RESOLUTION OF THE EUROPEAN PARLIAMENT
of 23 April 2009
with observations forming an integral part of the Decision on discharge in respect of the implementation of the budget of the European Union Agency for Fundamental Rights for the financial year 2007

THE EUROPEAN PARLIAMENT,

— having regard to the final annual accounts of the European Union Agency for Fundamental Rights for the financial year 2007 (1),
— having regard to the Court of Auditors’ report on the final annual accounts of the European Union Agency for Fundamental Rights for the financial year 2007, together with the Agency’s replies (2),
— having regard to the Council’s recommendation of 10 February 2009 (5588/2009 — C6-0060/2009),
— having regard to the EC Treaty, and in particular Article 276 thereof,
— having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities (3), and in particular Article 185 thereof,
— having regard to Council Regulation (EC) No 168/2007 of 15 February 2007 establishing a European Union Agency for Fundamental Rights (4), and in particular Article 21 thereof,
— having regard to Rule 71 of, and Annex V to, its Rules of Procedure,
— having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A6-0176/2009),

A. whereas the Court of Auditors (ECA) stated that it has obtained reasonable assurance that the annual accounts for the financial year 2007 are reliable, and the underlying transactions are legal and regular,
B. whereas on 22 April 2008 Parliament granted the Director of the European Union Agency for Fundamental Rights discharge in respect of the implementation of the Agency’s budget for the financial year 2006 (6),

1. Notes that Regulation (EC) No 168/2007 established the European Agency for Fundamental Rights, which succeeded the European Monitoring Centre on Racism and Xenophobia (EUMC) and extended its mandate with effect from 1 March 2007;
2. Recalls that the Agency should strive for synergies and avoid overlaps with other institutions active in the field of human rights, in particular the Council of Europe, as requested in Parliament’s Resolution of 14 January 2009 (7);
3. Regrets that the deadline for Parliament’s discharge decision in Article 21(10) of Regulation (EC) No 168/2007 was set at 30 April of year n + 2 and not harmonised with the new deadline of 15 May of year n + 2 provided for in the amended Regulation (EC, Euratom) No 2343/2002 as amended (8);

4. Notes from the Agency's report on budgetary and financial management 2007 that it started using ABAC (accrual based accounting) in August 2007;

5. Welcomes the ECA's observations that, despite the transition from the EUMC to the Agency and the considerable increase in the budget (EUR 14 200 000 as compared to EUR 9 300 000 allocated to EUMC in the previous year), almost all appropriations were committed (EUR 13 900 000) in 2007;

6. Notes that OLAF has opened an investigation concerning the Agency; calls on the Agency and on the Director in particular to fully cooperate with OLAF; requests that OLAF, the Agency and the Commission inform the discharge authority of the results of the investigation and possible follow-up measures as soon as possible;

**Weaknesses in budget implementation due to the transition from EUMC to FRA**

7. Notes the ECA's finding that, however, EUR 7 500 000 had to be carried over due to the extension of the Agency's mandate in 2007, which triggered a delay in the adoption of the new work programme, the appointment of the new Director and the implementation of its activities;

8. Encourages the Agency to make up for the delays and minimise cancellations of appropriations carried over, as promised in its answers to the ECA, and to report on progress made in its report on budgetary and financial management 2008;

9. Notes that the ECA also found that the Agency, through amendments to its budgets and various transfers, decreased staff expenditure budget lines by EUR 798 000, thus avoiding cancellations of unused appropriations for staff expenditure;

10. Acknowledges the Agency's reply that the amendments to the budget and the transfers were closely linked to the transition and, thus, exceptional;

**Weaknesses in procurement procedures**

11. Notes the ECA's finding with regard to one procurement procedure that the published evaluation method indirectly decreased the relative importance of the price criterion, which may have deterred some potential bidders and was not in line with the principle of sound financial management;

12. Accepts the Agency's reply that, although the method it used was in compliance with the Financial Regulation, it will introduce a new evaluation method proposed by the Commission in order to obtain best value for money;

**Follow-up to previous discharge exercises**

13. Recalls that for the 2004 financial year, the ECA issued a qualified statement of assurance for the EUMC due to weaknesses in procurement procedures, and that for the 2005 and 2006 financial years the ECA also made critical observations concerning procurement procedures;

14. Requests the Agency therefore to pay particular attention to the legality of its procurement procedures;

15. Refers for other observations accompanying its Decision on discharge which are of a horizontal nature to its Resolution of 23 April 2009 on financial management and control of EU agencies (\(^1\)).

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(\(^1\)) See page 206 of this Official Journal.