

COUNCIL DECISION

of 24 July 1973

giving a discharge to the Commission in respect of the implementation of transactions of the European Development Fund (1963) (Second EDF) for the financial year 1970

(73/243/EEC)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community;

Having regard to the Convention of Association ⁽¹⁾ between the European Economic Community and the African and Malagasy States associated with that Community, signed at Yaoundé on 20 July 1963;

Having regard to the Council Decision ⁽²⁾ of 25 February 1964 relating to the Association of Overseas Countries and Territories with the European Economic Community;

Having regard to the Internal Agreement ⁽³⁾ concerning the financing and administration of Communities' aid, signed at Yaoundé on 20 July 1963, hereinafter referred to as the 'Internal Agreement', and in particular Article 17 thereof;

Having regard to the Financial Regulation ⁽⁴⁾ of the European Development Fund set up under the Internal Agreement, and in particular Articles 7 and 8 thereof;

Having regard to the revenue and expenditure accounts, the statement and the summary of the transactions of the European Development Fund (1963) (2nd EDF), adopted on 31 December 1970;

Having regard to the report of the Audit Board on the accounts for the financial year 1970, to which report are annexed the Commission's replies to comments made by the Audit Board ⁽⁵⁾;

Having examined the remarks of the European Parliament on the transactions of the Development Funds on the occasion of its Decision of 9 May 1973 on 'the discharge to be given to the Commission in respect of the implementation of the budget of the European Communities for the financial year 1970 and on the report of the Audit Board', hereinafter referred to as the 'Discharge Decision';

Recalling that, in accordance with the provisions applicable to the implementation of the European Development Fund (1963) (2nd EDF), only the Council, acting by a qualified majority, shall give a discharge to the Commission in respect of the financial administration of the Fund;

Adopting the other remarks of the European Parliament, and in particular those in points 25 — 27 of Section III of its Discharge Decision for the financial year 1970;

Whereas revenue for the financial year 1970 consisted mainly of the contributions of the Member States, amounting to 370 million units of account, and of the Fund's own revenue; whereas, moreover, a loan of 57 743 933 units of account was granted from the treasury of the Development Fund for Overseas Countries and Territories (1st Fund);

Whereas the overall implementation by the Commission of the transactions of the European Development Fund during the financial year 1970 was such as to entitle it to be given a discharge in respect of the implementation of these transactions;

HAS DECIDED AS FOLLOWS:

Article 1

The views of the Council on Comments 229 and 233 of the Audit Board are as set out in the Annex.

⁽¹⁾ OJ No 93, 11. 6. 1964, p. 1431/64.

⁽²⁾ OJ No 93, 11. 6. 1964, p. 1472/64.

⁽³⁾ OJ No 93, 11. 6. 1964, p. 1493/64.

⁽⁴⁾ OJ No 93, 11. 6. 1964, p. 1498/64.

⁽⁵⁾ This report is available from the institutions of the Communities.

Article 2

The Council closes the expenditure and revenue accounts of the European Development Fund (1963) on 31 December 1970 as follows:

Revenue

at the sum of 371 496 409.93 u.a.

Expenditure (payments)

at the sum of 383 124 529.41 u.a.

Article 3

The Council gives a discharge to the Commission in respect of the implementation of the transactions of the European Development Fund (1963) (2nd EDF) for the financial year 1970.

Done at Brussels, 24 July 1973.

For the Council

The President

I. NØRGAARD

ANNEX

1. *Comment No 229* by the Audit Board on delays in implementing investment projects and the consequent exceeding of appropriations.

The Council points out that, at its 237th meeting on 2 and 3 April 1973, it adopted a 'Resolution on the exceeding of appropriations during implementation of projects financed by the European Development Fund'. The Council, concerned not only by the financial but also the political effects of exceeding appropriations, resulting in an appreciable increase in the final cost of these projects, and anxious, moreover, to retain for the European Development Fund the widest possible powers of intervention for the benefit of the Associated States, countries and territories, accordingly approved in the Resolution the Commission's policy in this matter and found, in agreement with the Commission, that the administrative rules currently in force should be supplemented by certain new measures, set forth in the abovementioned Resolution, to provide more effective safeguards against exceeding appropriations.

2. *Comment No 233* by the Audit Board on the programme to train junior and senior management and administrative staff for the Congo Transport Office (OTRACO).

The Council, noting the Audit Board's intention to comment in detail on the implementation of this training programme after it has checked that the files on this subject are closed, agrees to postpone its discussion on the Audit Board's remarks until the latter has adopted its final position.
