeAid's internal audit capacity, stating that application controls were adequate, but that system administration and system security only met the minimum standards according to 'leading practices';
19. Notes that the management of EDF funds will be migrated to the same IT system used for the management of development aid financed from the general budget (CRIS — ABAC); observes that the migration has been delayed and is now scheduled to be carried out by the end of 2007, on time for the start of the Tenth EDF in 2008; calls upon the Commission to inform Parliament about the results of the migration process; expects the Commission to ensure that during the migration process complete and reliable accounting information be provided to the ECA and the discharge authority;
20. Welcomes the Commission's willingness to inform Parliament about the integration of the financial administration of the EDF into the Common RELEX Information System (CRIS) in July and then again in September;
21. Supports the Commission's intention to improve EuropeAid's IT system not only as regards its functioning as an accounting tool, but also as a management tool; requests the Commission, in this context, to pay particular attention to an improved and coherent follow-up of audit findings;

Evaluating the impact of EU funding of development aid through the EDF

22. Is convinced that measuring the output of EU development aid funded through the EDF requires — as a first step — that the Commission work with the partners in the beneficiary countries towards setting as precise objectives as possible, which allow for progress to be easily and exactly measured at each stage of implementation;
23. Notes that the Commission, in its follow-up to the 2004 discharge which was presented in October 2006, indicates that, with regard to the 2007-2013 round of country programming, it is in the process of developing recommendations for the use of meaningful indicators in each of the domains of concentration covered by the programming documents;
24. Considers that it is crucial that meaningful performance indicators be included in the programming process right from the beginning; calls upon the Commission to indicate, in its financial management report for 2006, to what extent the recommendations for the setting of performance indicators have been implemented in time in the programming process for the period 2007-13;
25. Expects the Commission to instruct its delegations in the beneficiary countries as a general rule to spell out in its reports the practical results of the deployment of EU funds so that the Commission can gauge and publicise the results of EU development cooperation;

Further improving the implementation of EDF funds

26. Is hopeful that the forecast in the performance assessment will come true, stating that all funds of the Ninth EDF will be committed by the end of 2007 when the Ninth EDF expires; requests the Commission to inform Parliament, in time for the discharge concerning the financial year 2006, about the evolution of the commitments concerning the Ninth EDF, the situation with regard to previous EDFs and the situation with regard to payments;
27. Recalls that the reduction of outstanding commitments (*reste à liquider* (RAL)) has been a long-standing concern of Parliament in previous discharge exercises; supports the Commission's recent initiatives to reduce the RAL; notes that, in 2006, the RAL was reduced for the first time and now stands at EUR 10 324 million; notes that the 'old' RAL, i.e. commitments which are over five years old, has been

reduced from EUR 1,62 billion to EUR 867 million; notes that the dormant commitments, i.e. those for which no contract has been signed and for which no payments have been made over the last two years, have been reduced from EUR 350 million to EUR 285 million; requests the Commission to pursue its efforts to reduce the RAL and to report back, in detail, to the discharge authority on progress made;

28. Notes that the report on financial management for the financial year 2005 was forwarded late; expects the Commission to provide, in its financial management report for the financial year 2006, more detailed information as requested by the ECA, in particular information on the strategy to reduce the level of dormant commitments;
29. Welcomes the fact that the share of EU funding spent on the basic health and basic education sectors was raised from 4,98 % to 6,83 %; regrets however the fact that this share is still far removed from the 20 % target which it set in the 2005 budget; cannot accept the fact that the Commission is using the legitimate and necessary objective of better donor coordination and work-sharing between donors as an excuse for too low a level of investment in the basic health and basic education sectors and urges it to adopt measures forthwith to achieve the 20 % target and inform Parliament in writing at least twice a year about the progress of implementation and about the factors taken into account in the calculation;
30. Regrets the fact that the Commission has not so far developed any comprehensive strategy together with the beneficiary countries for making the health and education sectors priorities in the new country strategy papers;
31. Further regrets that, despite assurances to the contrary from the Commission, country strategy papers currently under preparation generally lack a clear Millenium Development Goal (MDG) profile, not to mention specific targets and timetables for achieving each MDG, and fail to treat adequately the Community's contribution to achieving them;
32. Calls on the Commission to keep a closer watch on the emigration of skilled labour from developing countries to EU countries and to propose appropriate measures for enabling skilled people from developing countries to remain in, or return to, their home countries so that action by donors, for example in the health and education sectors, can be of long-term and effective benefit in combating poverty in the developing countries;
33. Welcomes the Commission's efforts to implement the strategy for incorporating the environment into development cooperation, and calls on the Commission to continue to press ahead with the environmental dimension in development policy, including measures to promote environmentally friendly energy supply;

Ensuring sound financial management with regard to budget support

34. Observes that the Commission considers budget support granted to the beneficiary countries to be an ever more important tool for efficient delivery of development policies; notes that the share of EDF commitments in the field of general and sectoral budget support rose considerably, from 18 % in 2004 to 32 % in 2005;
35. Points out that the ECAs' control powers in the field of budget support are limited; quotes the example that, with regard to the legality and regularity of underlying transactions, the ECA can only verify that the relevant conditions have been properly assessed by the Commission; therefore, strongly supports the ECAs' request that the Commission should set out in a structured and detailed manner, in its financial management report for 2006, the criteria leading to the Commission's conclusions on the relevant country's eligibility for budget support; welcomes the Commission's commitment to provide the information requested;
36. Reiterates that Parliament, in line with the ECA, attaches great importance to the role of national supreme audit institutions (SAIs) in countries which are the recipients of budget support; insists on receiving, as requested in the previous discharge resolution, the Commission's assessment of the different possibilities for the European Community to cooperate with those SAIs;

37. Welcomes the Commission's initiative to support twinning projects involving national experts from Member States' SAIs and SAIs in budget support recipient countries, such as the cooperation between the UK National Audit Office and the Ghana Audit Office; asks the Commission to further explore the use of expertise of Member States' SAIs in order to step up public financial control in the partner countries;

Supervisory and control systems

38. Notes the ECAs' view that a coherent overall control strategy with regard to the management of EDF funds and external aid has yet to be established; welcomes the ECAs' concrete recommendations for elements to be included in this strategy; observes that the Commission's Action Plan towards an Integrated Internal Control Framework ⁽¹¹⁾ envisages common guidelines which are to be established for each policy family and that this should result in clearer and more coherent reporting in the annual activity reports; recognises the Commission's willingness to further improve the supervisory and control systems and the concrete measures it proposed in this respect; asks the Commission to report, in the light of the ECAs' concrete recommendations, on the progress achieved in the forthcoming annual activity reports;
39. Welcomes the fact that the ECA has recorded an improvement in the Commission's supervisory and control systems; regrets however the fact that this improvement does not extend to supervision, control and audit of the implementing institutions; considers it unacceptable that, as a result, such a large number of material errors continue to occur at a central point in the chain between the European taxpayer and the final beneficiary in the developing country;
40. Calls on the Commission to develop and implement a comprehensive approach towards supervision, control and audit of the implementing organisations so as to ensure the proper application of contractual procedures by the implementing organisations, which has too often not been the case hitherto;
41. Calls on the Commission, with a view to improving financial supervision, to ensure that EuropeAid provides better support for the operational financial personnel in delegations and central services, arranges for better risk analysis focusing on particularly high-risk sectors and more monitoring visits, achieves better central supervision of performance and follow-up of external audits initiated by delegations and central services and initiates fewer *ex post* verifications while at the same time improving their scope, timing and quality control;
42. In general, strongly supports the ECAs' request that the Commission should set out in detail how it has followed up the ECAs' audit findings in the annual activity reports and in the reports on financial management of the EDF funds.
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⁽¹¹⁾ OJ C 67, 18.3.2006, p. 32.

DECISION OF THE EUROPEAN PARLIAMENT**of 24 April 2007****on closing the accounts for implementation of the budget for the Sixth, Seventh, Eighth and Ninth European Development Funds for the financial year 2005**

(2008/540/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the Commission report on the follow-up to the 2004 discharge decisions (COM(2006) 0641 and its annex SEC(2006) 1376),
- having regard to the financial statements and revenue and expenditure accounts for the Sixth, Seventh, Eighth and Ninth European Development Funds for the financial year 2005 (COM(2006) 0429 — C6-0264/2006) ⁽¹⁾,
- having regard to the report on the financial management of the Sixth, Seventh, Eighth and Ninth European Development Funds for the year 2005 (COM(2006) 0405),
- having regard to the Court of Auditors' annual report on the activities funded by the Sixth, Seventh, Eighth and Ninth European Development Funds for the financial year 2005, together with the audited institutions' replies ⁽²⁾,
- having regard to the statement of assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors pursuant to Article 248 of the EC Treaty ⁽³⁾,
- having regard to the Council's Recommendations of 27 February 2007 (6061/2007 — C6-0094/2007, 6062/2007 — C6-0095/2007, 6063/2007 — C6-0096/2007, 6064/2007 — C6-0097/2007),
- having regard to Article 33 of the Internal Agreement of 20 December 1995, between the representatives of the governments of the Member States meeting within the Council, on the financing and administration of the Community aid under the Second Financial Protocol to the fourth ACP-EC Convention ⁽⁴⁾,
- having regard to Article 32 of the Internal Agreement of 18 September 2000, between the representatives of the governments of the Member States meeting within the Council, on the financing and administration of Community aid under the Financial Protocol to the Partnership Agreement between the African, Caribbean and Pacific States and the European Community and its Member States signed in Cotonou (Benin) on 23 June 2000, and the allocation of financial assistance for the Overseas Countries and Territories to which Part Four of the EC Treaty applies ⁽⁵⁾,
- having regard to Article 276 of the EC Treaty,
- having regard to Article 74 of the Financial Regulation of 16 June 1998 applicable to development finance cooperation under the fourth ACP-EC Convention ⁽⁶⁾,
- having regard to Article 119 of the Financial Regulation of 27 March 2003 applicable to the Ninth European Development Fund ⁽⁷⁾,

⁽¹⁾ OJ C 265, 31.10.2006, p. 1.

⁽²⁾ OJ C 263, 31.10.2006, p. 205.

⁽³⁾ OJ C 263, 31.10.2006, p. 213.

⁽⁴⁾ OJ L 156, 29.5.1998, p. 108.

⁽⁵⁾ OJ L 317, 15.12.2000, p. 355.

⁽⁶⁾ OJ L 191, 7.7.1998, p. 53.

⁽⁷⁾ OJ L 83, 1.4.2003, p. 1.

- having regard to Rules 70 and 71, third indent, of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Development (A6-0115/2007),
1. Notes that the final annual accounts of the Sixth, Seventh, Eighth and Ninth European Development Funds are as follows:

Table 1

Cumulative utilisation of EDF resources as at 31 December 2005

(million euro)

	Situation at end of 2004		Budgetary implementation during the financial year 2005					Situation at end of 2005					
	Global amount	Implementation rate % ⁽²⁾	6 th EDF	7 th EDF	8 th EDF	9 th EDF	Global amount	6 th EDF	7 th EDF	8 th EDF	9 th EDF	Global amount	Implementation rate % ⁽²⁾
A — RESOURCES ⁽¹⁾	43 801,8		- 24,6	- 86,1	- 275,1	1 038,9	653,2	7 414,8	10 781,6	11 315,6	14 943,0	44 455,0	
B — UTILISATION													
1. Financial commitments	35 692,2	81,5	- 24,6	- 86,1	- 275,1	3 420,8	3 035,1	7 414,8	10 781,6	11 315,6	9 215,3	38 727,3	87,1
2. Individual legal commitments	30 313,2	69,2	- 1,3	110,5	472,0	2 070,9	2 652,1	7 377,0	10 529,0	10 247,2	4 812,1	32 965,3	74,2
3. Payments ⁽²⁾	25 918,0	59,2	21,6	235,3	854,1	1 373,7	2 484,7	7 333,7	10 084,9	8 385,2	2 598,9	28 402,7	63,9
C — Outstanding payments (B1 – B3)	9 774,2	22,3						81,1	696,7	2 930,3	6 616,4	10 324,5	23,2
D — Available balance (A – B1)	8 109,6	18,5						0,0	0,0	0,0	5 727,7	5 727,7	12,9

⁽¹⁾ Initial allocations to the 6th, 7th, 8th and 9th EDFs, interest, sundry resources and transfers from previous EDFs.

⁽²⁾ As a percentage of resources.

Source: Court of Auditors, based on the EDF reports on financial implementation and financial statements at 31 December 2005.

2. Approves closing the accounts for the implementation of the budget for the Sixth, Seventh, Eighth and Ninth European Development Funds for the financial year 2005;
3. Instructs its President to forward this Decision to the Council, the Commission, the Court of Justice, the Court of Auditors and the European Investment Bank, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President

Hans-Gert PÖTTERING

The Secretary-General

Harald RØMER
