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 European Parliament,

— having regard to the European Union general budget for the financial year 2005 (1),


— 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 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 (1) and its special reports, each accompanied by the replies of the institutions audited,

— 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 (2),

— 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 (3), and in particular Articles 145, 146 and 147 thereof,


— 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 (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 (1), 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 (2) and 27 April 2006 (3), 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,

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 (4),

I. whereas point 44 of the IIA of 17 May 2006 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 abovementioned 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,

(4) See Council document 14138/05.
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 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 (1), 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;

(1) 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 (1), 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;

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 (1) 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;

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

(1) 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.
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 (1);

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;

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;

(1) 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.
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' (1);

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;

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;

(1) 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.
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 (1);

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;

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 (1) 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 though 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 (2)); 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;

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;


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;

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

Considers the overall implementation rates of the budget headings for environment, public health and food safety satisfactory;

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;

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;

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

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;

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;

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 shortcomings in the auditing procedures applied;

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;

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) (1);

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

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;

(1) In its Communication ‘Synthesis of the Commission’s management achievements in 2005’.
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 (1), 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;

(1) Paragraph 2.2.1.2. of the OIB’s Annual Activity Report, ‘Risk management’, page 23.
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;

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 coordination 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 (1) 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;

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 feedback from past experience and also to ensure clear information on ongoing 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 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 (1) 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;

(1) According to the Court these figures cover costs for translators, secretaries, management, service staff, planning, buildings, IT and human resource management (i.e. training).
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 (1);

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;

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.

(1) See paragraphs 53 and 88 of the Court’s report.