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II

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

DECISIONS

EUROPEAN PARLIAMENT

DECISION OF THE EUROPEAN PARLIAMENT

of 23 April 2009

on discharge in respect of the implementation of the European Union general budget for the financial year 2007, Section I — European Parliament

(2009/628/EC, Euratom)

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2007 ⁽¹⁾,
- having regard to the final annual accounts of the European Communities for the financial year 2007 — Volume I (SEC(2008) 2359 — C6-0416/2008) ⁽²⁾,
- having regard to the report on budgetary and financial management — financial year 2007, Section I — European Parliament ⁽³⁾,
- having regard to the Internal Auditor's annual report for 2007,
- having regard to the Annual Report of the Court of Auditors on the implementation of the budget concerning the financial year 2007, together with the audited institutions' replies ⁽⁴⁾,
- having regard to the statement of assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors pursuant to Article 248 of the EC Treaty ⁽⁵⁾,
- having regard to Articles 272(10) and 275 of the EC Treaty and Article 179a of the Euratom Treaty,
- having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁶⁾, and in particular Articles 145, 146 and 147 thereof,

⁽¹⁾ OJ L 77, 16.3.2007.

⁽²⁾ OJ C 287, 10.11.2008, p. 1.

⁽³⁾ OJ C 148, 13.6.2008, p. 1.

⁽⁴⁾ OJ C 286, 10.11.2008, p. 1.

⁽⁵⁾ OJ C 287, 10.11.2008, p. 111.

⁽⁶⁾ OJ L 248, 16.9.2002, p. 1.

- having regard to Article 13 of the Internal Rules on the implementation of the European Parliament's budget ⁽¹⁾,
 - having regard to Article 147(1) of the Financial Regulation, which requires each Community institution to take all appropriate steps to act on the observations accompanying the European Parliament's discharge decision,
 - having regard to its Resolution of 15 March 2006 on the guidelines for the 2007 budget procedure, Sections II, IV, V, VI, VII, VIII(A) and VIII(B) and on the European Parliament's preliminary draft estimates (Section I) for the 2007 budget procedure ⁽²⁾,
 - having regard to Rules 71 and 74(3) of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0184/2009),
- A. whereas the Court of Auditors' audit states that, as regards administrative expenditure in 2007, all the institutions operated satisfactorily the supervisory and control systems required by the Financial Regulation, and the transactions tested were free from material error ⁽³⁾,
- B. whereas the Secretary-General certified on 3 June 2008 his reasonable assurance that Parliament's budget has been implemented in accordance with the principles of sound financial management and that the control framework put in place provides the necessary guarantees as to the legality and regularity of the underlying operations,
1. Grants its President discharge in respect of the implementation of the European Parliament's budget for the financial year 2007;
 2. Sets out its observations in the Resolution below;
 3. Instructs its President to forward this Decision and the Resolution that forms an integral part of it to the Council, the Commission, the Court of Justice, the Court of Auditors, the European Ombudsman and the European Data Protection Supervisor, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Klaus WELLE

⁽¹⁾ PE 349.540/Bur/ann/fin.

⁽²⁾ OJ C 291 E, 30.11.2006, p. 311.

⁽³⁾ OJ C 286, 10.11.2008, point 11.6.

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 European Union general budget for the financial year 2007, Section I — European Parliament**

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2007 ⁽¹⁾,
 - having regard to the final annual accounts of the European Communities for the financial year 2007 — Volume I (SEC(2008) 2359 — C6-0416/2008) ⁽²⁾,
 - having regard to the report on budgetary and financial management — financial year 2007, Section I — European Parliament ⁽³⁾,
 - having regard to the Internal Auditor's annual report for 2007,
 - having regard to the Annual Report of the Court of Auditors on the implementation of the budget concerning the financial year 2007, together with the audited institutions' replies ⁽⁴⁾,
 - having regard to the statement of assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors pursuant to Article 248 of the EC Treaty ⁽⁵⁾,
 - having regard to Articles 272(10) and 275 of the EC Treaty and Article 179a of the Euratom Treaty,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁶⁾, and in particular Articles 145, 146 and 147 thereof,
 - having regard to Article 13 of the Internal Rules on the implementation of the European Parliament's budget ⁽⁷⁾,
 - having regard to Article 147(1) of the Financial Regulation, which requires each Community institution to take all appropriate steps to act on the observations accompanying the European Parliament's discharge decision,
 - having regard to its Resolution of 15 March 2006 on the guidelines for the 2007 budget procedure, Sections II, IV, V, VI, VII, VIII(A) and VIII(B) and on the European Parliament's preliminary draft estimates (Section I) for the 2007 budget procedure ⁽⁸⁾,
 - having regard to Rules 71 and 74(3) of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0184/2009),
- A. whereas the Court of Auditors' audit states that, as regards administrative expenditure in 2007, all the institutions operated satisfactorily the supervisory and control systems required by the Financial Regulation, and the transactions tested were free from material error ⁽⁹⁾,

⁽¹⁾ OJ L 77, 16.3.2007.

⁽²⁾ OJ C 287, 10.11.2008, p. 1.

⁽³⁾ OJ C 148, 13.6.2008, p. 1.

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⁽⁷⁾ PE 349.540/Bur/ann/fin.

⁽⁸⁾ OJ C 291 E, 30.11.2006, p. 311.

⁽⁹⁾ OJ C 286, 10.11.2008, point 11.6.

- B. whereas the Secretary-General certified on 3 June 2008 his reasonable assurance that Parliament's budget has been implemented in accordance with the principles of sound financial management and that the control framework put in place provides the necessary guarantees as to the legality and regularity of the underlying operations,

Major changes in Parliament's budget management during the 2004-2009 parliamentary term

1. Recalls that this discharge is the last of the 2004-2009 parliamentary term, during which a large number of changes in EU budgetary management, in general, and in Parliament's management, in particular, have taken place;
2. Recalls that during this parliamentary term the new Financial Regulation was fully implemented and revised again in 2008, which brought about major changes in financial management, in particular by tightening procurement rules and improving the control chain structure of financial procedures, increasing the responsibility of authorising officers and decentralising financial control; notes that these changes have entailed additional qualified staff and administrative work, and are recognised by Parliament's Directorates-General as having been effective in improving sound financial management;
3. Notes however that the Financial Regulation may need a more thorough review as some of the procedures have proved to be too cumbersome for application by Parliament's services; regrets that this has led to an increase in exceptions (as listed in the annexes to the Annual Activity Reports);
4. Recalls that the new Financial Regulation, requiring a substantial increase in specialised staff, entered into force at the same time as the revised Staff Regulations and Rules applicable to other servants ⁽¹⁾, putting a number of constraints on Parliament's administration;
5. Recalls that, in 2004, 10 new Member States and, in 2007, Bulgaria and Romania joined the EU, which was the main reason for an increase of staff from 4 662 on 1 January 2004 (all categories) to 6 101 on 31 December 2008; welcomes therefore the efforts of Parliament's administration to handle this large increase of staff expeditiously; notes also that almost all the additional posts are related to the impact of enlargement, and the net increase of non-enlargement related staff is only 1,2 %;
6. Notes that in 2007, 99,9 % of payments from the parliamentary assistance allowance were found to be regularly justified, and that the increase in this rate was attributable to the improved procedures adopted by the Bureau in relation to supporting documentation, as well as the considerable efforts by the administration and increased awareness among Members;
7. Highlights the fact that for the first time since the creation of Parliament, the Member States were able to agree on a European Statute for its Members; this Statute will allow the equal remuneration and insurance of all Members and put an end to the substantial discrepancies in their national salaries, and will introduce a transparent system for all types of allowance and remuneration;
8. Recalls that the adoption of a Statute for Assistants was one of the priorities highlighted in the resolution on budget guidelines for 2007; welcomes in this respect the Council's adoption on 19 December 2008 of the Commission's proposal (COM(2008) 786) as amended by Parliament ⁽²⁾; its entry into force in July 2009 should allow a major increase in the transparency of the use of these funds and guarantee full respect for assistants' social and employment rights;

⁽¹⁾ Council Regulation (EC, Euratom) No 723/2004 of 22 March 2004 amending the Staff Regulations of officials of the European Communities and the Conditions of Employment of other servants of the European Communities (OJ L 124, 27.4.2004, p. 1).

⁽²⁾ OJ L 55, 27.2.2009, p. 1.

Report on budgetary and financial management ⁽¹⁾

9. Notes that in 2007 Parliament received revenue amounting to EUR 144 449 007 (EUR 126 126 604 in 2006);

Final accounts 2007 (in EUR)

10. Takes note of the figures on the basis of which Parliament's accounts for the financial year 2007 were closed, namely:

(a) Available appropriations	
appropriations for 2007	1 397 460 174
non-automatic carry-overs from the financial year 2006	4 817 000
automatic carry-overs from the financial year 2006	188 746 822,24
appropriations corresponding to assigned revenue for 2007	42 522 400,66
carry-overs corresponding to assigned revenue from the financial year 2006	34 640 774,58
Total	1 668 187 171,48
(b) Utilisation of appropriations in the financial year 2007	
commitments	1 594 372 252,26
payments made	1 329 131 440,46
payments outstanding and appropriations not committed arising from assigned revenue	263 564 514,64
appropriations carried forward including those arising from assigned revenue	263 564 514,64
appropriations cancelled	31 691 180,38
(c) Budgetary receipts	
received in 2007	144 449 007,32
(d) Total balance sheet at 31 December 2007	
	1 788 830 683

11. Notes that authorised appropriations in Parliament's initial budget for 2007 totalled EUR 1 397 460 174, representing a 6 % increase over the 2006 budget (EUR 1 321 600 000), and that no amending budget was introduced in 2007;
12. Points out that rather than returning unspent money to the Member States, Parliament decided — as in previous years — to conduct an end-of-year 'mopping-up' transfer from various budget lines amounting to EUR 25 000 000 (2006: EUR 37 246 425) intended for the purchase of a building in Vienna for the establishment of a European Union House, jointly with the Commission; notes however that in its Resolution of 24 April 2007 on discharge for the financial year 2005 ⁽²⁾, Parliament demanded that in the interests of budgetary clarity buildings expenditure be entered in the budget rather than being financed through a mopping-up transfer;
13. Welcomes the fact that the Report on Budgetary and Financial Management has — as requested in previous discharge resolutions — become a clear and transparent guide to Parliament's financial management during the financial year to which it relates;

Parliament's accounts

14. Notes that in his certification of the final accounts, Parliament's accounting officer has stated his reasonable assurance that the accounts present a true and fair view of the financial position of Parliament in all material respects; notes further his representation that no issues requiring a reservation have been brought to his attention;

⁽¹⁾ Report on budgetary and financial management — Section I of the EU Budget — Financial year 2007 (OJ C 148, 13.6.2008, p. 1).

⁽²⁾ OJ L 187, 15.7.2008, p. 3.

15. Recalls the decision by its President concerning the adoption of the accounts for the financial year 2007;
16. Observes that the economic result of the financial year 2007 was a negative result of EUR 209 985 279, explained principally by an increase in liabilities of EUR 256 095 000 corresponding to a provision for primary pensions for certain categories of Members funded directly by Parliament under Annex III to the Rules on Members' expenses and allowances;
17. Asks the Secretary-General to indicate what the likely provision for Members' pensions will be once the Members' statute comes into force, and how that provision will be dealt with for accounting purposes in Parliament's balance sheet;
18. Notes that the annexes to the balance sheet value the buildings owned by Parliament at EUR 1 015 159 978 after depreciation against a total acquisition cost of EUR 1 650 945 693; requests the Secretary-General to provide an overview of the current market value of every building owned by Parliament compared to its purchase price;

Statement of assurance by the Secretary-General

19. Welcomes the Secretary-General's statement dated 3 June 2008 in his capacity as Principal Authorising Officer by Delegation concerning the authorising officers' annual activity reports for 2007, in which he certifies that he has a reasonable assurance that Parliament's budget has been implemented in accordance with the principles of sound financial management and that the control framework put in place provides the necessary guarantees as to the legality and regularity of the underlying operations;
20. Notes, however, his observation included in the statement of assurance that the regulatory framework governing parliamentary allowances, including expenditure on parliamentary assistance, has become so complex that it presents serious weaknesses for correct execution in practice, and that for this reason he has taken the initiative to establish a new system intended to come into force by July 2009;

Activity reports by the Directors-General

21. Observes with satisfaction that all Directors-General were able to give an unreserved statement of assurance in respect of the implementation of the budget by their services in 2007;
22. Is aware that the activity reports are an internal management tool whose primary purpose is to give the Secretary-General a clear overview of the workings of the administration, and in particular of any weaknesses;
23. Points out that each Directorate-General's activity report includes as an annex a list of exceptions, itemising derogations from the Financial Regulation and subordinate rules; expresses concern that the total number of such exceptions considerably exceeds the average annual number of withholdings of visas obtaining before 2003 under the pre-reform Financial Regulation, when all transactions had to be approved by the Financial Controller;

ECA annual report for 2007

24. Notes the Court of Auditors' finding that, as regards administrative expenditure in 2007, all the institutions operated satisfactorily the supervisory and control systems required by the Financial Regulation, and the transactions tested were free from material error;

25. Takes note of the specific findings concerning Parliament contained in the annual report of the Court of Auditors for 2007, as well as Parliament's replies, concerning the multiplication factor applicable to staff salaries following the adoption of the revised Staff Regulations on 1 May 2004 and payments in 2007 on appropriations carried over from 2006 in respect of high-speed broadcast cameras to be installed in the D5 building in 2008;
26. Takes furthermore note of the section of the annual report on the follow-up to observations from past reports with regard to flat-rate reimbursement of accommodation costs incurred by officials on mission, supporting documents relating to the use of the parliamentary assistance allowance, and, in connection with the additional voluntary pension scheme, the need to establish clear rules defining the liabilities and responsibilities of Parliament and the members of the scheme in the event of a deficit;
27. Takes note of the responses given by Parliament in the contradictory procedure with the Court of Auditors;

Follow-up by the Secretary-General to the last discharge resolution

28. Welcomes the Bureau decisions of 10 March 2008, 19 May 2008 and 7 July 2008 concerning implementing measures for the Statute of Members and parliamentary assistance allowance, which represent the direct follow-up to recommendations of the 2006 discharge; welcomes furthermore the commitment of its President to the implementation of those decisions;
29. Recalls that under Article 147(1) of the Financial Regulation, the Commission and the other institutions are obliged to take all appropriate steps to act on the observations accompanying Parliament's discharge decision;
30. Congratulates therefore the Secretary-General on having submitted the reports requested from the administration in the last discharge resolution well in time for the beginning of the discharge procedure for the financial year 2007;
31. Notes the conclusion of the Legal Service of 29 April 2008 (SJ 775/06), as regards the paragraphs of Parliament's Resolution of 22 April 2008 on discharge for the financial year 2006 concerning the voluntary pension fund, as follows: 'The Bureau has its own powers and responsibilities, which are laid down in Parliament's Rules of Procedure. It is for the Bureau to decide, therefore, whether it wishes to depart from or go along with the wish expressed by the plenary assembly in its Resolution of 22 April 2008'; considers however that this conclusion, based on Parliament's Rules of Procedure, is not wholly compatible with the clear meaning of Article 147(1) of the Financial Regulation, which is based on Article 276 of the EC Treaty;

Hearing of the Internal Auditor

32. Notes that at the competent committee's meeting with the Internal Auditor held on 20 January 2009, which was an open meeting transmitted via web-stream and at which the Internal Auditor presented his annual report, the Internal Auditor explained that in 2007 he had adopted or issued in draft form 18 reports on subjects including:
 - staff mission expenses,
 - IT governance,
 - imprest funds, inventory and budgetary management in certain information offices,
 - political parties at European level,
 - individual entitlements of staff members,

- follow-up to the review of the Internal Control Framework,
 - parliamentary assistance allowance;
33. Points out that among the more significant conclusions set out in the Internal Auditor's annual report were the following:
- that the IT governance structure in Parliament, as audited, did not provide assurance that the correct IT choices are being made in the medium term, or that a suitable strategic IT planning process was in place,
 - that the control activities in the area of individual entitlements of staff members should be significantly strengthened, the data quality in the relevant IT management systems improved and the procedures and guidance required to support its management and control activities properly documented,
 - that the information and documentation submitted by European political parties were not always sufficient to support their applications for financial contributions or to allow the authorising department to verify the eligibility of the payment request;
34. Notes and supports the views expressed by the Internal Auditor as to:
- the importance of establishing at a central level an institutional code of conduct governing relations with external consultants (guidelines for which were adopted by the Secretary-General in July 2008),
 - the importance of ensuring that an effective risk management system is in operation at central level, with agreed procedures to identify and assess risks, to formulate and report on the responses to those risks, and to provide assurance to the oversight and decision-making bodies that risk management is effective and that all responses to risk, including internal controls, are appropriate;

Contracts and procurement

35. Recalls that Parliament publishes general information about contracts awarded on its website via 'quick links' ⁽¹⁾, and that, in accordance with the Financial Regulation, it publishes (i) specific information on contracts of a value of over EUR 60 000 in the Official Journal; and (ii) a list of contracts of a value of between EUR 25 000 and EUR 60 000 on its website; welcomes the high level of transparency achieved thereby, but recommends that for the sake of easier accessibility, Parliament's website should contain a single full and comprehensive list of all contracts;
36. Notes that the administration's annual report to the budgetary authority on contracts contains the following information on contracts awarded during 2007:

	Contracts awarded	
	2007	2006
Contracts with a value equal to or greater than EUR 25 000	EUR 331,5 m (249 contracts)	EUR 327,5 m (238 contracts)
Contracts with a value equal to or greater than EUR 50 000	EUR 326,5 m (133 contracts)	EUR 322,3 m (112 contracts)
Contracts with a value of between EUR 25 000 and EUR 60 000	EUR 5,2 m (116 contracts)	EUR 5,2 m (126 contracts)

⁽¹⁾ <http://www.europarl.europa.eu/parliament/expert/staticDisplay.do?id=62&language=EN>

37. Welcomes the information that the proportion of contracts concluded by the open procedure increased from 2006 to 2007 in terms of the total amount and also of the percentage of the overall number of contracts, as follows:

Type of procedure	2007		2006	
	Value (EUR)	Percentage	Value (EUR)	Percentage
Open	162 124 519	49 %	123 936 713	38 %
Restricted	59 593 905	18 %	12 438 031	4 %
Negotiated	109 763 269	33 %	191 162 868	58 %
Total	331 481 693	100 %	327 537 612	100 %

38. Notes that the administration has now set up the exclusion database required by Article 95 of the Financial Regulation, and that it currently awaits instructions from the Commission on how to coordinate it with the arrangements operated by the Commission in the light of the Regulation ⁽¹⁾ and Decision adopted by the latter on 17 December 2008;
39. Notes that, despite amendments to the Financial Regulation, its rules on procurement are still excessively cumbersome for smaller institutions, especially in relation to tenders for contracts for relatively small amounts; invites the Commission — when carrying out its preliminary work prior to drawing up any future proposals for amendment to the Financial Regulation — to consult extensively with the Secretaries-General and administrations of the other institutions in order to ensure that their concerns are also fully taken into account in the final draft;

Management in Parliament's administration

DG Presidency

40. Welcomes DG Presidency's commitment to continuing improvements in financial management through the in-depth examination of the various aspects of budget implementation and associated procedures; notices in particular the efforts undertaken in the field of cultivating staff awareness of budgetary operations;
41. Recalls its request, first formulated in the discharge in respect of the financial year 2004, to create the post of risk manager, who should have extensive professional experience in the field, independence and autonomy of decision-making, thorough knowledge of the structure and governance of the organisation, and authority, as that person's opinion could challenge political or administrative decisions;
42. Considers it essential to place this risk manager within an administrative structure that can guarantee full compliance with these criteria;
43. Underlines that the area of security is a very sensitive sector in any parliament, but even more so in a multinational parliament with high visibility and constant visits from Heads of State or Government from all corners of the world; invites the Secretary-General to present to the competent committee the state of play in this area; recalls in this respect the importance of clear communication procedures in the event of major breaches of security within Parliament;
44. Recalls the Bureau decision of 29 November 2006 approving the business continuity and crisis management strategy as proposed by the Secretary-General; underlines the absolute necessity to finally put into practice clear rules defining the chain of command and crisis management structure within Parliament's administration, and expects DG Presidency to make every effort in this direction;
45. Expresses its concern at the increasing number of cases of petty crime in the premises of Parliament, concerning mostly theft of personal items such as briefcases, portable computers, mobile phones, etc.; supports every effort made by the administration to achieve better security within Parliament's premises;

⁽¹⁾ Commission Regulation (EC/Euratom) No 1302/2008 of 17 December 2008 on the control exclusion database (OJ L 344, 20.12.2008, p. 12).

46. Notes that in 2005 Parliament bought six body scanners following a security-risk analysis and on the advice of an outside consultant; notes that after these body scanners were bought, Parliament voted against the use of such scanners in airports; asks therefore the Secretary-General to look into the possibility of selling the scanners; calls on its administration, before making similar purchases in future, to inform Members and involve them in the decision-making process;

DG Internal Policies and DG External Policies

47. Notes that in 2007 the Policy Departments in DGs IPOL and EXPO were fully operational with an overall budget of EUR 6 519 600; notes with satisfaction that their primary task of giving assistance to the work of parliamentary bodies has been increasingly well met; welcomes the policy departments' approach that quality is the main goal in securing external expertise, and invites these departments to consider carefully which contract model can deliver the highest quality of advice to the requesting committee;

DG Communication

48. Notes the ever-increasing demands on DG Communication in the field of audiovisual projects as well as the implementation of the visitors' centre, which is entering into its final phase; notes in this regard the long and heavy procedures linked to the preparations for the new visitors' centre, resulting in 13 tender procedures and 20 separate contracts;
49. Calls on the Secretary-General to fill the new posts foreseen for 2009 for the visitors center project team as soon as possible to make sure that the visitors' centre can open its doors to the public in the beginning of 2010;
50. Welcomes the work undertaken by DG Communication in preparation for the launch of the Web TV project, which after some difficulties in the initial tender phase is now running its test version; takes note of the fact that the test phase took place over the period September 2008 to March 2009, and that a public awareness campaign was launched in March 2009 in order to inform and attract citizens; notes the difficulties linked to the first ever Web TV in the world launched in more than 20 languages;
51. Welcomes the transparency which is added by Web TV to Parliament's work, as committee meetings, hearings and other activities are being web-streamed and interested citizens can follow live topics of major interest;
52. Takes note of the unanimous adoption by the Bureau of the 'Strategy and Action Plan for the 2009 European Elections' on 22 October 2007, which entered its first phase of implementation in 2008 and will reach its peak just before the European elections;
53. Welcomes the ever-growing involvement of Parliament in European social and cultural life, as exemplified by events such as the Lux Prize, the European Parliament prize for journalism, the citizens' prize, the European Charlemagne youth prize, the Energy Globe Awards, AGORA and the Youth Media Days, all launched in 2007, in addition to the traditional events;
54. Notes the satisfaction of users of the new audiovisual infrastructure in the JAN building in Brussels, which was created between 2006 and 2008 to provide modern equipment for media and in-house services;
55. Welcomes the improvements in the management of the information offices, where in particular financial management seems to have improved according to information given by the Internal Auditor during the hearing of the competent committee held on 20 January 2009; underlines the importance of the new mission statement of Parliament's information offices, improving their visibility and accessibility for citizens;
56. Regrets that decisions on key posts in DG Communication took a very long time, leaving management positions unfilled and resulting in an additional work load for the managers in place;

DG Personnel

57. Welcomes the introduction by DG Personnel of 'Streamline', which allows a considerable increase of efficiency and can be very easily used by all staff members;
58. Welcomes the screening exercise undertaken by DG Personnel; invites DG Personnel to continue to work on the screening and to take a similar approach to the Commission's screening exercise, which is leading to major improvements in staff allocation and efficiency;
59. Notes that the transitional provisions introducing the multiplication factor (Annex XIII to the Staff Regulations) enacted by the reform are so singularly opaque and even self-contradictory ⁽¹⁾ that they gave rise to divergent interpretations between the various institutions and to numerous cases before the Court of Justice; underlines the importance of clarity and simplicity in the drafting of legal texts; insists that the transitional period between the old pre-2004 salary scale and the new post-reform salary scale should be kept to a minimum (the Commission's pre-reform explanatory document having envisaged an end to the transitional period by 2006), and awaits with interest the outcome of the analysis to be conducted in this respect by the working group created by the Secretary-General;
60. Recalls that — at the same time as the significant increase in the number of financial/budgetary staff required as a consequence of the revised Financial Regulation — the institution's potential for attracting qualified financial staff was reduced when in 2004 the Staff Regulations were substantially revised, including a sizeable reduction in the level of salaries and other benefits paid to new officials on recruitment;
61. Observes that at least one Directorate-General in its activity report stresses the usefulness of ex-post controls in detecting errors or weaknesses for future correction; points out that not all Directorates-General currently have an ex-post controller;
62. Calls for an evaluation by an independent external body of the overall impact of the 2004 reform of the Staff Regulations, analysing the costs and benefits of the reform and in particular identifying any unintended consequences having a negative impact on the running of the institutions; invites the Secretary-General at the same time to commission a study into staff satisfaction levels;
63. Takes note of the overview provided by the Secretary-General of the number of applicants for open posts above the level of Head of Unit; is concerned at the fact that for a large number of these posts the number of candidates was limited (1 or 2); requests that adequate measures be taken to bring about an increase in the number of internal candidates for such posts;

DG Infrastructure and Logistics

64. Regrets that, after having bought the SDM, WIC and IP3 buildings in Strasbourg, asbestos was found in much greater amounts than initially indicated by the French expert; notes that a decision has been taken to remove that asbestos in the interests of the long-term protection of those working in and visiting the buildings concerned;
65. Asks the President and the Secretary-General to ensure that the asbestos removal works are carried out in accordance with the intervention protocol and expert reports annexed to the reply to the discharge questionnaire and under the constant supervision of the experts so as to ensure an optimum level of protection for all persons transiting or working in these buildings while the works are being carried out;
66. Notes that final cost estimates for the extension of the sports centre in Brussels will be determined upon conclusion of the current negotiated procedure; invites the Secretary-General to present to the Bureau and the Committee on Budgets the final cost estimates prior to the final decision to begin the work; notes that the work carried out so far is not consistent with the interests of either Members or the European taxpayer;

(1) Parliament's reply to paragraph 11.7 of the Court's annual report.

DG Translation and DG Interpretation and Conferences

67. Notes with concern the statement by DG Translation in its activity report that the code of conduct on multilingualism is only respected in 60 % of cases, and that failure to comply with the code is unacceptably serious in certain committees; considers that any move away from multilingualism would be seriously damaging to democracy and the normal discharge of the duties of Members, and calls on the Secretary-General to ensure that the code is properly applied;
68. Supports the proposal by the Secretary-General to introduce awareness-raising measures amongst users of translation and interpretation services, including committees, delegations and political groups, and suggests that future proposals should include virtual billing of users;
69. Notes that a substantially revised code of conduct was adopted by the Bureau at its meeting of 17 November 2008;
70. Congratulates DG Translation as well as DG Interpretation and Conferences on their efforts in handling expeditiously the major increase from 11 official languages in 2004 to 23 languages in 2009;
71. Notices that working conditions for interpreters have deteriorated in this parliamentary term owing to ever-increasing work pressure and over-interpretation of rules governing missions; invites DG Interpretation and Conferences to look urgently into this issue in order to improve the motivation of interpreters; points out that these problems concern most of the time the main language combinations, which have a much heavier timetable owing to the level of demand for their services;
72. Requests the Secretary General to provide an overview for the year 2007, and, if possible, for the year 2008, of meetings which were cancelled at such a late stage that interpreters and other supporting staff could not be rescheduled, including the total costs involved and who was charged for these costs;

DG Finance

73. Notices the work of the simplification working group; invites the Secretary-General to give a short report to its competent committee on the outcome of this working group; expects that before any changes to the financial rules are envisaged, that committee will be asked to give a formal opinion;
74. Insists that the implementing rules for the Members' Statute should be clear and easy to comply with;
75. Invites the Secretary-General to establish a service, to be available to all Members as of July 2009, to advise them on the correct application of, and their rights and obligations under, the new Member's Statute, and the proper handling of assistants' contracts;
76. Considers that, in order to carry out their parliamentary duties Members should be entitled to use the mode of transport that is best adapted to their parliamentary work agenda, the most convenient, the fastest and the least costly to Parliament;
77. Invites the Secretary-General to make the necessary financial and human resources available for the rapid implementation of the new Assistants' Statute;
78. Calls for an overall analysis by an independent body of the sound financial management, effectiveness and efficiency of contracts with external service providers in areas such as IT, security, bars, restaurants, canteens, travel office, cleaning building maintenance with particular regard to:
 - the method of selection,
 - the most suitable type of contract,

- possible loss of management control through excessive externalisation,
 - transparency of fee/billing mechanisms,
 - reliance on commission as a factor in remuneration,
 - the problem of monopolies in the provision of services in certain areas,
 - justification for payments from Parliament's budget;
79. Recommends that Parliament's Internal Auditor take the above-mentioned areas and issues into account when carrying out the risk analysis on which his future work programmes will be based;

DG Innovation and Technological Support

80. Recalls that, according to the hearing before the competent committee of the Internal Auditor of 20 January 2009, there were in 2007 major problems with the state of IT governance in Parliament, requiring important changes to the structures, traditions and management of the institution's IT policy; considers it of the utmost urgency to introduce all major requirements for modern IT governance and planning tools which would bring Parliament's IT sector closer to the COBIT (Control Objectives for Information and related Technology);
81. Underlines that this objective requires an in-depth analysis of Parliament's needs and strategies in order to bring political requirements into line with IT instruments, bearing in mind the ever more digitalised global environment, whereby political orientation should be the guiding force for the ultimate goal and IT instruments should fully support these goals; considers that this approach will only be possible when IT governance structures are in place; calls therefore on the Bureau to take the appropriate decisions;

Parliamentary assistance allowance

82. Welcomes the achievement of the Secretary-General — in response to previous discharge resolutions, reports by the Court of Auditors and the Internal Auditor — in having obtained the necessary supporting documents to regularise virtually all claims (99,9 % by amount) for the period 2004-2007; takes note of the simplification of the claims procedure introduced on 13 December 2006 whereby invoices and fee statements issued by paying agents and service providers are no longer required to be submitted by Members but must be retained by them; instead, Members are now required to submit copies of the 'statements of expenditure' and 'statements of amounts invoiced' issued by paying agents and service providers;
83. Recalls paragraphs 59 and 61 of its discharge resolution in respect of the financial year 2006 ⁽¹⁾; asks the Secretary-General to provide Members who have complied with the rules concerning the use of the parliamentary assistance allowance with a letter from administration stating so;
84. Welcomes the commitment given by the Secretary-General at the hearing of the competent committee on 20 January 2009 to provide Members as of July 2009 with at least one official payment agent per Member State engaged by Parliament to manage contracts and all related matters concerning Members' local assistants, bearing in mind the other options foreseen in the implementing rules;
85. Invites the Bureau to guarantee that local assistants will be given equal access to Parliament's buildings in the three places of work;

⁽¹⁾ European Parliament resolution of 22 April 2008 with observations forming an integral part of the decision on discharge in respect of the implementation of the European Union general budget for the financial year 2006, section I — European Parliament (OJ L 88, 31.3.2009, p. 3).

Political groups (review of accounts and procedures — budget item 4 0 0 0)

86. Welcomes the fact that the accounts of the political groups are published on Parliament's website ⁽¹⁾, together with their internal financial rules; points out, however, the highly disparate nature of the internal financial rules drawn up by the various political groups;
87. Notes that in 2007 the appropriations entered under budget item 4 0 0 0 were used as follows:

(in EUR)

Total available under the 2007 budget							75 211 947
Non-attached Members							673 575
Amounts available for the groups							74 538 372
Group	Appropriations allocated under Parliament's budget	Own resources and carried-over appropriations of groups	Expenditure 2007	Rate of use of available appropriations	Carry-over ceiling (*)	Amounts carried over to 2008	
PPE	18 197 622	9 449 345	18 572 670	67,18 %	9 098 811	9 074 297	
PSE	14 165 895	7 265 776	14 827 524	69,19 %	7 082 948	6 604 146	
ALDE	6 703 291	3 560 145	7 461 720	72,70 %	3 351 646	2 801 716	
Verts/ALE	2 690 396	1 434 335	3 167 057	76,78 %	1 345 198	957 674	
GUE/NGL	2 740 154	994 094	2 835 166	75,92 %	1 370 077	899 083	
UEN	2 797 063	541 496	2 436 330	72,98 %	1 398 532	902 230	
IND/DEM	1 502 292	1 044 042	1 821 789	71,55 %	751 146	724 546	
ITS	1 441 708	10 718	1 130 306	77,82 %	720 854	— (**)	
NI	538 048	135 527	450 827	66,93 %	269 024	117 207	
Total	50 776 469	24 435 478	52 703 387	70,07 %	25 388 234	22 508 559	

(*) In accordance with Article 2.1.6 of the Rules on the use of appropriations from budget Item 4 0 0 0.

(**) The Group was dissolved on 14 November 2007 and it subsequently repaid the unspent appropriations to the EP.

88. Points out that in 2007 the accounts of two political groups received a qualified opinion from their external auditors;
89. Notes that at its meeting of 7 July 2008 when considering its decision on the closure of the 2007 financial year for the political groups, the Bureau, without debate:
- noted and approved the documents submitted by the groups and the final consolidated accounts of the non-attached Members,
 - allowed the PPE-DE Group to include in its accounts for 2007 expenditure relating to certain personnel costs for the years 2005-2007, which were internally invoiced by Parliament after 31 January 2008,
 - postponed its decision on the final accounts of the former ITS Group;
90. Notes further that the accounts of the former ITS group dissolved on 14 November 2007 submitted to the chairman of the Committee on Budgetary Control on 4 November 2008 were accompanied by an auditor's certificate (i) containing a qualified opinion concerning evidence of inadequate internal controls as attested by the payment of remuneration to a staff member unsupported by a contract; and (ii) referring to disciplinary proceedings against a former employee;
91. Notes that the ITS group repaid the remaining balance of its subsidy to Parliament, amounting to EUR 317 310,23, in April 2008;

⁽¹⁾ http://www.europarl.europa.eu/groups/accounts_en.htm

European political parties

92. Notes that at its meeting of 7 July 2008 when considering its decision on the closure of the 2007 financial year for the political parties, the Bureau, taking a decision without debate, approved the final reports on the implementation of the respective programmes of activities and financial statements of the political parties receiving a subsidy from Parliament's budget;
93. Notes that in 2007 the appropriations entered under budget item 4 0 2 0 were used as follows:

(EUR)

Execution of 2007 budget under the agreement				
Party	Own resources	Total EP subsidies	Total revenue	Subsidies as % of eligible expenditure (max. 75 %)
PPE	1 150 174,16	3 156 413,79	4 306 587,95	75,00 %
PSE	1 033 792,85	2 992 217,56	4 026 010,41	75,00 %
ELDR	382 797,45	1 022 343,98	1 405 141,43	74,00 %
EFGP	243 733,02	631 750,00	875 483,02	74,05 %
GE	179 599,61	524 251,22	703 850,83	75,00 %
PDE	52 861,45	152 610,87	205 472,32	75,00 %
AEN	53 496,02	159 137,64	212 633,66	74,84 %
ADIE	82 775,00	239 410,00	322 185,00	74,46 %
EFA	81 354,87	215 197,63	296 552,50	75,00 %
EUD	73 951,00	226 279,50	300 230,50	75,00 %
Total	3 334 535,43	9 319 612,19	12 654 147,62	74,81 %

94. Points out that in all reports, the auditors certified unreservedly that the accounts submitted were in conformity with the main statutory provisions of Regulation (EC) No 2004/2003 ⁽¹⁾ and that they presented a true and faithful picture of the situation of the political parties at the close of the 2007 financial year; observes that the assessment by Parliament's Internal Auditor of compliance with the relevant rules was somewhat more critical;
95. Instructs its Secretary-General to publish the accounts and the auditors' reports concerning subsidised political parties on Parliament's website;
96. Asks for its competent committee to be informed of the follow-up given to the report by the Internal Auditor published in August 2007 on the implementation of the rules on contributions to political parties at European level (referred to in paragraph 55 of Parliament's Resolution of 22 April 2008 on discharge for the financial year 2006);
97. Notes that, as in 2005 and 2006, budgetary implementation by two parties (AEN and PDE) fell significantly short of the provisional budget, and that the authorising officer was instructed to recover as regards 2007:
- EUR 81 294,07 from the AEN,
 - EUR 269 153,40 from the PDE, and
 - EUR 49 819 from the ADIE;
98. Recalls that at its meeting of 8 October 2008, the Bureau took note of the proposed code of conduct for electoral campaigns by political parties in the context of the European elections;

⁽¹⁾ Regulation (EC) No 2004/2003 of the European Parliament and of the Council of 4 November 2003 on the regulations governing political parties at European level and the rules regarding their funding (OJ L 297, 15.11.2003, p. 1).

99. Recalls that, in accordance with Regulation (EC) No 1524/2007 ⁽¹⁾, applications for funding by European political foundations from the budget of Parliament were considered for the first time during 2008; instructs its competent committee to consider the utilisation of those funds in its discharge in respect of the financial year 2008;

Voluntary pension fund

100. Takes note of the fact that, in spring 2008, the total membership of the scheme was 1 113, including 478 active MEPs (61 % of the total number of MEPs), 493 pensioners (of whom 56 were the dependants of deceased members) and 142 deferred members;
101. Points out that at 31 December 2007 the fund's assets were EUR 214 887 336; notes that the return on investments in 2007 was 1,2 %;
102. Notes — in relation to the accounts of the ASBL managing the Members' voluntary pension fund — the independent auditor's statement that, without qualifying their opinion, the assets of the ASBL were actuarially deficient by EUR 30 917 229 as at 31 December 2007 (2006: EUR 26 637 836);
103. Notes further the external auditor's statement that the final responsibility for the payment of benefits rests with Parliament, as provided for by Article 27 of the Statute for Members of the European Parliament adopted by Parliament, which provides that 'acquired rights and entitlements shall be maintained in full';
104. Takes the view that this interpretation does not accord fully with the original conception of the voluntary pension fund as a self-governing entity outside the structures of the institution; invites its Legal Service to give its views before the entry into force of the new statute on the question as to whether ultimate financial responsibility for the voluntary pension fund lies with the fund and its members or with Parliament, bearing clearly in mind the interests of European taxpayers;
105. Notes the intention to negotiate a convention between Parliament and the fund; points out that under no circumstances will Parliament in the prevailing economic situation provide extra money from the budget to cover the fund's deficit, as it did in the past, and that if it has to guarantee pension rights, Parliament should have full control over the fund and its investment policies;
106. Recalls the conclusions of an independent actuarial valuation ⁽²⁾ of the voluntary pension scheme commissioned by Parliament that (i) the cash flow income was sufficient to finance pension payments until 2015 and that thereafter it would be necessary to begin realising assets in order to pay the pensions due; and (ii) provided the assumptions used by the scheme's actuary were proved correct, at the termination date the fund will be in surplus; notes that the Secretary-General has commissioned an updated actuarial study examining the position following the recent financial/banking crisis;
107. Welcomes the information that, as advocated in previous discharge resolutions, members of the fund now pay their one-third contribution from private external accounts rather than having it deducted automatically by Parliament's administration from the general expenditure allowance;
108. Notes, however, that for the purposes of the primary pension scheme under Annex III to the Rules on Members' expenses and allowances, the contributions of the Members concerned continue to be collected from the general expenditure allowance;

⁽¹⁾ Regulation (EC) No 1524/2007 of the European Parliament and of the Council of 18 December 2007 amending Regulation (EC) No 2004/2003 of the European Parliament and of the Council on the regulations governing political parties at European level and the rules regarding their funding (OJ L 343, 27.12.2007, p. 5).

⁽²⁾ Final report: liabilities and assets analysis November 2007 — AON Consulting Belgium NV/SA.

109. Notes that at its meeting of 22 October 2007, the Bureau decided not to comply with a recommendation by the European Ombudsman (complaint 655/2006/(SAB)ID) that Parliament should give access to the list of members of the voluntary pension scheme, notwithstanding a positive opinion of the European Data Protection Supervisor; calls on the Bureau to reconsider its position and to publish the list in accordance with the advice of Parliament's Legal Service and in line with the transparency policy of the Union so as to make public all final beneficiaries of European funding;

Environment

110. Recalls that on 27 November 2007 the President and Secretary-General signed an agreement for an environmental certification of Parliament's buildings, and that in parallel the Secretary-General set in motion the procedures required for Parliament to be registered on the list of bodies taking part in EMAS (Eco-Management and Audit Scheme) in Belgium, France and Luxembourg;
111. Points out that Parliament now has EMAS certification for all three places of work, and that it is the only EU institution with such a certified recognition of environmental policy;
112. Points out that on 18 June 2007, the Bureau set a 30 % reduction in CO₂ emissions by 2020 as the first and main target for the environmental management system, in keeping with Parliament's Decision of 24 April 2007 on discharge for the financial year 2005;
113. Requests its Secretary-General to inform its competent committees, in time for next year's discharge, of all follow-up made in response to the recommendations contained in Parliament's Resolution of 24 April 2007 on discharge for the financial year 2005 with regard to environmental measures, including precise figures on CO₂ emissions reductions achieved by then;

Case concerning the Members' Cash Office

114. Notes that 2007 saw the resolution of the case concerning the difference of BEF 4 136 125 between the cash accounts and the general accounts established in 1982; notes further that the question of the guarantee accounts in respect of the imprest administrator and assistant accounting officer in office at the time was also subsequently settled.
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DECISION OF THE EUROPEAN PARLIAMENT**of 23 April 2009****on discharge in respect of the implementation of the European Union general budget for the financial year 2007, Section II — Council**

(2009/629/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2007 ⁽¹⁾,
 - having regard to the final annual accounts of the European Communities for the financial year 2007 — Volume I (C6-0417/2008) ⁽²⁾,
 - having regard to the Council's annual report to the discharge authority on internal audits carried out in 2007,
 - having regard to the Annual Report of the Court of Auditors on the implementation of the budget concerning the financial year 2007, together with the audited institutions' replies ⁽³⁾,
 - having regard to the statement of assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors pursuant to Article 248 of the EC Treaty ⁽⁴⁾,
 - having regard to Articles 272(10), 274, 275 and 276 of the EC Treaty,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Articles 50, 86, 145, 146 and 147 thereof,
 - having regard to Decision No 190/2003 of the Secretary-General of the Council/High-Representative for the Common Foreign and Security Policy concerning reimbursement of travel expenses of delegates of Council Members ⁽⁶⁾,
 - having regard to the Interinstitutional Agreement between the European Parliament, the Council and the Commission of 17 May 2006 on budgetary discipline and sound financial management ⁽⁷⁾,
 - having regard to Rule 71 of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0150/2009),
1. Postpones its decision on granting discharge to the Secretary-General of the Council in respect of the implementation of its budget for the financial year 2007;
 2. Sets out its observations in the Resolution below;
 3. Instructs its President to forward this Decision and the Resolution that forms an integral part of it to the Council, the Commission, the Court of Justice, the Court of Auditors, the European Ombudsman and the European Data Protection Supervisor, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ L 77, 16.3.2007.

⁽²⁾ OJ C 287, 10.11.2008, p. 1.

⁽³⁾ OJ C 286, 10.11.2008, p. 1.

⁽⁴⁾ OJ C 287, 10.11.2008, p. 111.

⁽⁵⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁶⁾ Decision stemming from the Rules of Procedure of the Council of 22 July 2002 (OJ L 230, 28.8.2002, p. 7).

⁽⁷⁾ OJ C 139, 14.6.2006, p. 1.

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 European Union general budget for the financial year 2007, Section II — Council**

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2007 ⁽¹⁾,
 - having regard to the final annual accounts of the European Communities for the financial year 2007 — Volume I (C6-0417/2008) ⁽²⁾,
 - having regard to the Council's annual report to the discharge authority on internal audits carried out in 2007,
 - having regard to the Annual Report of the Court of Auditors on the implementation of the budget concerning the financial year 2007, together with the audited institutions' replies ⁽³⁾,
 - having regard to the statement of assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors pursuant to Article 248 of the EC Treaty ⁽⁴⁾,
 - having regard to Articles 272(10), 274, 275 and 276 of the EC Treaty,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Articles 50, 86, 145, 146 and 147 thereof,
 - having regard to Decision No 190/2003 of the Secretary-General of the Council/High-Representative for the Common Foreign and Security Policy concerning reimbursement of travel expenses of delegates of Council Members ⁽⁶⁾,
 - having regard to the Interinstitutional Agreement between the European Parliament, the Council and the Commission of 17 May 2006 on budgetary discipline and sound financial management ⁽⁷⁾ (IIA),
 - having regard to Rule 71 of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0150/2009),
- A. whereas the Council refuses to provide Parliament with its full budget execution document and with its full annual activity report and has only provided it with the annual activity report of its Internal Auditor,
- B. whereas the Council refuses to hold any official meeting with Parliament concerning its discharge,
- C. whereas the conclusions of the European Council of Cologne of 3 and 4 June 1999 envisage giving operational capacities to the Council in the field of a strengthened common European security and defence policy (CESDP),

⁽¹⁾ OJ L 77, 16.3.2007.

⁽²⁾ OJ C 287, 10.11.2008, p. 1.

⁽³⁾ OJ C 286, 10.11.2008, p. 1.

⁽⁴⁾ OJ C 287, 10.11.2008, p. 111.

⁽⁵⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁶⁾ Decision stemming from the Rules of Procedure of the Council of 22 July 2002 (OJ L 230, 28.8.2002, p. 7).

⁽⁷⁾ OJ C 139, 14.6.2006, p. 1.

- D. whereas in its Decision No 190/2003, the Council makes it very clear that it implements appropriations in the field of the Common Foreign and Security Policy (CFSP) in accordance with the provisions of the Financial Regulation applicable to the general budget of the European Communities, and in particular that 'The Secretary-General of the Council/High Representative for the Common Foreign and Security Policy [...], assisted by the Deputy Secretary-General, is fully responsible for administering the appropriations under Section II — Council — of the general budget of the European Communities, and takes all necessary steps to ensure their sound management. He implements the appropriations in accordance with the provisions of the Financial Regulation applicable to the general budget of the European Communities',
- E. whereas Council Decision 2004/197/CFSP ⁽¹⁾ of 23 February 2004 established a mechanism for administering the financing of the common costs of EU operations having military or defence implications, called ATHENA, and this Decision, together with the Decision 2004/582/EC of the Representatives of the Governments of the Member States meeting within the Council of 28 April 2004 concerning privileges and immunities granted to ATHENA ⁽²⁾, creates a mechanism for administering the financing of the common costs of EU operations having military and defence implications, grants privileges and immunities to it and gives operational power to the Council,
- F. whereas Council Decision 2000/178/CFSP of 28 February 2000 on the rules applicable to national experts in the military field on secondment to the General Secretariat of the Council during the interim period ⁽³⁾ and Council Decision 2001/80/CFSP of 22 January 2001 on the establishment of the Military Staff of the European Union ⁽⁴⁾ specify that expenditure arising from the secondment of military experts are charged to the Council budget,
- G. whereas the annual report from the Council on the main aspects and basic choices of the CFSP, presented to Parliament in application of point 43 of the IIA, is limited in scope to the description of CFSP activities, such as common positions, joint actions and implementing decisions,
1. Notes that in 2007 the Council had available commitment appropriations amounting to a total of EUR 650 million (2006: EUR 626 million), with a utilisation rate of 81,89 %, lower than in 2006 (91,79 %) and below the average of the other institutions (93,82 %);
 2. Reaffirms its position taken in its Resolution of 25 April 2002 on discharge in respect of the financial year 2000 that '[...] the European Parliament and the Council have not, in the past, scrutinised the implementation of their respective sections of the budget; considers that in view of the increasingly operational nature of expenditure, financed under the Council's administrative budget, in the fields of foreign affairs, security and defence policy, and justice and home affairs, the scope of this arrangement should be clarified with a view to distinguishing traditional administrative expenditure from operations in these new policy areas' ⁽⁵⁾;
 3. Rejects the Council's suggestion that the fact that Parliament and the Council have not, in the past, scrutinised the implementation of their respective sections of the budget was the result of a 'Gentlemen's agreement'; considers that in view of the increasingly operational nature of expenditure, the expenditure of the Council ought to be scrutinised in the same way as that of the other institutions as part of the discharge procedure provided for by Article 276 of the Treaty;
 4. Reiterates its position expressed at paragraph 3 of its Resolution of 22 April 2008 on the discharge in respect of the financial year 2006, as follows: 'Regrets that, unlike other institutions, the Council does not submit an annual activity report to Parliament, citing the Gentlemen's Agreement of 1970 [...] and the absence of any corresponding requirement in the Financial Regulation; calls on the Council to reconsider the decision not to publish and transmit to Parliament an activity report in order to be more accountable to the general public and taxpayers' ⁽⁶⁾; recalls that this statement is also fully consistent with paragraphs 44 and 45 of its Resolution of 19 February 2008 on transparency in financial matters ⁽⁷⁾; requests the Council to reconsider its decision not to publish its annual activity report on its website;

⁽¹⁾ OJ L 63, 28.2.2004, p. 68.

⁽²⁾ OJ L 261, 6.8.2004, p. 125.

⁽³⁾ OJ L 57, 2.3.2000, p. 1.

⁽⁴⁾ OJ L 27, 30.1.2001, p. 7.

⁽⁵⁾ OJ L 158, 17.6.2002, p. 66.

⁽⁶⁾ OJ L 88, 31.3.2009, p. 20.

⁽⁷⁾ Texts adopted, P6_TA(2008)0051.

5. Reiterates its position expressed at paragraph 12 of its Resolution of 24 April 2007 on the discharge for the financial year 2005, as follows: 'Calls for maximum transparency in the area of Common Foreign and Security Policy (CFSP); requests the Council, in accordance with point 42 of the Interinstitutional Agreement [...], to make sure that no operating CFSP expenditure appears in the Council's budget; reserves the right to take the necessary steps, where appropriate, if the agreement is infringed' ⁽¹⁾;
6. Requires that the Council indicate the exact nature of expenses, article by article, item by item, within its Title 3 (Expenditure arising out of the institution's performance of its specific missions), so as to enable Parliament to check that none of the expenditure in the Council's budget execution is of an operational nature, in conformity with the IIA;
7. Reiterates its position expressed at paragraph 58 of its Resolution of 23 May 2007 on the annual report from the Council to the European Parliament on the main aspects and basic choices of CFSP, including the financial implications for the general budget of the European Union — 2005 ⁽²⁾, as follows: 'Believes that a genuine assessment of the financial implications for the EU budget has hitherto been hampered by a lack of proactive information on the part of the Council, [...]; considers that, with the signing of the new Interinstitutional Agreement, the time has now come to implement both the letter and the spirit of these provisions, which have now been clearly formalised';
8. Considers that the planning of, preparation for and controlling of an operation by CFSP Staff in the Council Secretariat are basic and fundamental parts of the operation, and that these activities are carried out in pursuit of policy and operations, rather than as part of the normal work of the secretariat within the Council;
9. Is astonished to note that a substantial part (up to 66 %) of budget line 2 2 0 2 was transferred from interpretation to CFSP/ESDP travels; notes that in 2006 this amount was EUR 12 672 984, and asks to be informed of the amount for the same budget line for 2007; demands, for the sake of greater transparency, the creation of an appropriate budget line for these purposes;
10. Demands transparency with regard to spending on and by the EU Counter-terrorism Coordinator;
11. Asks the Council to provide it with ex-post evaluation of individual ESDP actions;
12. Reconfirms the stance it took at paragraph 47 of its abovementioned Resolution of 23 May 2007, as follows: 'Reiterates its disappointment [...] that the Council has limited itself to merely informing Parliament and submitting a descriptive list of CFSP activities carried out in the previous year, which is stated even by the Council itself in the preambles to the annual reports, instead of really consulting Parliament at the beginning of each year on the main aspects and basic choices to be made for that year, including its financial implications, as provided for in Article 28 of the EU Treaty, and subsequently reporting to Parliament whether — and, if so, how — Parliament's contribution has been taken into account, and stresses that this practice constitutes a de facto infringement of the very substance of Article 21';
13. Notes that the Council has adopted a decision preventing any residual payments linked to compensation days upon retirement and putting into place a compulsory system aiming at the complete liquidation, by 2009, of all remaining stocks of annual leave not taken; encourages the Council to respect this self-imposed deadline;
14. Welcomes the fact that a new integrated system for management and financial control (SAP), in operation since 1 January 2008, has been developed on an interinstitutional basis by the Council, the Court of Auditors and the Court of Justice, and thereby represents substantial budget savings and also gains in efficiency for the three institutions involved;
15. Regrets that, according to the annual activity report of the Council's internal auditor, the Council was not able to fill the vacant posts in its internal audit service;
16. Takes account of the fact that, according to the same annual activity report, the internal auditor recommended the complete elimination of the '*comptes hors budget*'; requires the Council to eliminate completely and immediately all such accounts;

⁽¹⁾ OJ L 187, 15.7.2008, p. 21.

⁽²⁾ OJ C 102 E, 24.4.2008, p. 309.

17. Requests the Council to solve the problem concerning the '*vérification des factures*', as recommended by the Council's internal auditor;
18. Considers that Parliament's repeated and so far always refused request for greater transparency and closer parliamentary scrutiny of Council's expenditure relating to CFSP/CFDP should be emphasised by budgetary amendments aiming at placing in reserve certain relevant budget lines in the Council's budget for 2010;
19. Recalls that in its Resolution of 4 December 2008 on the European Court of Auditors' Special Report No 8/2007 concerning administrative cooperation in the field of VAT ⁽¹⁾, Parliament invited the Council to adopt formal conclusions regarding the Court of Auditors' findings; regrets that the Council has not followed up on this request; asks the Council to provide information to Parliament's competent committee about the reasons why it has not adopted formal conclusions, and about its follow-up to this Special Report;
20. Requests the European Court of Auditors to pay special attention, in its next Annual report, to the Council's budget execution;

Reasons for postponement of the discharge decision

21. Indicates that the reasons for postponement are as follows:
 - (a) the Council has not accepted any invitation to officially and formally meet Parliament's competent committee or its rapporteur to discuss matters concerning its budget execution for 2007;
 - (b) neither its competent committee nor its rapporteur received any comprehensive written answer, prior to the committee's vote on the draft report on 16 March 2009, providing Parliament with the information and documents requested from Council in the annex of a letter of 18 February 2009 signed by the rapporteur and the coordinators of its competent committee;
 - (c) Parliament has not received fundamental documents from Council, such as the annual activity report and the full list of budgetary transfers;
 - (d) this lack of transparency and openness for an official and formal dialogue from the Council's side does not make a meaningful discharge possible, and prevents Parliament in particular from being able to check that none of the expenditure in the Council's budget execution is of an operational nature, in conformity with the IIA;

Further actions to be taken and documents to be presented to Parliament

22. Calls on the Secretary-General of the Council/High Representative for the CFSP to provide Parliament's competent committee, by 15 May 2009 at the latest, with comprehensive written answers to the following questions:
 - A. concerning its '*comptes hors budget*' (see internal auditor's recommendation R.2 of 2007):
 - how many accounts '*hors budget*' did the Council have in 2007?
 - when were these accounts established and for what purpose?
 - which is the legal base used for these accounts? Which amount is covered by every single account?
 - the list of all transactions for each of these accounts for the financial year 2007 as well as the list of authorising officers by delegation per budget line.

⁽¹⁾ P6_TA(2008)0581, paragraph 21.

- B. concerning the '*vérification des factures*' (see internal auditor's recommendation R.1 of 2007):
- on which ground did the internal auditor come to the conclusion that ex-ante verification did not work in a satisfactory manner?
 - are all budgetary lines subject to ex-ante and/or ex-post controls?
 - how many invoices were checked, which percentage of the invoices were taken in the sample and what percentage of those contained errors?
 - did the Council prepare any action plan to solve this problem and, if yes, when is it going to be implemented?
- C. concerning budget line 2 2 0 2 (interpreting costs):
- reasons for the doubling (from 2006 to 2007) of budget line 2 2 0 2 dedicated to interpretation.
 - why does the Council need to transfer money from this line to delegates' travel expenses?
 - why did the Council use EUR 12 672 000 from interpretation to delegates' travel expenses in 2006?
 - why did it not increase the specific budget line for the same amount in 2007?
 - what is the specific amount the Council transferred, regarding the financial year 2007, from this budget line to line 2 2 0 0 or any other line?
- D. concerning budget line 2 2 0 0 (travel expenses of delegations):
- the legal base for this budget line is partly Decision No 190/2003 of the Secretary-General of the Council/High Representative for the CFSP, which has not been published in the Official Journal,
 - for the sake of transparency, could the Council put on its website and its register of references all its decisions?
- E. concerning budget line 3 0 0 2 (special advisers in the field of the ESDP/CFSP):
- which amount did the Council transfer to this budget line for the year 2007 and for how many special advisers?
23. Calls on the Secretary-General of the Council/High Representative for the CFSP to provide Parliament's competent committee, by 15 May 2009 at the latest, with:
- the full list of budgetary transfers concerning the 2007 budget of the Council,
 - its annual activity report for the year 2007,
 - the list of the associations which received money for the financial year 2007 specifying the amounts received per association? (budget line 2 2 3 7 — other operating expenditure).
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DECISION OF THE EUROPEAN PARLIAMENT**of 23 April 2009****on discharge in respect of the implementation of the European Union general budget for the financial year 2007, Section III — Commission**

(2009/630/EC, Euratom)

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2007 ⁽¹⁾,
- having regard to the final annual accounts of the European Communities for the financial year 2007 — Volume I (SEC(2008) 2359 — C6-0415/2008) ⁽²⁾,
- having regard to the Commission's annual reports to the European Parliament and to the Council on the follow-up to 2006 discharge decisions (COM(2008) 629, COM(2008) 628), and to the Commission staff working documents accompanying those reports (SEC(2008) 2579, SEC(2008) 2580),
- having regard to the Commission communication entitled 'Synthesis of the Commission's management achievements in 2007' (COM(2008) 338),
- having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2007 (COM(2008) 499), and to the Commission staff working document accompanying that report (SEC(2008) 2361),
- having regard to the Commission's report on Member States' replies to the Court of Auditors' 2006 annual report (COM(2008) 112),
- having regard to the Green Paper on the European transparency initiative, adopted by the Commission on 3 May 2006 (COM(2006) 194),
- 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) 252),
- having regard to the Commission action plan towards an integrated internal control framework (COM(2006) 9), the report from the Commission to the Council, the European Parliament and the Court of Auditors on the progress of the Commission action plan towards an integrated internal control framework (COM(2007) 86), and the Commission staff working document accompanying that report (SEC(2007) 311),
- having regard to the first half-yearly 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), pursuant to Parliament's request in its resolution accompanying the discharge decision in respect of the financial year 2004,
- having regard to Opinion No 6/2007 of the Court of Auditors on the annual summaries of Member States; 'national declarations' of Member States; and audit work on EU funds of national audit bodies ⁽⁴⁾,
- having regard to the Commission's action plan to strengthen the Commission's supervisory role under shared management of structural actions (COM(2008) 97),

⁽¹⁾ OJ L 77, 16.3.2007.

⁽²⁾ OJ C 287, 10.11.2008, p. 1.

⁽³⁾ OJ C 107, 30.4.2004, p. 1.

⁽⁴⁾ OJ C 216, 14.9.2007, p. 3.

- having regard to the communication from Commissioners Hübner and Špidla to the Commission giving an interim progress report on the action plan to strengthen the Commission's supervisory role under shared management of structural actions (SEC(2008) 2756), and to the Commission staff working document accompanying that communication (SEC(2008) 2755),
 - having regard to the report from the Commission to the Council, the European Parliament and the Court of Auditors on the Commission action plan towards an integrated internal control framework (COM(2008) 110), and to the Commission staff working document accompanying that report (SEC(2008) 259),
 - having regard to the Annual Report of the Court of Auditors on implementation of the budget for the financial year 2007, together with the institutions' replies ⁽¹⁾, and to the Court of Auditors' special reports,
 - 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 Commission communication of 16 December 2008 on a common understanding of the concept of tolerable risk of error (COM(2008) 866), and to the Commission staff working document accompanying that communication (SEC(2008) 3054),
 - having regard to the Council's recommendation of 10 February 2009 on the discharge to be given to the Commission in respect of the implementation of the budget for the financial year 2007 (5587/2009 — C6-0055/2009),
 - having regard to Articles 274, 275 and 276 of the EC Treaty and Articles 179a and 180b of the Euratom Treaty,
 - having regard to Articles 246 et seq. of the EC Treaty, on the Court of Auditors,
 - having regard to international audit standards and international accounting standards, in particular those applying to the public sector,
 - having regard to the International Peer Review of the Court of Auditors,
 - having regard to Council Regulation (EEC, Euratom, ECSC) No 259/68 of 29 February 1968 laying down the Staff Regulations of Officials and the Conditions of Employment of Other Servants of the European Communities ⁽³⁾, in particular Title V, Chapter 3, dealing with old-age and invalidity pensions, and Annex XII, which lays down the implementing provisions for Article 83a of the Staff Regulations,
 - 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 ⁽⁴⁾, 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 (A6-0168/2009),
- A. whereas under Article 274 of the EC Treaty the Commission implements the budget on its own responsibility, having regard to the principles of sound financial management,
1. Grants the Commission discharge for implementation of the European Union general budget for the financial year 2007;
 2. Sets out its observations in the Resolution that forms an integral part of the Decisions on the discharge for implementation of the European Union general budget for the financial year 2007, Section III — Commission and executive agencies;

⁽¹⁾ OJ C 286, 10.11.2008, p. 1.

⁽²⁾ OJ C 287, 10.11.2008, p. 111.

⁽³⁾ OJ L 56, 4.3.1968, p. 1.

⁽⁴⁾ OJ L 248, 16.9.2002, p. 1.

3. Instructs its President to forward this Decision, and the Resolution that forms an integral part of it, to the Council, the Commission, the Court of Justice, the Court of Auditors and the European Investment Bank, and to the national parliaments and national and regional audit institutions of the Member States, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Klaus WELLE

DECISION OF THE EUROPEAN PARLIAMENT**of 23 April 2009****on discharge in respect of the implementation of the budget of the Education, Audiovisual and Culture Executive Agency for the financial year 2007**

(2009/631/EC, Euratom)

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2007 ⁽¹⁾,
- having regard to the final annual accounts of the European Communities for the financial year 2007 — Volume I (SEC(2008) 2359 — C6-0415/2008) ⁽²⁾,
- having regard to the final annual accounts of the Education, Audiovisual and Culture Executive Agency for the financial year 2007 ⁽³⁾,
- having regard to the Commission's annual reports to the European Parliament and to the Council on the follow-up to 2006 discharge decisions (COM(2008) 629, COM(2008) 628), and to the Commission staff working documents accompanying those reports (SEC(2008) 2579, SEC(2008) 2580),
- having regard to the Commission communication entitled 'Synthesis of the Commission's management achievements in 2007' (COM(2008) 338),
- having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2007 (COM(2008) 499), and to the Commission staff working document accompanying that report (SEC(2008) 2361),
- having regard to the Commission's report on Member States' replies to the Court of Auditors' 2006 annual report (COM(2008) 112),
- having regard to the Green Paper on the European transparency initiative, adopted by the Commission on 3 May 2006 (COM(2006) 194),
- 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) ⁽⁴⁾,
- having regard to the Commission communication on a roadmap to an integrated internal control framework (COM(2005) 252),
- having regard to the Commission action plan towards an integrated internal control framework (COM(2006) 9), the report from the Commission to the Council, the European Parliament and the Court of Auditors on the progress of the Commission action plan towards an integrated internal control framework (COM(2007) 86), and the Commission staff working document accompanying that report (SEC(2007) 311),
- having regard to the first half-yearly 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), pursuant to Parliament's request in its resolution accompanying the discharge decision in respect of the financial year 2004,
- having regard to Opinion No 6/2007 of the Court of Auditors on the annual summaries of Member States; 'national declarations' of Member States; and audit work on EU funds of national audit bodies ⁽⁵⁾,

⁽¹⁾ OJ L 77, 16.3.2007.

⁽²⁾ OJ C 287, 10.11.2008, p. 1.

⁽³⁾ OJ C 278, 31.10.2008, p. 32.

⁽⁴⁾ OJ C 107, 30.4.2004, p. 1.

⁽⁵⁾ OJ C 216, 14.9.2007, p. 3.

- having regard to the Commission's action plan to strengthen the Commission's supervisory role under shared management of structural actions (COM(2008) 97),
- having regard to the communication from Commissioners Hübner and Špidla to the Commission giving an interim progress report on the action plan to strengthen the Commission's supervisory role under shared management of structural actions (SEC(2008) 2756), and to the Commission staff working document accompanying that communication (SEC(2008) 2755),
- having regard to the report from the Commission to the Council, the European Parliament and the Court of Auditors on the Commission action plan towards an integrated internal control framework (COM(2008) 110), and to the Commission staff working document accompanying that report (SEC(2008) 259),
- having regard to the Court of Auditors' report on the annual accounts of the Education, Audiovisual and Culture Executive Agency for the financial year 2007, together with the Agency's replies ⁽¹⁾,
- having regard to the statement of assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions, provided by the Court of Auditors pursuant to Article 248 of the EC Treaty ⁽²⁾,
- having regard to the Commission communication of 16 December 2008 on a common understanding of the concept of tolerable risk of error (COM(2008) 866), and to the Commission staff working document accompanying that communication (SEC(2008) 3054),
- having regard to the Council's recommendation of 10 February 2009 on the discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2007 (5589/2009 — C6-0056/2009),
- having regard to Articles 274, 275 and 276 of the EC Treaty and Articles 179a and 180b of the Euratom Treaty,
- having regard to Articles 246 et seq. of the EC Treaty, on the Court of Auditors,
- having regard to international audit standards and international accounting standards, in particular those applying to the public sector,
- 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 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 ⁽⁴⁾, and in particular Article 14(3) thereof,
- having regard to Commission Regulation (EC) No 1653/2004 of 21 September 2004 on a standard financial regulation for the executive agencies pursuant to Council Regulation (EC) No 58/2003 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes ⁽⁵⁾, and in particular Article 66(1) and (2) thereof,
- having regard to Commission Decision 2005/56/EC of 14 January 2005 on the creation of the Education, Audiovisual and Culture Executive Agency for the management of Community action in the fields of education, audiovisual and culture in application of Council Regulation (EC) No 58/2003 ⁽⁶⁾,
- 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 (A6-0168/2009),

⁽¹⁾ OJ C 311, 5.12.2008, p. 71.

⁽²⁾ OJ C 287, 10.11.2008, p. 111.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 11, 16.1.2003, p. 1.

⁽⁵⁾ OJ L 297, 22.9.2004, p. 6.

⁽⁶⁾ OJ L 24, 27.1.2005, p. 35.

- A. whereas under Article 274 of the EC Treaty the Commission implements the budget on its own responsibility, having regard to the principles of sound financial management,
1. Grants the Director of the Education, Audiovisual and Culture Executive Agency discharge for implementation of the Agency's budget for the financial year 2007;
 2. Sets out its observations in the Resolution that forms an integral part of the Decisions on the discharge for implementation of the European Union general budget for the financial year 2007, Section III — Commission and executive agencies;
 3. Instructs its President to forward this Decision, together with the Decision on the discharge for implementation of the European Union general budget for the financial year 2007, Section III — Commission and the Resolution that forms an integral part of those decisions, to the Director of the Education, Audiovisual and Culture Executive Agency, the Council, the Commission, the Court of Justice and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Klaus WELLE

DECISION OF THE EUROPEAN PARLIAMENT**of 23 April 2009****on discharge in respect of the implementation of the budget of the Executive Agency for Competitiveness and Innovation for the financial year 2007**

(2009/632/EC, Euratom)

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2007 ⁽¹⁾,
- having regard to the final annual accounts of the European Communities for the financial year 2007 — Volume I (SEC(2008) 2359 — C6-0415/2008) ⁽²⁾,
- having regard to the final annual accounts of the Executive Agency for Competitiveness and Innovation for the financial year 2007 ⁽³⁾,
- having regard to the Commission's annual reports to the European Parliament and to the Council on the follow-up to 2006 discharge decisions (COM(2008) 629, COM(2008) 628), and to the Commission staff working documents accompanying those reports (SEC(2008) 2579, SEC(2008) 2580),
- having regard to the Commission communication entitled 'Synthesis of the Commission's management achievements in 2007' (COM(2008) 338),
- having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2007 (COM(2008) 499), and to the Commission staff working document accompanying that report (SEC(2008) 2361),
- having regard to the Commission's report on Member States' replies to the Court of Auditors' 2006 annual report (COM(2008) 112),
- having regard to the Green Paper on the European transparency initiative, adopted by the Commission on 3 May 2006 (COM(2006) 194),
- 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) ⁽⁴⁾,
- having regard to the Commission communication on a roadmap to an integrated internal control framework (COM(2005) 252),
- having regard to the Commission action plan towards an integrated internal control framework (COM(2006) 9), the report from the Commission to the Council, the European Parliament and the Court of Auditors on the progress of the Commission action plan towards an integrated internal control framework (COM(2007) 86), and the Commission staff working document accompanying that report (SEC(2007) 311),
- having regard to the first half-yearly 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), pursuant to Parliament's request in its resolution accompanying the discharge decision in respect of the financial year 2004,
- having regard to Opinion No 6/2007 of the Court of Auditors on the annual summaries of Member States; 'national declarations' of Member States; and audit work on EU funds of national audit bodies ⁽⁵⁾,

⁽¹⁾ OJ L 77, 16.3.2007.

⁽²⁾ OJ C 287, 10.11.2008, p. 1.

⁽³⁾ OJ C 278, 31.10.2008, p. 29.

⁽⁴⁾ OJ C 107, 30.4.2004, p. 1.

⁽⁵⁾ OJ C 216, 14.9.2007, p. 3.

- having regard to the Commission's action plan to strengthen the Commission's supervisory role under shared management of structural actions (COM(2008) 97),
- having regard to the communication from Commissioners Hübner and Špidla to the Commission giving an interim progress report on the action plan to strengthen the Commission's supervisory role under shared management of structural actions (SEC(2008) 2756), and to the Commission staff working document accompanying that communication (SEC(2008) 2755),
- having regard to the report from the Commission to the Council, the European Parliament and the Court of Auditors on the Commission action plan towards an integrated internal control framework (COM(2008) 110), and to the Commission staff working document accompanying that report (SEC(2008) 259),
- having regard to the Court of Auditors' report on the annual accounts of the Executive Agency for Competitiveness and Innovation for the financial year 2007, together with the Agency's replies ⁽¹⁾,
- having regard to the statement of assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions, provided by the Court of Auditors pursuant to Article 248 of the EC Treaty ⁽²⁾,
- having regard to the Commission communication of 16 December 2008 on a common understanding of the concept of tolerable risk of error (COM(2008) 866), and to the Commission staff working document accompanying that communication (SEC(2008) 3054),
- having regard to the Council's recommendation of 10 February 2009 on the discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2007 (5589/2009 — C6-0056/2009),
- having regard to Articles 274, 275 and 276 of the EC Treaty and Articles 179a and 180b of the Euratom Treaty,
- having regard to Articles 246 et seq. of the EC Treaty, on the Court of Auditors,
- having regard to international audit standards and international accounting standards, in particular those applying to the public sector,
- 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 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 ⁽⁴⁾, and in particular Article 14(3) thereof,
- having regard to Commission Regulation (EC) No 1653/2004 of 21 September 2004 on a standard financial regulation for the executive agencies pursuant to Council Regulation (EC) No 58/2003 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes ⁽⁵⁾, and in particular Article 66(1) and (2) thereof,
- having regard to Commission Decision 2004/20/EC of 23 December 2003 setting up an executive agency, the 'Intelligent Energy Executive Agency', to manage Community action in the field of energy in application of Council Regulation (EC) No 58/2003 ⁽⁶⁾,
- having regard to Commission Decision 2007/372/EC of 31 May 2007 amending Decision 2004/20/EC in order to transform the Intelligent Energy Executive Agency into the Executive Agency for Competitiveness and Innovation ⁽⁷⁾,

⁽¹⁾ OJ C 311, 5.12.2008, p. 79.

⁽²⁾ OJ C 287, 10.11.2008, p. 111.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 11, 16.1.2003, p. 1.

⁽⁵⁾ OJ L 297, 22.9.2004, p. 6.

⁽⁶⁾ OJ L 5, 9.1.2004, p. 85.

⁽⁷⁾ OJ L 140, 1.6.2007, p. 52.

- 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 (A6-0168/2009),
- A. whereas under Article 274 of the EC Treaty the Commission implements the budget on its own responsibility, having regard to the principles of sound financial management,
1. Grants the Director of the Executive Agency for Competitiveness and Innovation discharge for implementation of the Agency's budget for the financial year 2007;
 2. Sets out its observations in the Resolution that forms an integral part of the Decisions on the discharge for implementation of the European Union general budget for the financial year 2007, Section III — Commission and executive agencies;
 3. Instructs its President to forward this Decision, together with the Decision on the discharge for implementation of the European Union general budget for the financial year 2007, Section III — Commission and the Resolution that forms an integral part of those decisions, to the Director of the Executive Agency for Competitiveness and Innovation, the Council, the Commission, the Court of Justice and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Klaus WELLE

DECISION OF THE EUROPEAN PARLIAMENT**of 23 April 2009****on discharge in respect of the implementation of the budget of the Executive Agency for the Public Health Programme for the financial year 2007**

(2009/633/EC, Euratom)

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2007 ⁽¹⁾,
- having regard to the final annual accounts of the European Communities for the financial year 2007 — Volume I (SEC(2008) 2359 — C6-0415/2008) ⁽²⁾,
- having regard to the final annual accounts of the Executive Agency for the Public Health Programme for the financial year 2007 ⁽³⁾,
- having regard to the Commission's annual reports to the European Parliament and to the Council on the follow-up to 2006 discharge decisions (COM(2008) 629, COM(2008) 628), and to the Commission staff working documents accompanying those reports (SEC(2008) 2579, SEC(2008) 2580),
- having regard to the Commission communication entitled 'Synthesis of the Commission's management achievements in 2007' (COM(2008) 338),
- having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2007 (COM(2008) 499), and to the Commission staff working document accompanying that report (SEC(2008) 2361),
- having regard to the Commission's report on Member States' replies to the Court of Auditors' 2006 annual report (COM(2008) 112),
- having regard to the Green Paper on the European transparency initiative, adopted by the Commission on 3 May 2006 (COM(2006) 194),
- 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) ⁽⁴⁾,
- having regard to the Commission communication on a roadmap to an integrated internal control framework (COM(2005) 252),
- having regard to the Commission action plan towards an integrated internal control framework (COM(2006) 9), the report from the Commission to the Council, the European Parliament and the Court of Auditors on the progress of the Commission action plan towards an integrated internal control framework (COM(2007) 86), and the Commission staff working document accompanying that report (SEC(2007) 311),
- having regard to the first half-yearly 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), pursuant to Parliament's request in its resolution accompanying the discharge decision in respect of the financial year 2004,
- having regard to Opinion No 6/2007 of the Court of Auditors on the annual summaries of Member States; 'national declarations' of Member States; and audit work on EU funds of national audit bodies ⁽⁵⁾,

⁽¹⁾ OJ L 77, 16.3.2007.

⁽²⁾ OJ C 287, 10.11.2008, p. 1.

⁽³⁾ OJ C 278, 31.10.2008, p. 81.

⁽⁴⁾ OJ C 107, 30.4.2004, p. 1.

⁽⁵⁾ OJ C 216, 14.9.2007, p. 3.

- having regard to the Commission's action plan to strengthen the Commission's supervisory role under shared management of structural actions (COM(2008) 97),
- having regard to the communication from Commissioners Hübner and Špidla to the Commission giving an interim progress report on the action plan to strengthen the Commission's supervisory role under shared management of structural actions (SEC(2008) 2756), and to the Commission staff working document accompanying that communication (SEC(2008) 2755),
- having regard to the report from the Commission to the Council, the European Parliament and the Court of Auditors on the Commission action plan towards an integrated internal control framework (COM(2008) 110), and to the Commission staff working document accompanying that report (SEC(2008) 259),
- having regard to the Court of Auditors' report on the annual accounts of the Executive Agency for the Public Health Programme for the financial year 2007, together with the Agency's replies ⁽¹⁾,
- having regard to the statement of assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions, provided by the Court of Auditors pursuant to Article 248 of the EC Treaty ⁽²⁾,
- having regard to the Commission communication of 16 December 2008 on a common understanding of the concept of tolerable risk of error (COM(2008) 866), and to the Commission staff working document accompanying that communication (SEC(2008) 3054),
- having regard to the Council's recommendation of 10 February 2009 on the discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2007 (5589/2009 — C6-0056/2009),
- having regard to Articles 274, 275 and 276 of the EC Treaty and Articles 179a and 180b of the Euratom Treaty,
- having regard to Articles 246 et seq. of the EC Treaty, on the Court of Auditors,
- having regard to international audit standards and international accounting standards, in particular those applying to the public sector,
- 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 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 ⁽⁴⁾, and in particular Article 14(3) thereof,
- having regard to Commission Regulation (EC) No 1653/2004 of 21 September 2004 on a standard financial regulation for the executive agencies pursuant to Council Regulation (EC) No 58/2003 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes ⁽⁵⁾, and in particular Article 66, first and second paragraphs, thereof,
- having regard to Commission Decision 2004/858/EC of 15 December 2004 setting up an executive agency, the 'Executive Agency for the Public Health Programme', for the management of Community action in the field of public health — pursuant to Council Regulation (EC) No 58/2003 ⁽⁶⁾,
- 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 (A6-0168/2009),

⁽¹⁾ OJ C 311, 5.12.2008, p. 86.

⁽²⁾ OJ C 287, 10.11.2008, p. 111.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 11, 16.1.2003, p. 1.

⁽⁵⁾ OJ L 297, 22.9.2004, p. 6.

⁽⁶⁾ OJ L 369, 16.12.2004, p. 73.

- A. whereas under Article 274 of the EC Treaty the Commission implements the budget on its own responsibility, having regard to the principles of sound financial management,
1. Grants the Director of the Executive Agency for the Public Health Programme discharge for implementation of the Agency's budget for the financial year 2007;
 2. Sets out its observations in the Resolution that forms an integral part of the Decisions on the discharge for implementation of the European Union general budget for the financial year 2007, Section III — Commission and executive agencies;
 3. Instructs its President to forward this Decision, together with the Decision on the discharge for implementation of the European Union general budget for the financial year 2007, Section III — Commission and the Resolution that forms an integral part of those decisions, to the Director of the Executive Agency for Health and Consumers (formerly Executive Agency for the Public Health Programme), the Council, the Commission, the Court of Justice and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Klaus WELLE

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 23 April 2009****with observations forming an integral part of the Decisions on discharge in respect of the implementation of the European Union general budget for the financial year 2007, Section III — Commission and executive agencies**

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2007 ⁽¹⁾,
- having regard to the final annual accounts of the European Communities for the financial year 2007 — Volume I (SEC(2008) 2359 — C6-0415/2008) ⁽²⁾,
- having regard to the Commission's annual reports to the European Parliament and to the Council on the follow-up to 2006 discharge decisions (COM(2008) 629, COM(2008) 628), and to the Commission staff working documents accompanying those reports (SEC(2008) 2579, SEC(2008) 2580),
- having regard to the Commission communication entitled 'Synthesis of the Commission's management achievements in 2007' (COM(2008) 338),
- having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2007 (COM(2008) 499), and to the Commission staff working document accompanying that report (SEC(2008) 2361),
- having regard to the Commission's report on Member States' replies to the Court of Auditors' 2006 annual report (COM(2008) 112),
- having regard to the Green Paper on the European transparency initiative, adopted by the Commission on 3 May 2006 (COM(2006) 194),
- 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) 252),
- having regard to the Commission action plan towards an integrated internal control framework (COM(2006) 9), the report from the Commission to the Council, the European Parliament and the Court of Auditors on the progress of the Commission action plan towards an integrated internal control framework (COM(2007) 86), and the Commission staff working document accompanying that report (SEC(2007) 311),
- having regard to the first half-yearly 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), pursuant to Parliament's request in its resolution accompanying the discharge decision in respect of the financial year 2004,
- having regard to Opinion No 6/2007 of the Court of Auditors on the annual summaries of Member States; 'national declarations' of Member States; and audit work on EU funds of national audit bodies ⁽⁴⁾,
- having regard to the Commission's action plan to strengthen the Commission's supervisory role under shared management of structural actions (COM(2008) 97),

⁽¹⁾ OJ L 77, 16.3.2007.

⁽²⁾ OJ C 287, 10.11.2008, p. 1.

⁽³⁾ OJ C 107, 30.4.2004, p. 1.

⁽⁴⁾ OJ C 216, 14.9.2007, p. 3.

- having regard to the communication from Commissioners Hübner and Špidla to the Commission giving an interim progress report on the action plan to strengthen the Commission's supervisory role under shared management of structural actions (SEC(2008) 2756), and to the Commission staff working document accompanying that communication (SEC(2008) 2755),
- having regard to the report from the Commission to the Council, the European Parliament and the Court of Auditors on the Commission action plan towards an integrated internal control framework (COM(2008) 110), and to the Commission staff working document accompanying that report (SEC(2008) 259),
- having regard to the Annual Report of the Court of Auditors on implementation of the budget for the financial year 2007, together with the institutions' replies ⁽¹⁾, and to the Court of Auditors' special reports,
- 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 Commission communication of 16 December 2008 on a common understanding of the concept of tolerable risk of error (COM(2008) 866), and to the Commission staff working document accompanying that communication (SEC(2008) 3054),
- having regard to the Council's recommendation of 10 February 2009 on the discharge to be given to the Commission in respect of the implementation of the budget for the financial year 2007 (5587/2009 — C6-0055/2009),
- having regard to the Council's recommendation of 10 February 2009 on the discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2007 (5589/2009 — C6-0056/2009),
- having regard to Articles 274, 275 and 276 of the EC Treaty and Articles 179a and 180b of the Euratom Treaty,
- having regard to Articles 246 et seq. of the EC Treaty, on the Court of Auditors,
- having regard to international audit standards and international accounting standards, in particular those applying to the public sector,
- having regard to the International Peer Review of the Court of Auditors,
- having regard to Council Regulation (EEC, Euratom, ECSC) No 259/68 of 29 February 1968 laying down the Staff Regulations of Officials and the Conditions of Employment of Other Servants of the European Communities ⁽³⁾, in particular Title V, Chapter 3, dealing with old-age and invalidity pensions, and Annex XII, which lays down the implementing provisions for Article 83a of the Staff Regulations,
- 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 ⁽⁴⁾, and in particular Articles 145, 146 and 147 thereof,
- having regard to 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 ⁽⁵⁾, and in particular Article 14(2) and (3) 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 (A6-0168/2009),

⁽¹⁾ OJ C 286, 10.11.2008, p. 1.

⁽²⁾ OJ C 287, 10.11.2008, p. 111.

⁽³⁾ OJ L 56, 4.3.1968, p. 1.

⁽⁴⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁵⁾ OJ L 11, 16.1.2003, p. 1.

- 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 Commission has a duty to do its utmost to provide full support for measures to improve financial management with a view to obtaining a positive statement of assurance (DAS) from the Court of Auditors (ECA),
- C. whereas Article 184 of Regulation (EC, Euratom) No 1605/2002 provides for a revision of the Financial Regulation whenever it proves necessary, and at least every three years, and whereas the current three-year period will end on 1 January 2010; whereas the same article stipulates that Parliament may request the conciliation procedure,
- D. whereas the political power of the European Communities over the non-executive agencies, which is a condition for the inclusion of the accounts of such agencies in the consolidated accounts of the European Communities, seems to be widening from year to year, and whereas their place in the political organigramme of Community operational bodies is gradually being obscured,
- E. whereas the implementation of some EU policies is characterised by the 'shared management' of the Community budget by the Commission and the Member States, under which some 80 % of Community expenditure is administered by the Member States,
- F. whereas in its Resolution of 24 April 2007 ⁽¹⁾ on discharge in respect of the financial year 2005, it considered 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,
- G. whereas in its annual report on the financial year 2007 the ECA stressed, in connection with its assessment of progress in establishing an integrated internal control framework, that 'the nature of EU spending means that the main risk of error resides at the level of the final beneficiary' (paragraph 1.47),
- H. whereas the submission by the Member States of annual summaries of audits and declarations available in the shared management field, pursuant to paragraph 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 ⁽²⁾ (IIA) should be a first step towards national management declarations and should make a major contribution to improving management of the Community budget, with the common fundamental goal of obtaining a positive DAS for all EU expenditure,
- I. whereas the concept of tolerable risk of error was first introduced at EU level by the ECA in its Opinion No 2/2004 on the 'single audit' ⁽³⁾, and whereas the ECA has stated that 'any control system is a trade-off between the cost of operating the defined intensity of checks on the one hand, and the benefit these procedures bring on the other. In the Community context the benefit involves reducing the risk that funds are wasted and containing the risk of error to a tolerable level',
- J. whereas in its annual report for 2007 the ECA takes the view that 'costs of control are an important issue, both for the EU budget and Member [States]' and that 'the balance between cost and residual risk for individual spending areas is of such importance that it should be approved by the political level (i.e. by the budget/discharge authorities) in the name of the citizens of the Union' (paragraph 1.52(b) and (c)), and whereas in paragraph 2.42(c) of the report, the ECA recommends that progress be made in taking forward the concept of tolerable risk,
- K. whereas in paragraph 5 of its conclusions of 8 November 2005 the ECOFIN Council 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',

⁽¹⁾ OJ L 187, 15.7.2008, p. 25.

⁽²⁾ OJ C 139, 14.6.2006, p. 1.

⁽³⁾ Opinion No 2/2004 of the Court of Auditors of the European Communities on the 'single audit' model (and a proposal for a Community internal control framework) (OJ C 107, 30.4.2004, p. 1).

- L. whereas in June 2008 the Slovenian Presidency of the Council took the view that 'in line with the 2005 Council conclusions (...) a common understanding between the European Parliament and the Council should be reached regarding the residual risk 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' ⁽¹⁾,
- M. whereas, however, while dialogue between the external auditor (the ECA) and the audited party (the Commission) is necessary, it cannot be disputed that, in accordance with international audit standards, which must continue to provide the general framework for budgetary control, it is for the external auditor to assess the risks on the basis of which he forms a judgment as to the choice of audit procedure,
- N. whereas, furthermore, the cost of an audit depends not just on the tolerable level of error but also on the complexity of the organisational set-up of the entity being audited and the quality of its internal control system,
- O. whereas, in accordance with international audit standards, the external auditor chooses appropriate methods for the selection of the items to be checked with a view to obtaining the evidence required in order to achieve the goals of his audit tests; whereas, furthermore, while the choice of methods depends on the circumstances, the main criteria are the audit risk and the objective of carrying out effective checks; whereas, lastly, the external auditor must ensure that the methods used produce sufficient appropriate evidence for the objectives of the audit to be achieved,
- P. whereas, in the new generation of programmes, the Directorate-General for Education and Culture has harmonised the action programmes, in particular by introducing the single audit approach; whereas, in that context, the ex-ante and ex-post declarations made by the Member States constitute new, additional factors in the supervision and control of systems,
- Q. whereas the annual discharge procedure enables Parliament to remain in direct contact with the key stakeholders in charge of such management, and, on the basis of the findings of the ECA audit, to improve management of EU expenditure for the public benefit and thereby create a more reliable decision-making basis,
- R. whereas Article 83 of Regulation (EEC, Euratom, ECSC) No 259/68 stipulates that pensions are charged to the budget and that the Member States must jointly guarantee payment of such benefits in accordance with the scale laid down for financing such expenditure; whereas staff pay back to the general budget 10,25 % of their salaries as their contribution to the funding of the pension scheme,
- S. whereas Article 83 of Regulation (EEC, Euratom, ECSC) No 259/68 lays down that the Member States must jointly guarantee the pension fund, which signifies that this guarantee may take effect should one or more Member States default, but does not imply that the Communities do not have a claim against the Member States which entered into that commitment,
- T. whereas 2007 was the first year of the implementation of the Development Cooperation Instrument,
- U. whereas 2007 was the European Year of Equal Opportunities for All, which gave special attention to the multiple forms of discriminations that women often face,
- V. whereas because of persistent inequalities between women and men the utilisation of budgetary resources has different effects on the two genders,
- W. whereas during the next budgetary procedure the Council should take due account of the 2007 discharge results and recommendations and support proposals for reform seeking to give the Member States greater responsibility, with a view to resolving once and for all problems which the ECA has been flagging up for years,

⁽¹⁾ Council of the European Union, note from the Presidency to the delegations — 'An improved sound financial management of EU funds 10284/08 FIN 217', 3.6.2008 (available in English only).

- X. whereas the Commission, the Council and Parliament should, in cooperation with the ECA, set themselves the common goal of obtaining a positive DAS,

MAIN CONCLUSIONS

1. Welcomes the further progress made by the Commission and some of the Member States towards a more efficient use of EU funds and the overall control environment, which is reflected by the improvements in the DAS of the ECA;
2. Welcomes the considerable progress made in the management of the Seventh Framework Programme by the Commission's research family in comparison with former Framework Programmes; reiterates that common agricultural policy (CAP) funds management has further improved, in particular thanks to the functioning of the integrated administrative control system (IACS); deeply regrets that in 2007 Greece was still not meeting its obligations to implement IACS;
3. Notes that 2007 was the first year of closure of the 2000-2006 multiannual programmes and that many funds were recovered;
4. Notes considerable improvements in the field of research and technological development (RTD) financial management where error rates were reduced by more than 50 % in the space of three years; invites the Commission to continue its simplification efforts in order to improve the use of programmes by final beneficiaries;
5. Welcomes the efforts made by the Commission in the field of funds allocated to cohesion policy in its implementation of the action plan to strengthen the Commission's supervisory role under shared management of structural actions which was adopted in the context of the 2006 discharge; hopes that the first results of the abovementioned action plan and the simplification efforts will be seen in the 2008 ECA Annual Report;
6. Remains concerned about the lack of EU capacity in crisis management; considers that the Union is losing its political compass, visibility and accountability when using international trust funds which could have been managed by the Commission if it had respected discharge reports 2005 and 2006 and built up its own post-crisis instrument; is greatly concerned at the lack of control of EU funds implemented by certain UN agencies and the unwillingness of UN agencies to follow up on fraud cases where EU funds are involved;

HORIZONTAL ISSUES

Statement of assurance

7. Notes the improvements in the individual parts which comprise the DAS; regrets, however, that, for the 14th year in succession, the DAS issued by the ECA in its annual report for 2007 includes a qualified opinion on the legality and regularity of the transactions underlying the accounts; notes that the ECA takes the view that, in a large number of expenditure areas (agriculture and natural resources, cohesion, research, energy and transport, external aid, development and enlargement, education and citizenship), payments are still materially affected by errors, albeit to differing degrees;
8. Welcomes the fact that, according to the ECA's report, revenue, administrative expenditure, expenditure relating to economic and financial affairs and expenditure relating to the European Agricultural Guarantee Fund (EAGF) are free from material error;
9. Notes that the situation — in particular as regards control systems — is improving, but not to a sufficient extent nor sufficiently quickly;

Reliability of the accounts

10. Welcomes the ECA's statement to the effect that the annual accounts of the European Communities present fairly, in all material respects, the financial position of the Communities as of 31 December 2007, and the results of their operations and cash flows for the year then ended (Chapter 1, DAS, paragraph VII); calls on the Commission nevertheless to pay due attention to the comments presented by the ECA in order to improve the comprehensiveness and accuracy of the basic accounting data;
11. Considers it abnormal for the annual accounts to show net assets of EUR – 58 600 000 000 and wonders whether the amounts to be requested from Member States should not be entered as assets, given that the estimated EUR 33 500 000 000 in staff pensions is clearly a commitment; asks for further specification concerning the annexed notes on the other amounts to be called from Member States, totalling EUR 27 900 000 000; notes the explanations provided by the Commission's Accounting Officer to the effect that international accounting standards applicable to the public sector have been complied with; proposes that consideration be given to establishing a Community pension fund in order to externalise these financial commitments vis-à-vis staff;
12. Fails to understand why the assets received by the European Communities in connection with the Galileo programme were not entered in the annual accounts, given that, according to the ECA's report, the agreements were signed in late 2007 between the European Space Agency, the Galileo Joint Undertaking and the GNSS (Global Navigation Satellite Systems) Supervisory Authority, which was set up in 2004 and given responsibility for taking over the activities of the former Galileo Joint Undertaking on 1 January 2007; accordingly, calls on the Commission to put forward a proposal concerning the major European projects (Galileo or TENs) which require funding which goes beyond the scope of the multiannual financial framework and which it cannot therefore control;
13. Calls for consideration to be given to the possibility of including in the annual accounts provisions for major maintenance and refurbishment work on the European Communities' buildings stock, given the lack of a buildings depreciation schedule broken down by specific component and setting out the main tangible fixed assets to be replaced at regular intervals; takes the view that such provisions for major maintenance or refurbishment works should be backed by multiannual upkeep programmes designed to keep buildings in a good state of repair without prolonging their life;
14. Calls for proper verification that, in the absence of a capital tie-up, the European Communities' level of political authority in the agencies included in the consolidated accounts complies with international public-sector accounting standards;
15. Expresses concerns and doubts about the possibility of appointing 'non category' senior officials, unless specifically mentioned in the staff establishment plans, in the last step of the AD16 grade under any circumstances, and asks the Commission to clarify the possibilities under the Staff Regulations in the light of this specific budgetary position;

Legality of the underlying transactions

16. Notes with satisfaction that the areas in which the Commission has applied appropriate supervisory and control systems (revenue, commitments and payments concerning administrative and other expenditure, and economic and financial affairs) are free from material errors as to the legality and regularity of the underlying transactions (Chapter 1, DAS, paragraph IX);
17. Deplores the fact, none the less, that in extremely important Community spending areas (agricultural spending excluding the EAGF, cohesion, research, energy and transport, external actions, education and culture), the ECA notes, once again, that complicated or unclear legal requirements result firstly in a large number of errors at final-beneficiary level and secondly in only partially effective monitoring and control systems and that that complexity is instrumental in preventing the ECA from issuing a positive DAS (Chapter 1, DAS, paragraphs X and XI); calls on the Commission, therefore, to conduct an analysis to determine the extent of, and possible solutions to, the problems; stresses therefore the need for simplification of the underlying rules and regulations in order to achieve a positive DAS;

18. Calls on the Commission to further step up its monitoring of controls delegated to Member States and to give them clear guidance on how to prevent, identify and correct errors, and insists that, where Member States' control systems remain ineffective, the Commission do everything in its power to compel the Member States to meet their obligations and make the necessary improvements, in particular by imposing payment suspensions and financial corrections;

Budgetary management — financial corrections

19. Notes the fact that the ECA found that in 2007, the first year of the new 2007-2013 programming period, the use of commitment appropriations had markedly improved by comparison with the start of the previous programming period;
20. Considers with regard to shared or decentralised management, however, that the Commission must apply Regulation (EC, Euratom) No 1605/2002 in full and assume its ultimate responsibility for budget implementation, and emphasises the need to make financial corrections as soon as irregularities uncorrected by Member States are detected, without waiting for the end of the multiannual cycle;

Amounts recovered

21. Notes with concern the problems surrounding recovery of irregularly disbursed Community funds and the poor quality of the data supplied on the correction mechanism applied at Member State level, which, on occasion, are contradictory and incomplete as regards cohesion policies, and the fact that, with regard to agriculture, the ECA has doubts as to the reliability of the information supplied (paragraphs 3.26 and 5.44 of the 2007 annual report);
22. Points also to the importance of the final decisions and corrective measures taken with the aim of excluding from Community funding expenditure which has not been carried out in conformity with Community legislation, and restates its call for the precise budget heading and the year to which individual recoveries relate to be specified, in keeping with standard practice in the agriculture and natural resources sector;
23. Calls on the Commission to enhance the efficiency and effectiveness of multiannual recovery systems, including at Member State level, and to consolidate data on recoveries and financial corrections, in particular in the areas covered by the Structural Funds, in order to provide reliable figures which can be compared between the various policy areas and fund management procedures; calls on the Commission to report to Parliament in the notes accompanying the annual accounts, so that an overview can be obtained;
24. Calls, in view of the persistence of recovery-related problems, for the system to be evaluated;

Suspension of payments

25. 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 has no absolute guarantee of the reliability of the management and control systems of the Member State which is the beneficiary of those funds;

Annual summaries of audits and declarations available in the shared-management field, and national management declarations

26. Welcomes the fact that annual summaries of audits by the Member States are being made available as from 2008, along with the evaluation and declarations presented in the 2007 annual activity reports of the directorates-general dealing with Structural Funds, and calls on the Commission to make efforts to ensure that these annual summaries can be published together with the Commission's reply; takes the view that the annual summaries drawn up by the Member States are public documents and should therefore also be forwarded to Parliament's committee responsible in the course of the discharge procedure;

27. Notes with concern that, owing to disparities in presentation and to a lack of added value, the ECA considers that those annual summaries do not yet constitute a reliable appraisal of the operation and effectiveness of the control systems; welcomes in this light the Commission's revised guidance note aimed at ensuring higher quality in the annual summaries for 2008 and is of the opinion that meaningful annual summaries will reduce the number of on-the-spot audits;
28. Calls on the Commission, in that connection, to analyse the summaries received in 2009 with the aim of optimising their added value in terms of the assurance they provide regarding the operation of the internal control systems employed by the Member States; also calls on the Commission to include an analysis of the annual summaries submitted by Member States in the annual report pursuant to Article 86(4) of Council Regulation (EC, Euratom) No 1605/2002, using as benchmarks the provisions of the Interinstitutional Agreement on budgetary discipline and sound financial management (IIA);
29. Deplores the Commission's failure to act on the call made in the Resolution of 22 April 2008 on discharge for the financial year 2006 ⁽¹⁾ for a specific document to be drawn up, and forwarded to the Parliament and to the Council, which analyses, on the basis of the annual summaries received, 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; deplores also the fact that, to date, it has not received detailed information from the Commission on an assessment and comparative analysis of the initial annual summaries presented; considers it of utmost importance that the quality of those annual summaries be reported on in order to ensure that value is added to the process by, among other things, identifying common problems, possible solutions and best practices;
30. Calls on the Commission regularly to present this qualitative and quantitative evaluation of the annual summaries in the activity reports and to make this information available to all the parties concerned, and to the public, during the discharge procedure; expects to receive the first of these assessments by September 2009 and asks that, in addition to an annual formal presentation to Parliament, this analysis of annual summaries should also be circulated to all national parliamentary public accounts committees;
31. Calls on the Commission to carry out, after three years, a comprehensive evaluation, analysing the added value of the annual summaries for the sound financial management of EU funds in the Member States, as well as the degree of independence of the auditors involved;
32. Considers that the annual summaries which Member States have to provide of available audits and declarations, pursuant to Point 44 of the IIA, ought to be a first step towards the introduction of national management declarations in all Member States; asks the Commission to declare what it has done in this respect, taking into account previous discharge resolutions, and urgently to make all necessary efforts to upgrade the annual summaries so that they carry the same political weight as the national management declarations; is of the opinion that the Commission should use its right of initiative to propose a Council decision to make national declarations compulsory;
33. Welcomes the initiative taken by some Member States (Denmark, the Netherlands, Sweden and the United Kingdom) to approve the adoption of a national declaration on the management of Community funding, but regrets the fact that, despite those initiatives, most other Member States are resisting its introduction, and deplores the fact that Belgium, Bulgaria, the Czech Republic, Germany, Estonia, Ireland, Greece, Spain, France, Italy, Cyprus, Latvia, Lithuania, Luxembourg, Hungary, Malta, Austria, Poland, Portugal, Romania, Slovenia, Slovakia and Finland have not yet taken steps to develop an effective system of national declarations;
34. Calls, pursuant to Article 248(3) of the EC Treaty, as regards shared-management controls, for cooperation to be stepped up between national audit bodies and the ECA; proposes examination of the possibility of national audit bodies, in their capacity as independent external auditors, and with due regard for international audit standards, issuing national audit certificates for the management of Community funds, which would be submitted to Member State governments with a view to being produced during the discharge process in accordance with an appropriate interinstitutional procedure to be introduced;

⁽¹⁾ OJ L 88, 31.3.2009, p. 25.

Control systems*The Action Plan for an integrated internal control framework*

35. Notes with satisfaction the overall progress made in the development of the Action Plan and the fact that a majority of actions have been implemented and most of the gaps identified in the Action Plan filled;
36. Voices its concern over the ECA's repeated criticism of the inadequate quality of controls in Member States; Notes with concern the complaints by beneficiaries and national control bodies about the number of controls and the cost thereof;
37. Also notes with concern beneficiaries' criticism of the number of manuals, guidance notes, working documents and participation rules applicable to grants; calls for those documents to be consolidated and for discussion with Parliament on simplifying the implementing rules;
38. Emphasises that control systems are a reflection of the complexity of regulations and rules on the various, sometimes overlapping levels; urges therefore the Commission to accelerate the simplification exercise whilst fully involving Parliament; asks Member States and regions to undertake the same efforts;
39. Calls on the Commission to review the conditions for using the flat-rate method so as to increase reliability in beneficiaries' interest; regards it as unacceptable to dispute — after the event — the flat rates opted for;
40. Deplores the fact that Action 4 of the Action Plan, concerning the launching of an interinstitutional initiative on the basic principles to be considered regarding the risks to be tolerated in the underlying transactions, is being implemented late;
41. Points also, in this context, to the importance of Action 10 of the Action Plan, 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';
42. Also expects the annual activity reports of the directorates-general to include, again, information on the quality of, and improvement in, controls in the Member States, and calls on the Commission to grade all payment agencies and certification bodies;
43. Calls on the Commission to present regular assessments of the integrated internal control system, and calls for even better coverage — in the annual activity reports and the synthesis report — of Commission departments' and Member States' shared-management systems, in particular as regards technical quality and ethical considerations, e.g. the level of independence of national audit authorities;
44. Calls on the Commission to carry out a more complete and exhaustive evaluation of the resources given over to control systems, by spending area, for all Union spending areas, as called for by Parliament in its discharge resolutions in previous years and in view of the 'getting results' concept;
45. Calls on the Commission in addition, on the basis of the annual summaries received, to analyse the strengths and weaknesses of each Member State's national system for the administration and control of Community funds, together with an estimate of the cost of national systems for the control of Community funds; reminds the Commission of its commitment to improve the quality of the annual summaries of the Member States in order to make them useful instruments to mitigate the risk of errors for the years to come; asks the Commission to live up to its commitment in this respect;
46. Considers that that comparative analysis should be forwarded to Parliament, the Council and the ECA in late 2009 or early 2010 and should serve as a basis for interinstitutional dialogue on tolerable risk of error;

47. Notes that while 'tolerable risk of error' is, in an integrated internal control framework, a fundamental concept to be taken into consideration by the ECA when it issues its DAS, it should, according to ECA Opinion No 4/2006 on the draft Council regulation amending Regulation (EC, Euratom) No 1605/2002 ⁽¹⁾, be stipulated exactly how to determine tolerable risk of error;

Tolerable risk of error

48. Welcomes the Commission communication of 16 December 2008 on a common understanding of the concept of tolerable risk of error as a sound methodological basis for an economic analysis of acceptable level of risk, and expects the Commission to take this work further when preparing its proposal on tolerable level of risk by budgetary area; recognises, in this context, the importance of that communication as an initial basis for discussion, from a strictly economic perspective, on 'tolerable level of risk' for two Union spending areas, i.e. the Structural Funds and the EAFRD; calls, however, for this dialogue between external auditor and audited party to continue to comply with international auditing standards which stipulate that it is for the external auditor to decide which risks he should take as the basis for his judgment as to the choice of audit procedure;
49. Deplores the fact that, in the abovementioned communication, the Commission exposes the problems encountered in obtaining sufficiently reliable information from Member States, and regards this as detrimental to the Union's image;
50. Has doubts as to the reliability of data provided by Member States and therefore calls on the Commission to compile fresh statistics, plus an in-depth analysis thereof, once the impact of the 2007-2013 rules becomes clear and to forward that analysis to Parliament and the Council before the end of 2011;
51. Considers that determining tolerable level of risk is most important and highly complex; takes the view that there should be a close tie-in between tolerable level of risk and an in-depth study into the cost-effectiveness of Commission and Member State control systems for each Community spending area;
52. Calls, given the pressing need to continue to analyse the costs and benefits of control, calls on the Commission, with the technical support of the ECA, to carry out an in-depth analysis in the areas of research, external relations and administrative expenditure, and to submit a report on the findings before the end of 2010;
53. Considers that the volume of Community funds lost because of errors should also be taken into consideration when a tolerable error rate is determined;
54. Takes the view that tangible proposals should be produced with regard to improving the management and control of Community spending and, indeed, for some aspects, a degree of harmonisation, and proposes that, during the forthcoming budgetary procedure, Parliament should give the Commission the resources needed to undertake a study;
55. Calls on the Commission without delay to submit its proposals for achieving the objective of a positive DAS;

Transparency

56. Recalls the Commission's decision to start with a voluntary register for lobbyists and to evaluate the system after one year; is aware of the legal basis for a mandatory register provided by the Treaty of Lisbon; recalls that Parliament's current register is already mandatory and that a possible common register would be de facto mandatory, since registering is, in either case, a prerequisite for gaining access to Parliament;
57. Deplores the fact that its call for a new code of conduct for Members of the Commission, so as to improve and define more clearly their individual and collective political responsibility and accountability for their decisions and for the implementation of their policies by their services, has not been followed up;

⁽¹⁾ OJ C 273, 9.11.2006, p. 2.

58. Recalls once again the Commission's responsibility for ensuring the completeness, searchability and comparability of data provided on the beneficiaries of EU funding and regrets that this objective has still not been achieved;
59. Recalls once again the importance of complete transparency and publicity with regard to the cabinet staff of Members of the Commission not recruited in accordance with the Staff Regulations;
60. Notes that, since the financial year 2007, it has been compulsory to publish the names of recipients of European funds; notes with regret that Parliament has no overview either of publication or of the details of recipients and their projects; calls on the Commission to assess the usefulness of the information published by the Member States in the light of the policy objectives set forth;
61. Expresses surprise at the fact that the Commission has offered a EUR 1 500 000 contribution to Parliament's fitness centre from its ex-Economat off-budget bank accounts (COM(2008) 692) and disagrees with this way of seeking the agreement of Parliament to use money; recalls paragraph 6 of its above-mentioned Resolution of 24 April 2007 on discharge in respect of the financial year 2005 and paragraphs 6 and 7 of its Resolution of 27 April 2006 on discharge in respect of the financial year 2004 ⁽¹⁾; calls on the Commission to enter the money from the ex-Economat off-budget bank accounts in the ordinary budget before making proposals for its use;
62. Reminds the Commission of the fact that a comprehensive, easily accessible public database containing information on all final beneficiaries of EU funding should be available before the next European elections;

Financial Regulation

63. Notes with satisfaction that the simplification begun when Regulation (EC, Euratom) No 1605/2002 was last revised has had the desired effects as regards public procurement;
64. Points out, however, that the measures taken on grants have demonstrated their effectiveness only in part; asks that the Commission present to it by 1 January 2010 proposals for a revised and fully consolidated Financial Regulation with chapters specific to individual expenditure programmes which bring together all the requirements which a beneficiary of a programme must fulfil in one single comprehensive source and with further simplifications as regards the award and control of grants; calls, pursuant to Article 184 of Regulation (EC, Euratom) No 1605/2002, for the next three-yearly review of Regulation (EC, Euratom) No 1605/2002 to be carried out by means of the conciliation procedure;
65. Invites the Commission to engage at a very early stage in consultations with the other institutions subject to Regulation (EC, Euratom) No 1605/2002;

Anti-Fraud Office (OLAF)

66. Notes with concern OLAF's working conditions; calls on the Commission to give OLAF immediate access to its databases if this is necessary in connection with an investigation, so that investigations can be opened and conducted without delay;
67. Calls also for action to ensure that beneficiary third countries give OLAF all necessary assistance during on-the-spot inspections and checks, together with all relevant information on follow-up to investigations carried out; asks the Commission to ensure that all future contracts stipulate that the authorities of the countries concerned must fully cooperate with OLAF;
68. Is greatly concerned at the fact that only 6,7 % of OLAF's 'judicial follow-up' recommendations gave rise to actual judicial proceedings; is aware that in 2007 60 % of all OLAF investigations gave rise to 'judicial follow-up' recommendations; regards this state of affairs, which undermines the rule of law and citizens' confidence and from which only presumed fraudsters can benefit, as unacceptable; therefore strongly urges the Commission to use all the powers available to it under the Treaties to bring about effective cooperation among national authorities in the fight against Community fraud;

⁽¹⁾ OJ L 340, 6.12.2006, p. 5.

69. Notes with concern that between 2006 and 2008 only 37 out of 222 internal investigations gave rise to disciplinary proceedings and that, of these 37 investigations, only two produced genuine consequences, three were halted for lack of evidence and the other 32 — i.e. 87 % — have yet to produce results; calls on the Commission to undertake to pursue internal investigations just as vigorously as external investigations and to ensure that those investigations which have not yet given rise to effective disciplinary follow-up produce results;
70. Calls once again on the Commission to establish a mechanism for exchanges of information between OLAF and the Member States concerning the follow-up to Community anti-fraud investigations; in particular, calls on the Commission to ensure that national judicial authorities keep OLAF regularly informed, by means of progress reports, on the outcome of the judicial action taken in the fight against Community fraud, following the forwarding of OLAF files;

SECTORAL ISSUES

Own resources

71. Notes that, according to information provided by the Commission (see the answer to Written Question E-5221/08), in September-October 2008 for the first time all 27 Member States included the allocation of financial intermediation services indirectly measured (FISIM) in their national accounts data; on the basis of that data, the increase in the gross national income (GNI) of the EU-27 as a result of FISIM allocation amounts to EUR 149 200 000 000 in 2007 (i.e. 1,2 % of EU-27 GNI); this new statistical approach thus serves to increase GNI by an amount substantially greater than the volume of the entire Union budget;
72. Draws attention to paragraph 93 of its abovementioned Resolution of 24 April 2007 on discharge in respect of the financial year 2005 and paragraphs 6 and 7 of its Resolution of 27 April 2006 on discharge in respect of the financial year 2004, in which it pointed out that allocated FISIMs 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) 99), the Commission entered no limiting reservation in that respect;
73. Notes that the Council, when adopting Decision 2007/436/EC, Euratom of 7 June 2007 on the system of the European Communities' own resources ⁽¹⁾ on the basis of the Commission proposal (COM(2006) 99), likewise entered no limiting reservation concerning FISIM; expects, therefore, that when the new own resources decision comes into force, and backdated to 1 January 2007, GNI data including FISIMs will be used to calculate Community own resources and that, on that basis, past and future payments by the Member States will be calculated afresh;

Agriculture and natural resources

74. Notes with concern the ECA's conclusion that the transactions underlying this policy group, taken as a whole, are affected by a material level of error of legality and/or regularity (paragraphs 5.12 and 5.13 of the annual report for 2007), and also takes note of the problems found by the ECA at final-beneficiary level and of the fact that about 20 % of payments audited at that level again turned out to be incorrect; notes, however, the decreasing frequency of errors and the limited financial impact of these errors (0,83 % of the expenditure concerned);
75. Agrees with the ECA's acknowledgement that rural development expenditure, and in particular expenditure on agri-environmental measures, is particularly prone to a higher incidence of errors and that the controls have once again been found to be deficient because of the complex nature of the rules and imprecise definitions included in the eligibility rules in some national legislation, problems which adversely affect the quality of controls; urges the Commission to simplify, strengthen and consolidate the control rules;

⁽¹⁾ OJ L 163, 23.6.2007, p. 17.

76. Notes, however, the ECA's conclusion that the Integrated Administration and Control System continues to be effective in limiting the risk of irregular expenditure where the system is properly implemented and data are accurate and reliable as regards Single Payment Scheme payments based on allocated entitlements (paragraphs 5.20 and 5.21 of the annual report for 2007);
77. Is concerned, however, at the ECA's criticisms of errors in interpreting the provisions of the regulations and at the finding that the cumulative effect of all such errors, over a number of years, will be significant if they are not corrected, and calls on the Commission to take the appropriate measures, consisting of at least simplifying the policy together with ensuring clearer and consistent control systems, to correct the errors as quickly as possible and to inform Parliament in late 2009 about the measures taken;
78. Considers unacceptable the existence of problems, identified once again by the ECA, in implementing the Integrated Administration and Control System in Greece and supports the Commission's intention, as stated to the parliamentary committee responsible, to apply current legislation on suspension of payments rigorously if the Greek Government does not remedy the existing problems within the stated time limits; calls for payments to be suspended if the Greek authorities are unable to prove that the problems have been resolved by 31 December 2009;
79. Notes with concern the major weaknesses identified by the ECA in many Member States' control systems relating to rural development which result from the fact that a number of eligibility conditions are unclearly defined in national law and that, in many instances, the rules are complex, adversely affecting the quality of controls;
80. Deplores in particular the fact, as regards Single Payment Scheme management and control, that the ECA exposes inadequacies, in several 'old' Member States, affecting control systems in this area (in the Netherlands, Portugal, the United Kingdom, France and Spain; paragraph 5.26 of the annual report for 2007) and a number of systemic shortcomings with regard to area-aid eligibility checks in Greece, Italy, Spain, the United Kingdom, France and the Netherlands (see Annexes 5.1.1 and 5.1.2 to the annual report for 2007); notes the Commission's replies, which challenge the ECA's depiction of the situation;
81. Urges the Member States, in cooperation with the Commission, to step up their checks, in particular as regards beneficiaries' compliance with eligibility requirements; calls on the Commission to clarify and simplify those requirements as far as possible;
82. Deplores the fact that the same shortcomings inherent in the clearance system were again found by the ECA in 2007, such as the retroactive and multiannual nature of conformity clearance and the fact that no valid link can be made between the amounts recovered and the real amount of irregular payments (paragraph 5.47 of the annual report for 2007);
83. Considers that, after a number of years of the same serious criticisms of the same problem by the ECA, the Commission must propose measures to reform the system to make it possible to establish clear and valid links between amounts recovered and the amount of irregular payments and ensure, as far as possible, that the cost of financial corrections is met by the final beneficiaries and not by the taxpayer and that flat-rate corrections are applied to those Member States which fail to meet their obligations;

Fisheries subsidies

84. Welcomes the disclosure by selected Member States of the names of beneficiaries, the names of the operations concerned and the amounts of public (EU and national) funding and the inclusion on the Commission's website of links to Member States' sources of information;

85. Requests, however, the Commission to ensure that all Member States comply with the requirements of Article 53(b) and Article 53b(2)(d) of Regulation (EC, Euratom) No 1605/2002 and the requirements of Article 31, second paragraph, point (d) of Regulation (EC) No 498/2007 ⁽¹⁾;
86. Welcomes the proposal for a Council regulation establishing a Community control system for ensuring compliance with the rules of the common fisheries policy (COM(2008) 721), which seeks to make it legally possible to suspend or reduce financial assistance from the European Fisheries Fund to Member States which fail to implement the rules of the common fisheries policy (CFP) adequately;
87. Requests, however, that the Commission should also propose to exclude Member States which fail to implement adequately the rules of the CFP from Fisheries Partnership Agreements;
88. Requests the Commission to introduce EU legislation that excludes all vessel owners convicted of serious infringements in accordance with Council Regulation (EC) No 1447/1999 ⁽²⁾ from receiving Community aid under the European Fisheries Fund and/or benefiting from Fisheries Partnership Agreements;
89. Requests the Commission to ensure that Community aid is not used to modernise fleet segments characterised by overcapacities;
90. Reminds the Commission of its commitments, within the framework of the EU Sustainable Development Strategy approved by the European Council in Göteborg in June 2001 and revised by the European Council in Vienna in June 2006, to abolish environmentally damaging subsidies and to put forward by 2008 a roadmap for the reform, sector by sector, of these subsidies with a view to eliminating them;

Cohesion

91. Notes with great concern the ECA's estimate that at least 11 % of the total amount reimbursed in connection with structural policy projects should not have been reimbursed;
92. Notes that the Commission does not dispute that rate of 11 %;
93. Notes that the number of audits carried out by the ECA seems low when set against the number of payments to final beneficiaries (for example, in the area of cohesion policy the ECA audited 180 interim payments, according to paragraph 6.21 of the annual report for 2007, out of several hundred thousand payments to final beneficiaries), but notes that this audit methodology is consistent with international audit standards in the light of the opinion contained in the report on the International Peer Review of the ECA undertaken by a team of experienced financial and performance auditors from the supreme audit institutions of Austria, Canada, Norway and Portugal;
94. Deplores, whilst appreciating the improvements in the overall assessment of the supervisory and control system noted in the ECA's Annual Report, the fact that, in spite of the Commission's unremitting efforts, management and control systems both at Member State level and at supervisory level at the Commission are not yet sufficiently effective to limit risks of error, and calls on the Commission to report to Parliament in early 2010 on the further actions carried out in 2009 and on the initial impact of the actions under the abovementioned action plan;
95. Notes with the great concern that the regional and cohesion funds take-up has reached unacceptably low levels, and urges the Commission to continue the revision procedure and to simplify existing regulations without delay;

⁽¹⁾ Commission Regulation (EC) No 498/2007 of 26 March 2007 laying down detailed rules for the implementation of Council Regulation (EC) No 1198/2006 on the European Fisheries Fund (OJ L 120, 10.5.2007, p. 1).

⁽²⁾ Council Regulation (EC) No 1447/1999 of 24 June 1999 establishing a list of types of behaviour which seriously infringe the rules of the common fisheries policy (OJ L 167, 2.7.1999, p. 5).

96. Also reminds the Commission of the ECA's recommendation to make as much use of possible, without undermining the effectiveness of spending, of the scope for simplification provided for by the spending rules, and calls on it to launch a discussion exercise on new simplification measures that might be adopted, including computerisation of the system; welcomes in this light the Simplification Working Group set up by the Commission and expects the Commission to come forward with concrete simplification proposals for the period 2007-2013 based on the outcome of the proceedings of the Simplification Working Group;
97. Calls also on the Commission to make an estimate of the positive impact of cohesion policy, by Member State, and to submit to it a report on its Union-level added value;
98. Notes with concern that, under the European Regional Development Fund (ERDF) from 2000 to 2006, 95,47 % of financial corrections were accounted for by Spain (59,07 %), Italy (31,97 %) and the United Kingdom (4,43 %); notes that 22 Member States are responsible for 4,53 % of financial corrections; calls on the Commission to bring its control requirements into line with the frequency and seriousness of errors in the Member States most affected; calls also on the Commission to inform Parliament about its response to these high rates of error in the three Member States concerned;
99. Notes with concern that, under the Cohesion Fund from 2000 to 2006, 95,92 % of financial corrections were accounted for by Greece (53,06 %) and Spain (42,86 %); notes that 23 Member States are responsible for 4,08 % of financial corrections; calls on the Commission to bring its control requirements into line with the frequency and seriousness of errors in the Member States most affected; calls also on the Commission to inform Parliament about its response to these high rates of error in the two Member States concerned;
100. Notes with concern that, under the European Social Fund (ESF) from 2000 to 2006, 84,28 % of financial corrections were accounted for by Spain (46,42 %) and Italy (37,86 %); notes that 23 Member States are responsible for 15,72 % of financial corrections; calls on the Commission to bring its control requirements into line with the frequency and seriousness of errors in the Member States most affected; calls also on the Commission to inform Parliament about its response to these high rates of error in the two Member States concerned;
101. Welcomes the quarterly reports the Commission has provided throughout 2008 on financial corrections resulting from its own or the ECA's audit work; calls on the Commission to continue to apply financial corrections, in conformity with the regulation in force, in order to remove any irregular items of expenditure declared at an earlier stage and to employ rigorous closure procedures for the 2000-2006 ERDF, Cohesion Fund and ESF programmes so that, when the accounts are closed, such items of expenditure have been largely eliminated; calls on the Commission, further, to continue to provide it with detailed information about the financial corrections applied and, once the closure procedure has started, to provide an estimate of the residual error rate in the programmes closed in this way;
102. Calls for the Commission to continue to identify, in annual activity reports, control problems relating to shared management in the Member States, including at payment authority level, so as to identify the specific weaknesses, by Member State and by programme, and for there to be a direct tie-in between reservations and those problems; calls on it to produce an annual grading of Member States, for each European fund, and to forward it to Parliament, specifying the error rate established, and calls on the ECA to establish the same list on the basis of its audits;
103. Calls on the Commission — in its capacity as the body ultimately responsible for the sound financial management of Community funds — to apply strictly the Community rules on the suspension of payments where a Member State fails to provide the guarantees sought;
104. Notes that the ECA's annual report for 2007 still covers only 2000-2006 projects, since 2007 has essentially been a preparatory phase for the implementation of 2007-2013 programmes; stresses, therefore, that the effect of the new rules set out for the 2007-2013 programming period, which are simpler and stricter than those in force until 2006, cannot as yet be assessed;

105. Stresses that cohesion policy remains one of the main policies of the Union; underlines its important role in the Union's response to the financial crisis and its key place in the European Economic Recovery Plan; welcomes, therefore, the actions proposed by the Commission which are aimed at facilitating and accelerating the implementation of cohesion programmes;
106. Notes that such simplification procedures are key in reducing administrative burdens at national, regional and local level; however, stresses the importance of ensuring that such simplification procedures contribute to a reduction in the error rate in the future;
107. Approves of the Commission's declared position on financial corrections, namely that irregularities are likely to be detected and corrected by the multiannual corrective system; notes that the Commission continuously verifies the data provided by Member States as to its completeness and accuracy and that there has been real progress in providing reliable evidence for corrections by Member States;
108. Notes the level of error found by the ECA and the remarks on the difference of interpretation by the ECA and the Commission as to the amount that should not have been reimbursed (especially the difference of interpretation concerning rules relating to the eligibility of expenditure); stresses the need for further clarification and calls for the interpretation of the rules as to the application of financial corrections to be harmonised; also calls on the Member States which have not done so yet to provide as soon as possible annual national declarations on expenditure under shared management;
109. Expresses some satisfaction at the apparent statistical improvement in Member States' control systems but criticises the fact that many control systems in Member States remain open to the risk of irregularity in reimbursements; considers that further improvements in the effectiveness of first-level control at national and sub-national level are needed; stresses in this respect the important, supervisory role of the Commission;
110. Stresses that the level of errors outlined in the ECA report does not necessarily imply fraud and therefore calls on the Commission and the ECA to make a clear distinction in this respect in future documents;
111. Deplores the most frequent errors, which related to the ESF and were, firstly, failure to supply evidence that overheads or staff costs were relevant to the project in question and, secondly, overestimation of staff costs or overheads; therefore strongly supports the new rules under the financial framework for the period 2007-2013 that simplify procedures and allow overheads to be declared on a flat-rate basis as a proportion of direct costs; furthermore, calls on the Member States to step up their information activities directed at beneficiaries and to improve day-to-day management checks in order to reduce errors;

Internal policies

112. Deplores the fact that according to the ECA, while the Commission manages internal policy actions directly, the same problems from previous years are persisting (cost reimbursement errors, complexity of the rules applied, and lack of an effective penalising mechanism), and calls on the Commission to continue its efforts to simplify, and further clarify, the proportionality rules applicable to shared-cost programmes;

Research

113. Welcomes the development in the RDT area leading to a reduction in the annual error rate from 8,03 % in 2006 to 2,39 % in 2007; this major achievement reflects the successful implementation of the 2005 discharge recommendations by the Commission's Research Family in close cooperation with the Committee on Budgetary Control and the Court of Auditors;
114. Notes that in 2007 the audit certificates system brought down the error rate to 2,5 % for projects under the Sixth Framework Programme, by comparison with 4,06 % for projects under the Fifth Framework Programme, which are not subject to the audit certificates system;

115. Welcomes Commission staff working document SEC(2008) 3054, which provides an initial analysis of control costs, inter alia, for the Directorate-General for Research and the Directorate-General for Information Society and Media, with the aim of relaunching the interinstitutional debate in order to reach a common agreement on tolerable risk of error in the field of European research policy;
116. Calls on the Commission to continue to exploit the reimbursement possibilities offered by the Seventh Framework Programme, in particular to analyse further the appropriateness of the rules of the programme on flat-rate payment procedures, and to inform the parliamentary committee responsible in the context of the mid-term review of its contribution to the simplification of the rules for beneficiaries and to the necessary improvements to the system;
117. Is concerned about Seventh Framework Programme rules which deviate from the common nationally and internationally acknowledged and certified accounting and calculation methods and which do not accept the results of the national audit authorities concerning the nationally certified average hourly rates per cost centre; regards the Seventh Framework Programme rules as clearly contradicting the modern accounting and calculation standards of European industry in asking for individual costs of persons actively involved in a specific research programme; asks the Commission to start a procedure making Seventh Framework Programme rules compatible with general business practices that allow for calculation and charging of average hourly rates per cost centre and do not ask for individual costs of persons actively involved in a specific research programme;
118. As regards the certificates on the methodology (CoM and CoMAv), is concerned at as yet unapproved certificates and urges the Commission to establish the necessary comprehensible criteria for approving certificates on the methodology for both personnel and indirect costs; believes that beneficiaries should be allowed to use average personnel costs and to apply an established methodology for calculating the indirect cost; calls for a timely start to the process of approving (or rejecting) the certificates to make sure that the funds earmarked for research can be used; asks the Commission to accept such average hourly rates per cost centre without a certification as regards the methodology at least if they are audited and certified by a national authority;
119. Recalls its request, with a view to simplifying the administrative procedures and grant applications, for one single contact point to be set up for beneficiaries with the competence to decide on issues regarding the research framework;
120. Calls on the Commission, as a requirement for legal certainty, to refrain from re-calculating the financial statements of projects under the Sixth Framework Programme that it has already approved and settled, by applying new interpretations to the eligibility criteria for costs established in the General Conditions (Annex II) of the FP6 model contract;
121. Notes that the two-stage procedure for the Seventh Framework Programme is being applied in certain areas; calls on the Commission to consult with research organisations on the appropriateness of extending this experiment to other types of project where this would result in considerable reductions in the preparation costs of initial project applications;
122. Points out that, in the research field, the Commission has increased the number of research bodies, cooperation models and management mechanisms; recalls that this is due to the considerable increase in funds made available under the financial framework 2007-2013 for research and innovation; invites the ECA to assess possible problems of transparency vis-à-vis the budgetary authority and the differing way of dealing with beneficiaries under those models; calls for the Director-General to give over a chapter of his AAR to each such body, model and mechanism in order to provide information on the use of funds and the outcomes sought with these public-private cooperation models;
123. Calls on the ECA — allowing for the fact that the Commission's audit strategy covers expenditure for a framework programme over a four-year period, while the ECA has to report annually — to submit multi-annual tables presenting the financial impact of the errors detected through its audit work in a format consistent with the Commission's inspection methodology;

Environment, public health and food safety

124. Considers the overall implementation rates for the budget headings covering the environment, public health and food safety satisfactory;
125. Underlines the overall implementation rate of 94,6 % in the field of the environment, public health and food safety, which represents a satisfactory result considering that 2007 was the first year of the new financial framework 2007-2013 and saw the adoption and the entry into force of new programmes in the environment policy area;
126. Welcomes the implementation rate for the Community Tobacco Fund, which is 100 %; is therefore convinced that this instrument, which grants financial support to projects improving public awareness of the harmful effects of tobacco consumption, in particular by means of information and education, is being implemented effectively;
127. Calls on the Commission to offer further assistance to applicants in the context of multiannual programmes, especially by providing specific training for applicants and user-friendly guidelines;
128. Welcomes the efforts to target calls for tenders more effectively and to provide more assistance to applicants, especially in public health programmes, in order to prevent the submission of project applications which are clearly not eligible for funding or are of poor quality, but notes that further work is needed in order to obtain a satisfactory situation;
129. Points out that part of the Health Action Programme is implemented by the Executive Agency for Health and Consumers; reminds the Commission in this context to use programme funds of an operational nature very cost-effectively as they are also used for administrative tasks;
130. Points out that compliance with the administrative and financial provisions of Regulation (EC, Euratom) No 1605/2002 should not lead to unnecessary delays in awarding grants or selecting projects to be financed and calls on the Commission to continue its efforts to improve administrative procedures which have an impact on the implementation of commitment and payment appropriations;

Internal market and consumer protection

131. Welcomes the remarks made in the ECA's report, which provides a fair assessment of internal market policy, customs policy and consumer protection policy;
132. Calls on Member States to further improve their internal control systems to prevent the placing of unauthorised goods on the Community market; calls furthermore on the Commission to follow up on any shortcomings detected in the area of consumer protection in 2007;
133. Welcomes the ECA's observation that the control systems in customs and accounts are functioning well; underlines that even if customs controls are principally the responsibility of the Member States, only reliable economic operators should be managing the customs sector so as to avoid the risk of the import of goods into the internal market without payment of duties or customs valuation;
134. Applauds the efforts made to reach an implementation rate of 86 % for budget line 12 02 01 (implementation and development of the internal market); notes that, according to the Commission, the reason for unused payments is that some study contracts were signed late in the year and no payments were made, as planned, in 2007;
135. Points out that an implementation rate of 55 % for budget line 14 04 02 (customs 2007) is not sufficient and therefore calls for better budget planning; notes that, according to the Commission, the major part of this budget line relates to long-term IT contracts with products and services delivered 'on demand', which makes the estimation and planning of precise financial needs difficult; acknowledges, however, the positive results for the 2008 budget, with an implementation rate higher than 97 % for payment appropriations;

136. Notes that the implementation rate of 77 % for budget line 17 02 02 (consumer protection programme) is lower than in previous years; notes further that, according to the Commission, the reasons for this are the transfer of non-differentiated appropriations from the Executive Agency for Health and Consumers back to the consumer protection programme, and some late commitments made during the year 2007, with the result that payments planned for 2007 were not made; calls therefore on the Commission to improve budget planning in this area;

Transport and tourism

137. Notes that in the 2007 budget, as finally adopted and amended in the course of that year, a total of EUR 1 322 667 000 in commitment appropriations was included for transport policies, and that EUR 743 111 000 in payment appropriations was available; notes also that of those amounts:
- EUR 933 578 000 in commitment appropriations and EUR 369 665 000 in payment appropriations was available for Trans-European Networks for Transport (TEN-T) projects,
 - EUR 15 348 000 in commitment appropriations and EUR 14 500 000 in payment appropriations was available for transport safety,
 - EUR 56 890 000 in commitment appropriations and EUR 10 425 000 in payment appropriations was available for the Marco Polo programme,
 - EUR 113 631 000 in commitment appropriations and EUR 114 716 000 in payment appropriations was available for the transport agencies and the GNSS Supervisory Authority,
 - EUR 6 000 000 in commitment appropriations and EUR 6 578 000 in payment appropriations was available for transport security, including the pilot project on security on the trans-European road network;
138. Welcomes the continuing high utilisation rates of both commitment and payment appropriations for TEN-T projects, both reaching almost 100 %, and calls on Member States to ensure that adequate funding is made available from national budgets to match this EU commitment;
139. Notes with concern the low utilisation rate of commitment appropriations for transport security (55,95 %) and for the GNSS Supervisory Authority (33,24 % under Title 3), for which a large part of the sum committed in 2007, drawn from the 2006 surplus, was carried over to 2008; notes with concern also the low utilisation rate of payment appropriations for the internal market and optimisation of transport systems (47,48 %), for passenger rights (58,96 %), due to the delay in signing contracts, and for the GNSS Supervisory Authority (33,24 % under Title 3);
140. Notes with satisfaction that, as a result of reactions to the Court of Auditors' Special Report No 6/2005 on the trans-European network for transport ⁽¹⁾, the maximum rate of financial aid for cross-border projects has been increased to 30 % and the minimum funding threshold to EUR 1 500 000; notes further that the evaluation procedure for the selection of projects has been improved and monitoring has been enhanced, but deplores at the same time the fact that the structure for the description of works has not been harmonised and technical and financial monitoring has not been standardised;
141. Notes with satisfaction that the Court of Auditors' analysis of internal control standards with a direct link to the legality and regularity of underlying transactions shows that the Directorate-General for Energy and Transport complies with the baseline requirements;

⁽¹⁾ OJ C 94, 21.4.2006, p. 1.

Culture and education

142. Notes that, in its annual report for 2007, the ECA comments on the error rate detected in the education and culture policy area (paragraph 9.11 and Annex 9.1; error rate between 2 % and 5 %), but provides no explanation either of how the various national agencies and executive agencies operate or of the quality of their work or why these agencies are necessary;
143. Asks the ECA to analyse in greater detail, in its next annual report, the question of the effectiveness and continued existence of the various agencies in the education and culture policy area;
144. Notes that, in the new generation of programmes, the Directorate-General for Education and Culture has harmonised the action programmes and introduced the single internal audit approach; in that context, takes the view that the ex-ante and ex-post declarations made by the Member States constitute new factors in the supervision and internal control of systems;
145. Regrets, however, the shortcomings found by the ECA in the ex-ante declaration procedure and the finding that the procedure provides no more than limited assurance as to the quality of the management of the expenditure concerned (paragraph 9.16 of the annual report for 2007); notes, however, that the ex-ante declaration is only one of the pieces of evidence which the ECA obtains in the course of its audit with a view to delivering its opinion;
146. Notes the ECA's finding that the approaches taken by the national authorities with a view to obtaining a basis for the ex-ante declaration of assurance differ and that the degree of disclosure as to the procedures carried out by those authorities varies greatly; calls on the Commission to commence an exercise to harmonise those declarations and to keep Parliament and the ECA informed about the exercise;
147. Takes note also of the fact that the ex-post statements of assurance for 2007 had to be provided by Member States' national authorities by 30 April 2008; awaits the assessment to be carried out by the ECA as part of the DAS audit for 2008;
148. Criticises the fact that some national authorities and agencies are not abiding by their obligations, leading to official reminder letters being sent by the Commission, and gives the Commission its full backing for suspending grant payments where final reports are not submitted;
149. Urges national agencies and national authorities to respect the implementation rules, as regards their respective responsibilities, established by the Commission; welcomes the fact that the Directorate-General for Education and Culture did not see any reason to uphold its reservation as regards the national agencies' control mechanisms, and supports the continuation of strict auditing controls;
150. Welcomes the fact that the number of late payments in the area of education and culture is decreasing, and expects the Commission to continue its efforts to further reduce them;
151. Expresses its hope that the control system established by the Directorate-General for Communication at the end of 2007 will make it unnecessary to enter a reservation regarding its budget management in the future, as was the case for the financial year 2007;
152. Requests further information from the Commission concerning the creation of administrative structures in Member States to assist in town-twinning activities, especially as regards the need for such structures, the costs involved and their purpose;
153. Requests the Commission to examine ways of making the Youth Programme more capable of reaching new groups of young people, in particular those from disadvantaged backgrounds; to this end, suggests that youth organisations, including the European Youth Forum, increase efforts to target such groups, to improve reporting standards and funding criteria and to disseminate information on the programme itself more widely amongst young people;

Civil liberties, justice and home affairs

154. Notes the low level of implementation of payment appropriations under the budget for the Area of Freedom, Security and Justice by comparison with 2006 (60,41 % in 2007 and 86,26 % in 2006); is aware that this is also due to the adoption in May and June 2007 of the funds included within the Solidarity and management of migration flows framework and to delays in the implementation of other specific programmes (e.g.: civil justice, drugs prevention and information programmes); points out the relative decrease in the implementation level of commitment appropriations in respect of 2006 (90,29 % by comparison with 94,47 % in 2006); calls on the Directorate-General for Freedom, Security and Justice to try to maximise the level of implementation of commitment and payment appropriations in 2008;
155. Takes note of the Court of Auditors' assessment of the supervisory checks carried out by the Commission for the European Refugee Fund II as being partially effective; takes due account of the Commission's replies in this respect;
156. Deplores the fact that the descriptions of the Member States' supervisory and control systems for the External Borders Fund were provided to the Commission only in the last quarter of 2007, as this prevented the Commission from assessing the Member States' systems by the end of 2007;

Women's rights and gender equality

157. Reminds the Commission 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 Union and is an objective which has relevance across the full range of Community activities and policies;
158. Reiterates its call to the Commission for gender equality to be taken into due consideration as an ongoing priority objective during budgetary planning, in accordance with the principle of gender budgeting, as it requested in its Resolution of 3 July 2003 on gender budgeting, building public budgets from a gender perspective ⁽¹⁾, and criticises the delay in completing the Commission's feasibility study on the topic;
159. Deplores the fact that the Court of Auditors Annual Report on the implementation of the 2007 budget does not contain information as to whether the budget successfully contributed to promoting equality between men and women;
160. Suggests that the Court of Auditors include the gender equality aspect in its annual and special reports, in particular relevant information on policies addressing the principle of non-discrimination between women and men and on availability of gender-specific data;

External actions

161. Notes, with great concern, the same criticisms by the ECA as in previous years, in particular as regards payments at final-beneficiary level;
162. Notes that external aid was virtually unaffected by the most recent revision of Regulation (EC, Euratom) No 1605/2002, and calls for a revision of Title IV, 'External action', of Regulation (EC, Euratom) No 1605/2002 so as to bring it more closely into line with the special conditions relating to contracts and grants in this area;
163. Deplores deeply the fact that the Commission has failed to create a truly European instrument for the implementation of crisis management, as it had been asked to do in the 2005 and 2006 discharges; insists that this should be done urgently and calls once again on the Commission to give itself the possibility of managing multi-donor trust funds itself, where appropriate, when it is involved in such funds;

⁽¹⁾ OJ C 74 E, 24.3.2004, p. 746.

164. Calls on the Commission to ensure full financial transparency in external aid, in accordance with Articles 53 to 56 of Regulation (EC, Euratom) No 1605/2002, and to honour its undertaking to Parliament that any international organisation receiving Community funds will be required to submit the results of all internal and external audits of the use of those Community funds to the ECA and to the Commission's Internal Auditor; calls also for OLAF to be given access to data where fraud is suspected;
165. Notes that, on the basis of a number of hypotheses (best estimates), the total cost of the checks carried out by the Directorate-General for Humanitarian Aid (DG ECHO) has been put at EUR 25 000 000 for the financial year 2007, this being equivalent to 3,2 % of the total humanitarian assistance budget for that year; deplors the lack of procedures for risk management by DG ECHO and calls for such procedures systematically to be incorporated into the control arrangements;
166. Notes that, according to information from the Commission, that estimate covers only part of the costs relating to humanitarian operations funded by DG ECHO, because the cost of checks carried out by humanitarian organisations, which are included in the overall cost of the grant agreements, are also funded by DG ECHO;
167. Notes that, given that the cost of checks may be split into three categories — namely the cost of control activities carried out by the Commission at its headquarters and within the delegations, the cost of external audits by the Commission, and the cost of expenditure verification through audits contracted by recipients — the cost of checks relating to the funds administered by the EuropeAid Cooperation Office is estimated by the Commission at some EUR 120 000 000;
168. Calls on the ECA, in its next annual report, to take account of this in its calculations and to state its position on both this estimate and the cost-effectiveness of the relevant control systems, while also taking due account of the special features of and conditions applying to EU external action;
169. Regrets that in Kenya the Commission disbursed budgetary support straight after the elections of 27 December 2007, thus giving the impression of taking sides in the debate on the legitimacy of the election results; recalls its Resolution of 17 January 2008 on Kenya ⁽¹⁾, and looks to the Commission to take due account thereof;
170. Notes the Court's assessment that the supervisory and control systems for external relations, enlargement and humanitarian aid are partially effective; accepts that many of the errors detected concern advance payments and are then rectified when final payments are made; nevertheless, invites the Commission to make the necessary improvements to its monitoring and verification procedures, especially at the level of implementing organisations, without this leading to unnecessary administrative burdens for the final beneficiaries; recognises at the same time the progress made by the Commission and the United Nations to date;
171. Deplores the continuing lack of transparency concerning the use of Community funds channelled through United Nations organisations; supports the Commission's efforts to find a solution and to ensure that the Court of Auditors receives all requested information in a timely fashion; welcomes the increasing number of verification missions performed by the Commission under the Financial and Administrative Framework Agreement between the European Community and the United Nations (FAFA agreement); expects these missions to further enhance the transparency and visibility of Community contributions to UN-led activities;
172. Calls on the Commission to further improve, and to define more clearly, the conditions and performance indicators used for the disbursement of budgetary support to third countries, so as to provide for clear, unambiguous and measurable assessment criteria with a specific timetable, if applicable;

⁽¹⁾ OJ C 41 E, 19.2.2009, p. 70.

173. Takes note of the Court of Auditors' assessment that urgent steps are required to correct the weaknesses in the management of EU funds in Bulgaria and that the necessary monitoring mechanisms must be maintained in Turkey; calls on the national authorities to increase their efforts in order to comply with the applicable rules;
174. Looks forward to seeing tangible results from the application of new terms of reference for expenditure verification via external audits launched by the beneficiaries or the Commission;
175. Notes the ECA'S Special Report No 5/2007 on the Commission's management of the CARDS programme ⁽¹⁾; emphasises the importance of reinforced strategic guidance from the Commission to ensure, in close cooperation and dialogue with Parliament, an appropriate focus in selecting key areas of intervention within the framework of the Instrument for Pre-accession Assistance; calls on the Commission to devise a comprehensive strategy to improve local ownership of the design and implementation of projects;
176. Expects to be kept regularly informed about steps taken by the Commission concerning the implementation of the significant pledges made in support of Georgia's post-conflict recovery and future development at the international donors' conference held in Brussels on 22 October 2008;
177. Reiterates its request that the Commission regularly present to Parliament specific measures to further increase Union ownership of its external actions in their geographical contexts, in accordance with the principles of efficiency, accountability and visibility;

Non-governmental organisations (NGOs)

178. Takes note of the role and growing number of NGOs in the administration of Community funds; calls on the Commission to evaluate the effectiveness of operating grants for the NGOs' Brussels headquarters, and to apply strictly the principle of the degressivity of operating grants laid down in the Financial Regulation;
179. Asks the Commission to compile, by the end of 2009, a comprehensive list of all NGOs which have received EU funds;

Development

180. Notes that the ECA has concluded once again that DG ECHO should enhance its audit strategy by ensuring better coverage of operations at implementing organisation-level and, more specifically, in the field for all types of partners (paragraph 8.33(f) of the annual report for 2007);
181. Encourages the Commission, in connection with the objective it set in 2007 of having each project visited at least once a year by an expert, except where this cannot be done on account of security conditions or access difficulties, to continue to check that humanitarian aid specialists are permanently in the field in order to facilitate and maximise the impact of the humanitarian operations financed by the Commission, in whatever country or region;
182. Considers that, in connection with project implementation, the Commission should ensure that the reporting requirements agreed with the United Nations in April 2007 are strictly applied and that financial reports are produced in accordance with those requirements;
183. Is aware of the risk of inadequate on-the-spot checks in places which are difficult to reach or where humanitarian-aid neutrality is not respected, and in particular of the fact that such risks are to some extent linked to the objectives of humanitarian aid and to 'forgotten crises';

⁽¹⁾ OJ C 285, 27.11.2007, p. 1.

184. Notes, further, that, according to DG ECHO's annual activity report for 2007, the Commission's humanitarian assistance in Iraq was delivered exclusively through the International Committee of the Red Cross in the areas of protection and water and sanitation and amounted to EUR 7 800 000;
185. Considers that thought should be given to clarifying funding structures (European Development Fund (EDF), Commission, European Investment Bank, etc.) in the development and external actions fields, with a view to giving greater visibility to Community action and ensuring better auditing of the funds committed; calls for a study to be carried out into the incorporation of the EDF into the Community budget, in preparation for a political debate on this subject;
186. Draws attention to the Commission's commitment ⁽¹⁾ to take steps to ensure that by 2009 a benchmark of 20 % of its allocated assistance is devoted to basic and secondary education and basic health; calls on the Commission to provide detailed information on how this benchmark will be met through projects, programmes and budget support; calls for greater consistency between the thematic, country and regional strategy papers in the areas of health and education, in particular when aid is provided via budget support;
187. Stresses that priority must be given to the enrolment in schools of children, including disabled children, from hard-to-reach groups in countries with critical MDG indicators;
188. Urges the Commission to prioritise support for partner countries in developing parliamentary control and audit capacities, in particular when aid is provided via budget support, and invites the Commission to report regularly on the progress achieved;
189. Points out that due attention must be paid to the sustainability of the Commission's interventions, including the formulation of a clear exit strategy which does not compromise results and monitoring of implementation; considers that enhanced evaluation of results represents a major factor in ensuring the democratic legitimacy of Union development cooperation;
190. Welcomes the adoption in 2007 of the Union Code of Conduct on Complementarity and Division of Labour in Development Policy, which is geared towards enhancing cooperation and coordination between the Commission and the Member States; calls on the Commission to redouble its efforts to ensure genuine implementation of the Code of Conduct, including by addressing persisting problems in the best interests of the partner countries;
191. Takes the view that the consultation of civil society and local authorities prior to drawing up country strategy papers (CSPs) under the Development Cooperation Instrument was not sufficient to satisfy the legal obligation established under Article 19(3) of Regulation (EC) No 1905/2006 ⁽²⁾, namely that 'strategy papers shall, in principle, be based on a dialogue with the partner country or region which involves civil society and regional and local authorities'; considers, in this respect, the involvement of national parliaments in partner countries indispensable to achieving genuine ownership of the process; urges the Commission to make every effort to improve dialogue with these bodies at the various stages of the programming process;

Pre-accession strategy

Cooperation and verification mechanism

192. Points out that, for the first time following the accession of new Member States, the Commission has introduced a cooperation and verification mechanism for Romania and Bulgaria to remedy 'shortcomings in the areas of judicial reform and the fight against corruption and organised crime and to monitor progress in these areas' (COM(2008) 63), and wonders about the effectiveness of that mechanism, as well as the relevance and reliability of the information supplied to the discharge authority;

⁽¹⁾ Commission Declaration concerning Article 5 of the Development Cooperation Instrument, Annex to the communication from the Commission of 24 October 2006 (COM(2006) 628).

⁽²⁾ Regulation (EC) No 1905/2006 of the European Parliament and of the Council of 18 December 2006 establishing a financing instrument for development cooperation (OJ L 378, 27.12.2006, p. 41).

193. Notes that a number of Commission directorates-general and offices are responsible for administering this mechanism, under the authority of the Secretary-General; considers the combined efforts of those bodies to be inadequate; expects better coordination and the systematic inclusion of an assessment of all the Commission bodies concerned in the progress reports; wonders what lessons for applicant countries and potential applicant countries the Commission draws from the mechanism;

European funding in Bulgaria and Romania

194. Notes that between 2004 and 2007 EUR 650 000 000 in Phare funding, EUR 226 000 000 in Sapard funding and EUR 440 500 000 in ISPA funding were made available to Bulgaria, while some EUR 1 346 500 000 in Phare funding, EUR 526 300 000 in Sapard funding and EUR 1 040 500 000 in ISPA funding were made available to Romania over the same period;
195. Recalls that in its Special Report No 4/2006 concerning Phare investment projects in Bulgaria and Romania ⁽¹⁾ the ECA drew attention to a large number of problems concerning the management of European funds, including irregularities regarding invitations to tender and the eligibility of expenditure, cases of failure to use investment monies for their intended purpose and a lack of administrative capacity;
196. Voices concern, furthermore, at the fact that the Member of the Commission with responsibility for enlargement failed to provide the Committee on Budgetary Control with sufficiently detailed information about the scale of the shortcomings in good time;
197. Voices serious concern at the fact that the Commission suspended EUR 200 000 000 in agricultural funding for Romania and froze EUR 250 000 000 in Phare funding, EUR 105 000 000 in Sapard funding and EUR 115 000 000 in ISPA funding in Bulgaria; notes that the final loss for Bulgaria under Phare is EUR 220 000 000;
198. Is aware that the lack of reliable control systems and the management problems encountered pose a risk to European taxpayers' money; acknowledges the efforts made in the meantime to overcome these problems; urges the Member States to continue making every effort to meet European requirements;
199. Considers that the Commission should step up technical assistance to Member States to strengthen their administrative capacity; points out that sound management of European funds is an obligation and a duty for all Member States, and supports the temporary suspension of funding by the Commission in cases where a Member State's management systems fail to function as required;
200. Notes that over the period 2007 to 2013, Bulgaria is to receive EUR 6 853 000 in structural funding, and Romania EUR 19 200 000; in addition to the information given in the annual activity report and in the reports on the Structural Funds and the Cohesion Fund, calls for responsible and effective administration of these funds;
201. Is of the opinion that the preparation of the absorption capacity of Romania and Bulgaria for funds in the Agricultural and Cohesion policy fields has not been treated by the Commission with the necessary seriousness, and that statements and actions of the Commission in this context were misleading, not only for Parliament but also for the Bulgarian and Romanian governments, and were one reason for the loss of funds by those Member States;
202. Calls on the Commission to keep it informed of the practical outcome of judicial reform and anti-corruption efforts and to include in the progress reports criteria quantifying progress in these areas;
203. Considers that the EU institutions should apply the principle of zero tolerance in connection with cases of misuse of Community funds, fraud and corruption; calls on the Commission to ensure that unduly paid amounts are recovered;

⁽¹⁾ OJ C 174, 26.7.2006, p. 1.

204. Calls, furthermore, on OLAF to forward to it the findings of its ongoing enquiries in Member States;
205. Agrees with the Commission that all actions and measures recently taken by Bulgaria need to be followed up by credible, structural corrective actions and a fundamental reform of all structures involved in the management of EU funds, so as to ensure the correct and timely take-up of funds and a high level of transparency; calls in this context on the Commission to improve coordination and communication with the national authorities and closely monitor the implementation of the various action plans submitted to it by Bulgaria, and to keep Parliament informed thereof; asks the Commission to submit to it a special report on the state of play of the management and control of all EU funds in Bulgaria covering the period until 15 July 2009;
206. Calls on the Commission, in the light of the last progress report and the setbacks with regard to the fight against corruption, to submit to it a special report on the state of play of the management and control of EU funds in Romania and on the measures taken and the progress made in the fight against corruption covering the period until 15 July 2009;

Turkey, Croatia, Serbia, the former Yugoslav Republic of Macedonia, Kosovo and the other western Balkan countries

207. Points out that it is the responsibility of the Commission delegations in the applicant countries and potential applicant countries to prepare those countries to ensure proper use of European funds; calls for anti-fraud strategies to be incorporated in this pre-accession process and for the relevant administrations to be trained under a programme of exchanges between the Commission and the administrations of applicant countries and potential applicant countries;
208. Calls on the Commission to play a more active role in connection with the expenditure control systems existing in Turkey, Croatia, Serbia, the former Yugoslav Republic of Macedonia and the other western Balkan countries during the pre-accession stage, and requests it to provide Parliament, in its report on the progress of those countries, with more detailed information on this issue, including a detailed analysis of the reasons for any failings; calls on the Commission to introduce in the progress reports a system of traffic lights (green, amber and red lights) to denote the progress made towards achieving the various key objectives;
209. Deplores the cases of fraud and mismanagement of European funds administered by the United Nations identified in connection with EU funding of reconstruction work in Kosovo and the lack of follow-up by the United Nations of these clearly identified cases; wishes, however, also to express its gratitude to the European Agency for Reconstruction and its 'European' and local staff for the work done for the people of Kosovo in sometimes difficult circumstances;
210. Calls on the ECA to produce a special report on the effectiveness of the systems put in place by the Commission to control the European funds received by Kosovo and of those systems' performance as regard fraud prevention, and to check whether the conditions laid down in the agreements on the relevant programmes, as well as the rules laid down under the Instrument for Pre-Accession Assistance ⁽¹⁾ and Regulation (EC, Euratom) No 1605/2002, have been fully applied to such funding;
211. Proposes that the Commission ask the Kosovo Government to supply an audit certificate in respect of European funds, in particular those included in the budget, from the country's audit authorities;
212. Recalls that the Investigation Task Force (ITF) established to investigate financial irregularities and fraud concerning EU funds in Kosovo finished its operations in August 2008, that its final report identified criminal conduct on the part of, among others, United Nations staff, and that several international warrants were issued without any results being achieved in that regard by the United Nations; asks the Commission to press for the execution of these warrants; asks the Commission, further, to present a report on the legal follow-up to all cases discovered; calls for the establishment of a successor organisation, involving the Commission and OLAF, in the fight against fraud and irregularity;

⁽¹⁾ Council Regulation (EC) No 1085/2006 of 17 July 2006 establishing an Instrument for Pre-Accession Assistance (IPA) (OJ L 210, 31.7.2006, p. 82).

Administrative expenditure

213. Notes with satisfaction that the ECA's audits brought to light no material errors affecting the legality and regularity of administrative expenditure;

European schools

214. Expects the Commission to ensure that the Belgian and United Kingdom governments commit to meeting their obligations under the existing intergovernmental agreements — for Belgium the earliest possible provision of a fourth or even a fifth European school, for the UK the secondment of a sufficient number of teachers — and expects the current enrolment policy regarding the Berkendael/Laeken schools to be revised in order to avoid long and unacceptable travelling times for children;

Impact of decentralisation impact on staff

215. Notes with satisfaction that, at Parliament's request, the Commission performed a study of its human resources in 2007 (SEC(2007) 530), focusing on administrative activities;
216. Voices its disappointment at the inadequate information forwarded by the Commission in 2005 and 2006 in this area, which is extremely important from a budgetary point of view; acknowledges the efforts made in the meantime as regards transparency on the Commission website and the annual staff screening report;
217. Voices concern at the fact that close to 32 % of the Commission's staff work in administrative support and coordination; points out that that figure does not include the 10 % of staff who work in the budget area; calls on the Commission to draw appropriate conclusions from these figures and to reorganise its human resources in order to reduce the proportion of staff working in these areas to 20 %;
218. Notes that staff mobility was originally intended to cover sensitive posts alone; expresses surprise at the Commission's current practice of applying the mobility rule to all staff members after five years or, at the most, seven years; fears that this way of applying the mobility rule could undermine efficiency within the Commission and prevent the necessary experience and know-how from being built up within that institution; calls on the Commission to inform it how mobility might be confined to sensitive posts;

Matters relating to the Community's buildings

219. Deplores the lack of transparency shown by the Commission in the management of its 61 buildings in Brussels and as regards developments concerning its buildings stock;
220. Calls on the Commission to inform it of all new projects concerning its buildings stock prior to their adoption, and to notify its Committee on Budgetary Control of all initiatives and new decisions concerning property projects, including preparatory work and invitations to tender, in respect of which it is proposed that a tender committee should be established, which would include representatives from Parliament;
221. Calls on OLAF to notify it of any cases of fraud brought to light in the property policy field and to look into possible conflicts of interest;
222. Calls on the Commission to conduct an audit of both its own buildings and the buildings of all the other Community institutions, and to look into the idea of a common property management structure;

Follow-up measures in the light of the discharge

223. Deplores the fact that, in the annual accounts of the European Communities for the financial year 2007 ⁽¹⁾, the Commission fails to repeat in full the provisions of the EC Treaty on follow-up measures in the light of the discharge, stating merely that when granting discharge Parliament may highlight observations it considers important, often recommending actions that the Commission should take concerning these matters; notes that, although this is correct, the Commission fails to mention that Article 276 of the EC Treaty also requires the Commission to take all appropriate steps to act on the observations in Parliament's decisions giving discharge relating to the execution of expenditure; reminds the Commission, therefore, that the calls made in its discharge resolution are not simply non-binding recommendations, but instructions which the Commission must act on when implementing the budget;

CONCLUSIONS CONCERNING THE SPECIAL REPORTS ISSUED BY THE COURT OF AUDITORS**Part I: Special Report No 6/2007 on the effectiveness of technical assistance in the context of capacity development**

224. Considers that technical assistance (TA) and other types of external aid, which is still too donor-driven, often inefficient and unsustainable, urgently needs to be reformed by, among other things, promoting local ownership, more effectively coordinating the resources between Member States at Union and international level, and ensuring that there is sufficient time to implement projects;
225. Notes in this context the approval by the Commission's services in July 2008 of the Backbone Strategy and the Work Plan to meet aid effectiveness targets on Technical Cooperation and Project Implementation Units; calls therefore on the Commission to inform Parliament about the implementation of this strategy for the first time before the end of March 2009, and thereafter at six-monthly intervals;
226. Notes the belated information on the amounts spent on TA recently provided by the Commission to the ECA following publication of the ECA's special report; is surprised that this information was not made available during the preparation of the special report; acknowledges that the definition employed by the OECD's Development Aid Committee is broad and in practice leads to differences in interpretation; hopes that the strategy adopted by the Commission will also lead to a more operational definition of TA;
227. Calls on the Commission, therefore, to propose the necessary legislative changes before the end of the mandate of the current Commission, and urges Member States to take the necessary steps to ensure the widespread use of this instrument, adapted to particular needs, in those countries, and to amend the regulation on the implementation of the 10th EDF accordingly;
228. Deplores the fact that the suspension clause, allowing an accelerated procurement procedure, is barely used by the Commission; requests the Commission to use this facility wisely in order to improve the timetable for the implementation of TA operations;
229. Finds it unacceptable that some companies deliberately propose experts with good CVs in order to win a contract while knowing that the expert in question will not be available to take up the assignment; agrees with the ECA that the selection criteria for TA used by the Commission are inappropriate;

⁽¹⁾ OJ C 287, 10.11.2008, p. 9.

230. Requests therefore that the Commission take much greater account of other criteria (such as those proposed by the ECA), rather than solely considering the CV of the team leader expert; suggests that this could be done, for example, by creating a database, compatible with legal requirements, of firms which fail to provide the proposed expert, which should in turn prevent them from participating in procurement for a specified period; notes that the Commission has adopted Regulation (EC, Euratom) No 1302/2008 of 17 December 2008 on the central exclusion database ⁽¹⁾ and Decision 2008/969/EC, Euratom of 16 December 2008 on the Early Warning System for the use of authorising officers of the Commission and the executive agencies ⁽²⁾, but that these new instruments do not make it possible to exclude firms on this basis; further notes that these aspects are part of the Work Plan (Axis 3, Actions 13-15), and calls on the Commission to apply the related actions immediately;
231. Agrees with the ECA that there is incoherence in the Commission's approach regarding the use of partner countries' public financial management and procurement systems, which stands, sometimes, in direct contradiction to the Union's commitments in the context of the Paris Declaration on Aid Effectiveness endorsed on 2 March 2005 ⁽³⁾; urges the Commission therefore to ensure the quick implementation of these commitments on the basis of the strategic dialogue provided for in the framework of the Accra and post-Accra work stream and the Work Plan actions (Axis 1, in particular Action 20);
232. Calls on the Commission, as far as possible, to act in a manner consistent with its transparency initiatives and to take into account Parliament's Resolution of 19 February 2008 on transparency in financial matters ⁽⁴⁾, and recommends that a database be set up providing an overview of TA missions and results which can be used for future TA tasks and to prevent duplications;

Part II: Special Report No 1/2008 concerning the procedures for the preliminary examination and evaluation of major investment projects for the 1994-1999 and 2000-2006 programming periods

233. Calls on the Commission to review the strict approval procedure for major projects, but recommends that it rationalise decision-making by indicating real values, thereby avoiding treating the procedure as an excessively 'administrative procedure', reducing the length of the decision-making process to a reasonable duration, and establishing, as soon as possible, an independent unit for major projects with horizontal competence within the Directorate-General for Regional Policy (DG REGIO); points out the importance of funding investment in software, as this will make the system more transparent and easier to control; at the same time, the Commission must not reduce the number of on-the-spot checks as a result of this investment;
234. Calls on the Commission to report on the practical application of the $n + 2$ and $n + 3$ rules for major projects, since some Member States have tried to 'circumvent' the ERDF rules (more specifically, the $n + 2$ rule) by merging a number of projects such that the total figure for these fell just short of the threshold values for major projects and then waiting for the Commission decision to suspend the $n + 2$ rule;
235. Points out — and seeks an answer to — the question of how the 'risk-averse' culture might have come about (with high-quality, innovative investments losing prominence), a practice which runs completely counter to the Community's efforts as laid down in the Lisbon Strategy; considers that the problem lies not with funding infrastructure investments but with the fact that Member States have the opportunity to avoid innovative — 'risky' — investments;

⁽¹⁾ OJ L 344, 20.12.2008, p. 12.

⁽²⁾ OJ L 344, 20.12.2008, p. 125.

⁽³⁾ Agreed and adopted at the High-Level Forum on 2 March 2005 in Paris by developing and donor countries, the EU, the African Development Bank, the Asian Development Bank, the European Bank for Reconstruction and Development, the Inter-American Development Bank, the Development Assistance Committee of the OECD, the United Nations and the World Bank.

⁽⁴⁾ Texts adopted, P6_TA(2008)0051.

236. Considers it regrettable that the Commission is funding education and training not for its own staff (DG REGIO) but for a separate group (Jaspers), which is located within the structure of the European Investment Bank and is therefore not accountable to the Commission for its work; points out to Member States that, if they fail to provide training and development for their pools of experts, they will be dependent on groups of foreign, external experts, resulting in considerable indirect expense to the country in question;
237. Supports the initiative whereby the European Commission undertakes to draw up the ex-post evaluation of major projects and determines what information (uniform and comparable data) — to be gathered and forwarded by the Member States by the stipulated deadline — is needed; is of the opinion that monitoring needs to be focused in this way because there is currently no tangible evidence that major projects financed by Community funding are effective and that the Member States have used the funds received as effectively and productively as possible;
238. Points out that, at present, information on major projects is available in the Commission's annual report on the Structural Funds and the Cohesion Fund only after such projects have been approved; calls, therefore, on the Commission to ensure that its homepage will enable citizens to monitor the status of any major project;

Part III: Special Report No 2/2008 concerning binding tariff information (BTI)

239. Urges the Commission to endeavour to resolve the outstanding problems and shortcomings as a matter of urgency, since they could result in a loss of revenue for the Union in the form of traditional own resources;
240. Notes the Commission's replies to the effect that the Modernised Customs Code (MCC), adopted in 2008 ⁽¹⁾, will make BTI binding on the holder, the work of updating the thesaurus will continue and the user interface is available in all EU official languages;
241. Urges the Commission to resolve tariff-classification disputes by the deadlines laid down by Community law and, at the latest, within five months and, in view of the possible loss of own resources, to increase the number of staff working on BTI and classification to four persons and to ensure that those persons also carry out more risk analyses and exercise more stringent scrutiny of Member State contributions to the system, possible abuses of the period-of-grace system and BTI 'shopping';
242. Calls on the Commission to provide, by the end of 2009, information on all the initiatives and measures taken on the basis of the ECA's observations, together with details of their implementation;

Part IV: Special Report No 3/2008 on the European Union Solidarity Fund: how rapid, efficient and flexible is it?

243. Welcomes the ECA's globally positive assessment of the results achieved by the Commission in its management of the European Union Solidarity Fund;
244. Notes that responsibility for the issues raised with regard to rapidity may not be attributed to the Commission alone, given that in very large number of cases the problems stem from management shortcomings on the Member States' side and the quality of the information supplied by applicants;
245. Notes, furthermore, that in its position of 18 May 2006 ⁽²⁾ Parliament welcomed the proposal for a regulation of the European Parliament and of the Council establishing the European Union Solidarity Fund (COM(2005) 108) setting out simpler and clearer criteria for swifter activation, and that the Council has yet to make any progress on the matter;

⁽¹⁾ Regulation (EC) No 450/2008 of the European Parliament and of the Council of 23 April 2008 laying down the Community Customs Code (Modernised Customs Code) (OJ L 145, 4.6.2008, p. 1).

⁽²⁾ OJ C 297 E, 7.12.2006, p. 331.

Part V: Special Report No 4/2008 concerning the implementation of milk quotas in the Member States which joined the European Union on 1 May 2004

246. Deplores the fact that national authorities are obliged to carry out a host of inspections, which are likely to be superficial, thus making it impossible to determine the credibility of direct-sales declarations; welcomes Commission Regulation (EC) No 228/2008 ⁽¹⁾ which reduces to 1 % the inspection rate for producers whose production is less than 5 000 kg;
247. Considers that the Commission should, under the shared management arrangements, continue to take all steps necessary in order to ensure effective monitoring of the establishment and management of the milk quotas system;
248. Calls on the competent national authorities to draw up, on the basis of a risk analysis, an inspection programme for each 12-month period and to carry out checks during and after each quota year, but no later than 18 months after the end of that year;
249. Takes the view that, in order to simplify matters, the Commission should ask the new Member States to adhere to the general principle that all milk marketed must be recorded;
250. Calls on the Commission to ask the new Member States to improve their database record-keeping, as requested by the ECA in its report, and to avoid unnecessary checks;
251. Calls on the Commission to continue to assess developments in the dairy sector, in particular those linked to its market, to the situation of producers, and to the implications for regional development, in particular in the assessment reports to be submitted before 31 December 2010 and before 31 December 2012 under the terms of the political agreement on the common agricultural policy 'health check' concluded in November 2008;
252. Calls on the Commission to abide by all of the ECA's recommendations in connection with the 'health check' and to consider possible adjustments to the common market organisation for milk and the milk quota scheme, which should focus on:
- (a) transitional and accompanying measures to be envisaged in regions where small producers are still very much in the majority;
 - (b) the need for milk producers in the new Member States to have a clear regulatory framework and clear prospects encouraging them to make the investments that are vital in order for their activity to remain viable;

Part VI: Special Report No 5/2008 — The European Union's agencies: getting results

253. Welcomes the ECA special report and urges the Commission to note the shortcomings identified in it, as well as to take steps in line with the ECA's recommendations;
254. Calls on the Commission to develop and implement a general management system for the EU 'regulatory' agencies, based on explicit criteria, such as transparency, economy, efficiency, effectiveness and exchange of best practices; takes the view that the Commission should be in active communication with the Union agencies and should assist management boards in the implementation of activity-based budgeting and management (ABB/ABM);
255. Calls on the Commission to introduce an effective monitoring system for the Union agencies, allowing internal transfer of best practices and methodology and containing a range of both general and specific indicators for evaluation purposes;

⁽¹⁾ Commission Regulation (EC) No 228/2008 of 13 March 2008 amending Regulation (EC) No 595/2004 with regard to intensity of controls on deliveries and direct sales of milk (OJ L 70, 14.3.2008, p. 7).

256. Calls on the Commission to develop guidelines for improving the planning, monitoring, reporting on and evaluation of the agencies' activities and fully to implement the concept of 'getting results' established by Regulation (EC, Euratom) No 1605/2002 in 2002 and the framework Financial Regulation for the agencies ⁽¹⁾;

Part VII: Special Report No 6/2008 concerning European Commission Rehabilitation Aid following the tsunami and Hurricane Mitch

257. Calls on the Commission to draw all necessary conclusions from the experiences following Hurricane Mitch and the tsunami in order to improve future performance; urges the Commission to play an active role at international level with a view to remedying systemic weaknesses in international relief capacity;
258. Calls on the Commission to pay particular attention to the following issues in future rehabilitation actions: ensuring that funding is needs-based, that the affected population — including the poor, women and children — is at the centre of the aid measures and that detailed and accurate information about the outcomes of assistance is available to both taxpayers in donor countries and the affected populations;
259. Calls on the supreme audit institutions and the ECA to cooperate more closely in investigating, auditing and evaluating the use of disaster-related relief funds;
260. Calls on the Commission to review its list of NGOs in order to exclude non-bona fide NGOs, and to lay down procurement policies that prevent misappropriation of donated funds by such NGOs;
261. Calls, further, on the Commission to give Union aid a sufficiently high profile without, in so doing, jeopardising overall efficiency and equity objectives;
262. Calls on the United Nations, the Red Cross/Red Crescent and all other donors to agree upon a comprehensive control and audit framework in order to:
- (a) step up and improve overall control of donated funds;
 - (b) eliminate duplication and/or fragmentation of checks and reduce their cost;
263. Expects the Commission not only to accept the ECA's recommendations but also to indicate the earliest date for their implementation;
264. Considers, moreover, that in connection with humanitarian aid it is essential for the Commission to assert the criteria governing aid effectiveness as enshrined in the Paris Declaration on Aid Effectiveness;
265. Calls on the Commission to set a realistic and firm deadline for funds to be made available, in order to encourage the recipient countries to implement the agreed projects in a timely manner;
266. Considers that, in the event of natural disasters, humanitarian aid should be provided with no political strings attached; takes the view that the Commission should none the less require recipient countries to ensure:
- (a) unrestricted access to victims;
 - (b) that the assistance is not subject to taxation, customs duty or any other form of fiscal burden;
 - (c) that there will be no delay in granting, and no refusal to grant, visas to international staff working for relevant aid agencies;
 - (d) that beneficiaries will not be required to pay for the donated goods and services (or that all such revenue will be channelled into reconstruction operations);

⁽¹⁾ Commission Regulation (EC, Euratom) No 2343/2002 of 23 December 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities (OJ L 357, 31.12.2002, p. 72).

267. Calls on the Commission to consider suspending aid should any of the above principles be violated;

Part VIII: Special Report No 7/2008 on intelligent energy 2003-2006

268. Welcomes the serious work carried out by the ECA and its findings, which contain a certain amount of praise but also criticisms regarding the management by the Commission and the Intelligent Energy Executive Agency of the IEE 2003-2006 programme; applauds the close cooperation between the Agency, the ECA and Parliament and the future-oriented cooperation of the Agency;
269. Concludes from the ECA's analysis that costs borne by beneficiaries (in preparing proposals and reporting) are rather high and, although it understands that those costs are different from purely administrative costs, advocates that they should also be taken into account and reduced in line with the principles of better regulation;
270. Considers that the ECA's findings might also be useful in the case of other executive agencies; looks forward to receiving the forthcoming ECA Special Report on executive agencies;
271. Deplores the fact that, in the case of projects or studies related to the programme, as well as in the case of local energy agencies, new Member States were hardly involved; accepts however that this situation can in part be explained by the fact that the programme had already started before the accession of EU-10; requests that the Commission actively pursue its policy of giving priority to the creation of energy agencies in the new Member States in order to arrive at a well-balanced distribution across the whole Union;

Part IX: Special Report No 8/2008 — Is cross-compliance an effective policy?

272. Considers that the objectives of Council Regulation (EC) No 1782/2003 ⁽¹⁾ should be developed in a 'SMART' (specific, measurable, achievable, relevant and timed) manner and organised in a logical hierarchy; on this basis, Member States should define verifiable requirements and standards at farm level;
273. Considers that the cross-compliance framework should be simplified by limiting it to the principal elements of farming activities where improvements are sought and by specifying the expected results, requirements and standards;
274. Invites the Commission to draw a clear distinction between cross-compliance and agri-environment; notes that elements of rural development policy, such as the approval of standards by the Commission and the obligation to lay down verifiable standards, should also apply to cross-compliance;
275. Considers that an effective control and sanction system providing assurance of farmers' compliance should be implemented in the Member States; as a minimum, 1 % of farms applying each obligation should be covered by controls, and the sanction system should be based on the principle that reductions in payments are proportionate to, or dependent on, the seriousness of the breach;
276. Invites the Commission to implement a sound monitoring system to measure performance by defining relevant indicators and baseline levels; Member States are invited to submit complete and reliable data, which should be subject to closer analysis by the Commission;
277. Invites the Commission to present proposals at the latest in the context of the budget review and the next reform of the common agricultural policy;

⁽¹⁾ Council Regulation (EC) No 1782/2003 of 29 September 2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers (OJ L 270, 21.10.2003, p. 1).

278. Invites the ECA to report on compliance with cross-compliance conditions in its annual report (statement of assurance);

Part X: Special Report No 9/2008— The effectiveness of EU support in the area of freedom, security and justice for Belarus, Moldova and Ukraine

279. Urges the Commission to carry out a full analysis of the reasons for the shortcomings and lack of results in some of the projects in Belarus, Moldova and Ukraine, and to improve the planning, management and control of Union funds in these countries;
280. Insists that the Commission continue to target Union funds to the specific priorities of Moldova, Belarus and Ukraine, bearing in mind the progress made in previous projects;
281. Calls on the Commission to make EU funding procedures more flexible, which would allow adjustment of project dossiers, benchmarks and goals in order to reflect changes in the economic and political situation in the countries concerned;
282. Requests that the Commission ensure the sustainability of Union-financed projects by clearly defining the commitments made by the recipient government at the end of each project;
283. Deplores the fact that the effectiveness of Community funding was insufficient in cases where, although there were shortcomings in project management, grants were awarded to the same contractors for new projects; thus urges the Commission to define clear criteria for selecting contractors and to avoid repetition of the unsatisfactory management of Community funds;
284. Recommends that the Commission improve its communication with the governments of Ukraine, Moldova and Belarus, and that it take appropriate steps to encourage and help recipient countries to establish and exercise effective donor coordination;
285. Encourages the Commission to focus more on the issue of effective prosecution in the fight against organised crime, and to explore possibilities for promoting greater public involvement in anti-corruption policy by supporting civil society organisations in issues relating to the judiciary and good governance;

Part XI: Special Report No 11/2008 — The management of the European Union support for the public storage of cereals

286. Agrees with the ECA that the Commission should take into account the geographical location of the stores and in particular the quality of the cereal lots when it sets the minimum disposal price;
287. Calls on the Commission, in order to improve the budgetary process, to make the costs of activities not directly related to the intervention storage of cereals more transparent; therefore suggests that the subsidy element of programmes, such as support for the most deprived persons or the bioethanol industry, be directly allocated to the activities concerned;
288. Requests the Member States and the Commission to evaluate the costs of controls in the field of public storage operations of cereals; calls on the Commission to create more incentives for Member States to reduce the storage and capital costs of their interventions and to optimise the time of sale of their stocks;
289. Agrees with the ECA's opinion that the Commission should strengthen its review of the costs notified by the paying agencies by systematically following up on any unusual data or trends; on-the-spot inspections should include checks of the data used; the Commission should review its standard costs for operations without movement to ensure that they do not exceed actual costs;

290. Supports the ECA in its opinion that on-the-spot inspections of data on cost information received from the Member States' paying agencies would be useful; stresses however the need to ensure that control obligations are cost-effective;
 291. Deplores the fact that there is no strategic reserve of cereals should a food shortage occur at Community level; notes that Member States are allowed to constitute strategic reserves of cereals, and that they have to inform the Commission about these reserves; deplores, however, the fact that very few Member States make use of this possibility, and considers that the Commission should explore the idea of constituting a Community strategic reserve.
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DECISION OF THE EUROPEAN PARLIAMENT**of 23 April 2009****on the closure of the accounts of the European Union general budget for the financial year 2007,
Section III — Commission**

(2009/634/EC, Euratom)

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2007 ⁽¹⁾,
- having regard to the final annual accounts of the European Communities for the financial year 2007 — Volume I (SEC(2008) 2359 — C6-0415/2008) ⁽²⁾,
- having regard to the Commission's annual reports to the European Parliament and to the Council on the follow-up to 2006 discharge decisions (COM(2008) 629, COM(2008) 628), and to the Commission staff working documents accompanying those reports (SEC(2008) 2579, SEC(2008) 2580),
- having regard to the Commission communication entitled 'Synthesis of the Commission's management achievements in 2007' (COM(2008) 338),
- having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2007 (COM(2008) 499), and to the Commission staff working document accompanying that report (SEC(2008) 2361),
- having regard to the Commission's report on Member States' replies to the Court of Auditors' 2006 annual report (COM(2008) 112),
- having regard to the Green Paper on the European transparency initiative, adopted by the Commission on 3 May 2006 (COM(2006) 194),
- 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) 252),
- having regard to the Commission action plan towards an integrated internal control framework (COM(2006) 9), the report from the Commission to the Council, the European Parliament and the Court of Auditors on the progress of the Commission action plan towards an integrated internal control framework (COM(2007) 86), and the Commission staff working document accompanying that report (SEC(2007) 311),
- having regard to the first half-yearly 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), pursuant to Parliament's request in its resolution accompanying the discharge decision in respect of the financial year 2004,
- having regard to Opinion No 6/2007 of the Court of Auditors on the annual summaries of Member States; 'national declarations' of Member States; and audit work on EU funds of national audit bodies ⁽⁴⁾,
- having regard to the Commission's action plan to strengthen the Commission's supervisory role under shared management of structural actions (COM(2008) 97),

⁽¹⁾ OJ L 77, 16.3.2007.

⁽²⁾ OJ C 287, 10.11.2008, p. 1.

⁽³⁾ OJ C 107, 30.4.2004, p. 1.

⁽⁴⁾ OJ C 216, 14.9.2007, p. 3.

- having regard to the communication from Commissioners Hübner and Špidla to the Commission giving an interim progress report on the action plan to strengthen the Commission's supervisory role under shared management of structural actions (SEC(2008) 2756), and to the Commission staff working document accompanying that communication (SEC(2008) 2755),
- having regard to the report from the Commission to the Council, the European Parliament and the Court of Auditors on the Commission action plan towards an integrated internal control framework (COM(2008) 110), and to the Commission staff working document accompanying that report (SEC(2008) 259),
- having regard to the Annual Report of the Court of Auditors on implementation of the budget for the financial year 2007, together with the institutions' replies ⁽¹⁾, and to the Court of Auditors' special reports,
- 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 Commission communication of 16 December 2008 on a common understanding of the concept of tolerable risk of error (COM(2008) 866), and to the Commission staff working document accompanying that communication (SEC(2008) 3054),
- having regard to the Council's recommendation of 10 February 2009 on the discharge to be given to the Commission in respect of the implementation of the budget for the financial year 2007 (5587/2009 — C6-0055/2009),
- having regard to Articles 274, 275 and 276 of the EC Treaty and Articles 179a and 180b of the Euratom Treaty,
- having regard to Articles 246 et seq. of the EC Treaty, on the Court of Auditors,
- having regard to international audit standards and international accounting standards, in particular those applying to the public sector,
- having regard to the International Peer Review of the Court of Auditors,
- having regard to Council Regulation (EEC, Euratom, ECSC) No 259/68 of 29 February 1968 laying down the Staff Regulations of Officials and the Conditions of Employment of Other Servants of the European Communities ⁽³⁾, in particular Title V, Chapter 3, dealing with old-age and invalidity pensions, and Annex XII, which lays down the implementing provisions for Article 83a of the Staff Regulations,
- 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 ⁽⁴⁾, and in particular Articles 145, 146 and 147 thereof,
- having regard to 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 ⁽⁵⁾, and in particular Article 14(2) and (3) 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 (A6-0168/2009),

A. whereas under Article 275 of the EC Treaty the Commission is responsible for drawing up the accounts,

1. Approves the closure of the accounts of the European Union general budget for the financial year 2007;

⁽¹⁾ OJ C 286, 10.11.2008, p. 1.

⁽²⁾ OJ C 287, 10.11.2008, p. 111.

⁽³⁾ OJ L 56, 4.3.1968, p. 1.

⁽⁴⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁵⁾ OJ L 11, 16.1.2003, p. 1.

2. Sets out its observations in the Resolution that forms an integral part of the Decisions on the discharge for implementation of the European Union general budget for the financial year 2007, Section III — Commission and executive agencies;
3. Instructs its President to forward this Decision to the Council, the Commission, the Court of Justice, the Court of Auditors and the European Investment Bank, and to the national parliaments and national and regional audit institutions of the Member States, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Klaus WELLE

DECISION OF THE EUROPEAN PARLIAMENT**of 23 April 2009****on discharge in respect of the implementation of the European Union general budget for the financial year 2007, Section IV — Court of Justice**

(2009/635/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2007 ⁽¹⁾,
 - having regard to the final annual accounts of the European Communities for the financial year 2007 — Volume I (C6-0418/2008) ⁽²⁾,
 - having regard to the Court of Justice's annual report to the discharge authority on internal audits carried out in 2007,
 - having regard to the Annual Report of the Court of Auditors on the implementation of the budget concerning the financial year 2007, together with the audited institutions' replies ⁽³⁾,
 - having regard to the statement of assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors pursuant to Article 248 of the EC Treaty ⁽⁴⁾,
 - having regard to Articles 272(10), 274, 275 and 276 of the EC Treaty,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Articles 50, 86, 145, 146 and 147 thereof,
 - having regard to Rule 71 of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0151/2009),
1. Grants the Court of Justice's Registrar discharge in respect of the implementation of its budget for the financial year 2007;
 2. Sets out its observations in the Resolution below;
 3. Instructs its President to forward this Decision and the Resolution that forms an integral part of it to the Council, the Commission, the Court of Justice, the Court of Auditors, the European Ombudsman and the European Data Protection Supervisor, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ L 77, 16.3.2007.

⁽²⁾ OJ C 287, 10.11.2008, p. 1.

⁽³⁾ OJ C 286, 10.11.2008, p. 1.

⁽⁴⁾ OJ C 287, 10.11.2008, p. 111.

⁽⁵⁾ OJ L 248, 16.9.2002, p. 1.

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 European Union general budget for the financial year 2007, Section IV — Court of Justice**

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2007 ⁽¹⁾,
 - having regard to the final annual accounts of the European Communities for the financial year 2007 — Volume I (C6-0418/2008) ⁽²⁾,
 - having regard to the Court of Justice's annual report to the discharge authority on internal audits carried out in 2007,
 - having regard to the Annual Report of the Court of Auditors on the implementation of the budget concerning the financial year 2007, together with the audited institutions' replies ⁽³⁾,
 - having regard to the statement of assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors pursuant to Article 248 of the EC Treaty ⁽⁴⁾,
 - having regard to Articles 272(10), 274, 275 and 276 of the EC Treaty,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Articles 50, 86, 145, 146 and 147 thereof,
 - having regard to Rule 71 of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0151/2009),
1. Notes that in 2007 the European Court of Justice (ECJ) had commitment appropriations available amounting to a total of EUR 275 million (2006: EUR 252 million ⁽⁶⁾), with a utilisation rate of 96,84 %, higher than last year;
 2. Notes with satisfaction the adoption by the ECJ in July 2007 of a code of conduct applying to Members and former Members of the Court of Justice, the Court of First Instance and the Civil Service Tribunal ⁽⁷⁾, including an obligation to submit a declaration of financial interests to the President of the ECJ; insists however on its repeated request, in the interests of transparency and even in the absence of a legal requirement at present, for the publication of concrete declarations, for example on the ECJ's website; further proposes the appointment of an independent monitoring officer whose task would be to report annually and publicly on received declarations in order to ensure credible monitoring and control;
 3. Points out that in 2007 the number of officials and agents in service (members of temporary staff and contract agents) increased over the year by 7,9 % to a total of 1 928, principally due to the accession of Bulgaria and Romania;
 4. Welcomes the improvement in the recruiting of qualified staff, covered by the Staff Regulations on the basis of competitions organised by EPSO, and also in the tackling of some difficulties as regards certain posts (mainly interpreters and IT specialists);

⁽¹⁾ OJ L 77, 16.3.2007.

⁽²⁾ OJ C 287, 10.11.2008, p. 1.

⁽³⁾ OJ C 286, 10.11.2008, p. 1.

⁽⁴⁾ OJ C 287, 10.11.2008, p. 111.

⁽⁵⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁶⁾ 2005: EUR 232,6 million.

⁽⁷⁾ OJ C 223, 22.9.2007, p. 1.

5. Points out that at point 11.19 of its Annual Report for 2007, the European Court of Auditors (ECA) made the following comments: 'the decision of the administrative committee of the ECJ relative to the recruitment and employment of contract staff does not set out any selection procedure for "contract staff for auxiliary tasks" [...] Consequently, there are no formal selection procedures established by the Court of Justice for the recruitment of staff under short-term contracts to replace certain persons who are unable to perform their duties';
6. Supports the ECA's view that, due to the absence of specific selection procedures for contract staff for auxiliary tasks (including, for example, the use of selection committees), '[...] the provisions applied at the ECJ do not ensure that in such cases the relevant requirements set out in the "Conditions of employment of other servants of the European Communities" are fully complied with and any risk of appearance of non-objective selection is avoided'; requests therefore that appropriate selection procedures be put in place for this category of contract staff as well;
7. Expresses its satisfaction that, since 1 October 2007, two separate administrative units (an internal audit unit and a verification unit) have been put in place with two separate heads of unit, ending a situation criticised in previous years by both the ECA and Parliament where the head of the Internal Audit Service was responsible for ex-ante verification of the authorising officers' operations;
8. Notes with satisfaction that on 12 December 2007 the administrative committee of the ECJ amended the mission charter of the internal auditor so that the annual work programme of the internal audit unit is adopted on the basis of an assessment of the actual risks to which the organisation is exposed;
9. Notes that a new procedure for disposing of fixed assets has been introduced in the context of the setting up, during 2007, of a new integrated system for management and financial control (SAP) which replaced the Sucre-Abac accounting and financial management system on 1 January 2008; welcomes the fact that the new SAP system has been developed on an inter-institutional basis by the Council, the ECA and the ECJ, and thereby represents substantial budget savings and also gains in efficiency for the three institutions involved;
10. Also welcomes the fruitful inter-institutional cooperation with the ECA as regards training;
11. Welcomes the reduction in the number of negotiated contracts as a proportion of the number of contracts awarded from 34 % in 2006 to 32 % in 2007 (with a value of more than EUR 60 000, following the amendment of the Implementing Rules ⁽¹⁾ to the Financial Regulation); encourages the ECJ to continue its efforts to further reduce this proportion;
12. Notes that 2006 was the second year of judicial activity, strictly speaking, of the newly-established Civil Service Tribunal after it took up its duties in December 2005, and that its Rules of Procedure entered into force on 1 November 2007;
13. Welcomes for the fourth consecutive year the reduction in the duration of proceedings before the ECJ, as well as an increase of almost 10 % from 2006 in the number of cases completed; notes however with concern that the backlog of pending cases increased for all three courts, and in particular for the Court of First Instance (+ 12 % from 1 029 cases in 2006 to 1 154 in 2007);
14. Understands that this substantial increase in the number of cases pending before the Court of First Instance is due to an increase in the number of new cases introduced and to the ever-increasing complexity and diversity of actions brought before it; fully supports the ECJ's efforts to revise its internal organisation and working procedures in order to improve its efficiency and achieve a reduction in this backlog;
15. Welcomes the publication in the Official Journal of a report on the budgetary and financial management of the ECJ in 2007 ⁽²⁾, which accompanies the accounts of the ECJ for 2007 and gives an account, inter alia, of the rate of implementation of appropriations and offers a summary of the transfers of appropriations carried out in the course of the financial year 2007;

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

⁽²⁾ OJ C 15, 21.1.2009, p. 1.

16. Praises the ECJ for its established practice of including in its activity report a chapter outlining the follow-up during the year to Parliament's earlier discharge decisions and to reports of the ECA;
 17. Notes that, despite amendments to the Financial Regulation, its rules on procurement are still excessively cumbersome for smaller institutions, such as the ECJ, especially in relation to tenders for contracts for relatively small amounts; invites the Commission — when carrying out its preliminary work prior to drawing up any future proposals for amendment to the Financial Regulation — to consult extensively with the Registrar of the ECJ and its administration in order to ensure that their concerns are fully taken into account in the final draft.
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DECISION OF THE EUROPEAN PARLIAMENT**of 23 April 2009****on discharge in respect of the implementation of the European Union general budget for the financial year 2007, Section V — Court of Auditors**

(2009/636/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2007 ⁽¹⁾,
 - having regard to the final annual accounts of the European Communities for the financial year 2007 — Volume I (C6-0419/2008) ⁽²⁾,
 - having regard to the Court of Auditors' annual report to the discharge authority on internal audits carried out in 2007,
 - having regard to the Annual Report of the Court of Auditors on the implementation of the budget concerning the financial year 2007, together with the audited institutions' replies ⁽³⁾,
 - having regard to the report by the External Auditor on the Court of Auditors' accounts for the financial year 2007 ⁽⁴⁾,
 - having regard to the statement of assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors pursuant to Article 248 of the EC Treaty ⁽⁵⁾,
 - having regard to Articles 272(10), 274, 275 and 276 of the EC Treaty,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁶⁾, and in particular Articles 50, 86, 145, 146 and 147 thereof,
 - having regard to Rule 71 of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0152/2009),
1. Grants the Secretary-General of the Court of Auditors discharge in respect of the implementation of its budget for the financial year 2007;
 2. Sets out its observations in the Resolution below;
 3. Instructs its President to forward this Decision and the Resolution that forms an integral part of it to the Council, the Commission, the Court of Justice, the Court of Auditors, the European Ombudsman and the European Data Protection Supervisor, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ L 77, 16.3.2007.

⁽²⁾ OJ C 287, 10.11.2008, p. 1.

⁽³⁾ OJ C 286, 10.11.2008, p. 1.

⁽⁴⁾ OJ C 318, 12.12.2008, p. 1.

⁽⁵⁾ OJ C 287, 10.11.2008, p. 111.

⁽⁶⁾ OJ L 248, 16.9.2002, p. 1.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 23 April 2009****with observations forming an integral part of its Decision on discharge in respect of the implementation of the European Union general budget for the financial year 2007, Section V — Court of Auditors**

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2007 ⁽¹⁾,
 - having regard to the final annual accounts of the European Communities for the financial year 2007 — Volume I (C6-0419/2008) ⁽²⁾,
 - having regard to the Court of Auditors' annual report to the discharge authority on internal audits carried out in 2007,
 - having regard to the Annual Report of the Court of Auditors on the implementation of the budget concerning the financial year 2007, together with the audited institutions' replies ⁽³⁾,
 - having regard to the report by the External Auditor on the Court of Auditors' accounts for the financial year 2007 ⁽⁴⁾,
 - having regard to the statement of assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors pursuant to Article 248 of the EC Treaty ⁽⁵⁾,
 - having regard to Articles 272(10), 274, 275 and 276 of the EC Treaty,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁶⁾, and in particular Articles 50, 86, 145, 146 and 147 thereof,
 - having regard to Rule 71 of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0152/2009),
1. Notes that in 2007 the European Court of Auditors (ECA) had commitment appropriations available amounting to a total of EUR 122 million (2006: EUR 114 million ⁽⁷⁾), with a utilisation rate of 90,21 %, below the average of the other institutions (93,82 %);
 2. Recalls that, as regards the financial year 2007, the ECA's accounts were audited by an external firm, PricewaterhouseCoopers (in previous years by KPMG), which reached the following conclusions:
 - (a) in relation to the accuracy of the accounts for the financial year 2007, that '[i]n our opinion, these financial statements give a true and fair view of the financial position of the European Court of Auditors as of 31 December 2007, and its financial performance and its cash flows for the year then ended in accordance with Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 [on the Financial Regulation applicable to the general budget of the European Communities], Commission Regulation (EC, Euratom) No 2342/2002 of 23 December 2002 laying down detailed rules for the implementation of the said Council Regulation, and the European Court of Auditors' Accounting Rules'; and

⁽¹⁾ OJ L 77, 16.3.2007.

⁽²⁾ OJ C 287, 10.11.2008, p. 1.

⁽³⁾ OJ C 286, 10.11.2008, p. 1.

⁽⁴⁾ OJ C 318, 12.12.2008, p. 1.

⁽⁵⁾ OJ C 287, 10.11.2008, p. 111.

⁽⁶⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁷⁾ 2005: EUR 107,5 million.

- (b) in relation to the use of financial resources assigned to the Court and the adequacy of control procedures in place during the financial year 2007, that 'nothing has come to our attention that causes us to believe that in all material respects and based on (identified) criteria, (a) the resources assigned to the Court have not been used for their intended purposes, and (b) the control procedures in place do not provide the necessary guarantees to ensure the compliance of financial operations with the applicable rules and regulations';
3. Welcomes the fact that a new integrated system for management and financial control (SAP), in operation since 1 January 2008, has been developed on an interinstitutional basis by the Council, the ECA and the Court of Justice, and thereby represents substantial budget savings and also gains in efficiency for the three institutions involved;
 4. Also welcomes the fruitful interinstitutional cooperation with the Court of Justice as regards training;
 5. Notes that the 2007 report of the ECA's Internal Auditor was largely positive, establishing that the K2 building project was effectively managed and that the K2 building was handed over several months ahead of schedule and within the budgetary envelope foreseen; welcomes in this context the fact that most recommendations put forward by the Internal Auditor have been accepted and integrated into corrective action plans;
 6. Notes that two new Members joined the ECA in the course of 2007 following the accession of Bulgaria and Romania; notes the fact that the original organising principle of the European audit function — one national from each Member State — has now resulted in an organisation governed by a college of 27 Members; is convinced that this structure has reached its limits and that an in-depth reform and strengthening of the European Union's external audit arrangements is needed; stresses that the stronger the ECA is, the stronger the discharge authority and the better the scrutiny of the executive; invites, therefore, the Member States to initiate discussions on a reform of the ECA, and to include Parliament in these discussions;
 7. Observes that a 'peer review' report by an international peer review team was delivered in December 2008; regrets the fact that that report did not address the fundamental question, which is whether the current structure of the Union's external audit function is adequate;
 8. Notes, in relation to declarations of Members' financial interests, that, in compliance with the ECA's Code of Conduct, ECA Members communicate a declaration of their financial interests and other assets (including shares, convertible bonds and investment certificates as well as land and real estate, together with their spouses' professional activities) to the President of the ECA, who keeps them under confidential custody, and that these declarations are not published;
 9. Reiterates its call that, as a matter of principle and in the interests of transparency, Members of all institutions should be required to submit a declaration of financial interests, which should be accessible on the Internet via a public register; does not agree that the ECA should wait, as it suggested, until a standardised format, applicable to all EU institutions, is available; proposes the appointment of independent monitoring officers in each institution whose task would be to report annually and publicly on received declarations;
 10. Requests the ECA, in this context, to include in its following activity report a chapter giving a detailed account of the follow-up during the year to Parliament's earlier discharge decisions, including possible explanations for not having followed the recommendations;
 11. Notes that, despite amendments to the Financial Regulation, its rules on procurement are still excessively cumbersome for smaller institutions, such as the ECA, especially in relation to tenders for contracts for relatively small amounts; invites the Commission — when carrying out its preliminary work prior to drawing up any future proposals for amendment to the Financial Regulation — to consult extensively with the Secretary-General of the ECA and its administration in order to ensure that their concerns are fully taken into account in the final draft.
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DECISION OF THE EUROPEAN PARLIAMENT**of 23 April 2009****on discharge in respect of the implementation of the European Union general budget for the financial year 2007, Section VI — European Economic and Social Committee**

(2009/637/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2007 ⁽¹⁾,
 - having regard to the final annual accounts of the European Communities for the financial year 2007 — Volume I (C6-0420/2008) ⁽²⁾,
 - having regard to the European Economic and Social Committee's annual report to the discharge authority on internal audits carried out in 2007,
 - having regard to the Annual Report of the Court of Auditors on the implementation of the budget concerning the financial year 2007, together with the audited institutions' replies ⁽³⁾,
 - having regard to the statement of assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors pursuant to Article 248 of the EC Treaty ⁽⁴⁾,
 - having regard to Articles 272(10), 274, 275 and 276 of the EC Treaty,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Articles 50, 86, 145, 146 and 147 thereof,
 - having regard to Rule 71 of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0155/2009),
1. Grants the Secretary-General of the European Economic and Social Committee discharge in respect of the implementation of its budget for the financial year 2007;
 2. Sets out its observations in the Resolution below;
 3. Instructs its President to forward this Decision and the Resolution that forms an integral part of it to the Council, the Commission, the Court of Justice, the Court of Auditors, the European Ombudsman and the European Data Protection Supervisor, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ L 77, 16.3.2007.

⁽²⁾ OJ C 287, 10.11.2008, p. 1.

⁽³⁾ OJ C 286, 10.11.2008, p. 1.

⁽⁴⁾ OJ C 287, 10.11.2008, p. 111.

⁽⁵⁾ OJ L 248, 16.9.2002, p. 1.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 23 April 2009****with observations forming an integral part of its Decision on discharge in respect of the implementation of the European Union general budget for the financial year 2007, Section VI — European Economic and Social Committee**

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2007 ⁽¹⁾,
 - having regard to the final annual accounts of the European Communities for the financial year 2007 — Volume I (C6-0420/2008) ⁽²⁾,
 - having regard to the European Economic and Social Committee's annual report to the discharge authority on internal audits carried out in 2007,
 - having regard to the Annual Report of the Court of Auditors on the implementation of the budget concerning the financial year 2007, together with the audited institutions' replies ⁽³⁾,
 - having regard to the statement of assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors pursuant to Article 248 of the EC Treaty ⁽⁴⁾,
 - having regard to Articles 272(10), 274, 275 and 276 of the EC Treaty,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Articles 50, 86, 145, 146 and 147 thereof,
 - having regard to Rule 71 of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0155/2009),
1. Notes that in 2007 the European Economic and Social Committee (EESC) had commitment appropriations available amounting to a total of EUR 116 million (2006: EUR 112 million), with a utilisation rate of 91,64 %, below the average of the other institutions (93,82 %);
 2. Welcomes the signature in December 2007 of a new Administrative Cooperation Agreement between the EESC and the Committee of the Regions (CoR) for the period 2008 to 2014; is convinced that cooperation between the two institutions will be financially advantageous to European taxpayers; regrets, however, that, according to the EESC's annual activity report, negotiations on the new Cooperation Agreement have paralysed or slowed down some initiatives scheduled in the 2007 Work Programme;
 3. Welcomes the clear commitment of the two Committees to the aim of harmonising their internal control standards, based on best practices, as well as all other relevant financial procedures relating to the Joint Services;
 4. Observes that the new Agreement keeps the most important areas (infrastructure, IT and telecommunications, as well as translation, including the production of documents) within the Joint Services' remit, while a limited number of services are decoupled, such as internal services, the sociomedical service, the library and prepress;

⁽¹⁾ OJ L 77, 16.3.2007.

⁽²⁾ OJ C 287, 10.11.2008, p. 1.

⁽³⁾ OJ C 286, 10.11.2008, p. 1.

⁽⁴⁾ OJ C 287, 10.11.2008, p. 111.

⁽⁵⁾ OJ L 248, 16.9.2002, p. 1.

5. Insists however that this decoupling should be budget neutral and, therefore, urges the two Committees to carry out a joint analysis as part of the mid-term review of whether this shift of resources is beneficial to both; calls on the two Committees to keep Parliament informed of the evaluation in early 2009 of the mini-cooperation agreements in the areas affected by decoupling;
6. Points to the remark made by the Court of Auditors in paragraph 11.10 of its abovementioned annual report that, by continuing to apply a multiplication factor greater than 1 in the two years following promotion, rather than converting the balance over 1 into seniority in step, the EESC thereby grants its staff a financial advantage not granted by the other institutions;
7. Emphasises that the provisions of the Staff Regulations concerning the multiplication factor should be interpreted and implemented by all the institutions in the same way in order to ensure the equal treatment of their staff; awaits the Civil Service Tribunal's ruling on an appeal brought by a Commission official, and expects the EESC to align its practice (if necessary retroactively) to this ruling;
8. Notes with satisfaction that two new financial systems (ABAC WF and SAP) became operational in 2007 and have generally operated effectively; further welcomes the fact that the EESC has launched its EMAS (eco-management and audit scheme) certification;
9. Welcomes the initiative by the EESC to develop a set of key activity and performance indicators (KAPIs) within its secretariat, which thus serve as a management tool for the competent services as well as improving transparency; encourages the EESC to further develop new indicators and use existing ones to show trends in the medium or longer term (five to 10 years) as well;
10. Notes with satisfaction the considerable reduction in the value of negotiated contracts as a proportion of the value of contracts awarded from 7,5 % in 2006 to 2,5 % in 2007, although the number of negotiated contracts has doubled; encourages the EESC to continue its efforts to further reduce this proportion;
11. Welcomes in this context the creation within the Joint Services of a Contracts Unit providing assistance to all operational departments in the Joint Services in the area of public procurement; notes that under the new Agreement, the verification service of the Joint Services has been transferred to each Committee's own services;
12. Notes that a building contractor with which the EESC and the CoR had contractual relationships was arrested in March 2007 under suspicion of fraud; notes with satisfaction that an exhaustive audit was carried out of all contracts that the Committees had engaged in with this contractor since 2000, and that the subsequent audit report was transmitted to OLAF;
13. Considers it crucial that controls carried out, for example, by authorising officers, verifiers and auditors, are sufficiently rigorous; underlines in this context the importance of an adequate number of random checks in all sectors, in addition to those few strategic sectors that present a higher risk;
14. Welcomes the establishment of an audit committee made up of three EESC Members, assisted by an external auditor, whose tasks include, among others, the verification of the independence of the internal auditor and the assessment of actions taken in response to the recommendations contained in the internal audit reports;
15. Notes that the Belgian tribunal of first instance found a former EESC Member guilty of fraudulent claims for travel expenses (double reimbursement); welcomes in this context the fact that the EESC brought an appeal against the decision not to recognise it as a civil party;

16. Notes that a general review of the rules for reimbursement of travel and meeting expenses of EESC Members was adopted on 25 September 2007, which aimed at improving and simplifying the procedures involved, while at the same time ensuring transparency and equal treatment for all Members and taking into account technological developments (such as e-tickets, online hotel reservations and video-conferencing); considers it necessary to look into this matter in the following discharge exercise (financial year 2008);
 17. Further notes, concerning the new Members' financial statute, that the EESC's Bureau, at its meeting of 12 November 2008, decided to establish an ad-hoc group, including the quaestors, which would be responsible for drafting proposals on revising the Members' financial statute;
 18. Notes that Members of the EESC do not declare their financial interests or disclose relevant information on such things as declarable professional activities and remunerated posts or activities; suggests that the EESC introduce this obligation for all its Members; further proposes the appointment of an independent monitoring officer whose task would be to report annually and publicly on received declarations in order to ensure credible monitoring and control;
 19. Praises the EESC for the quality of its annual activity report; requests, however, the inclusion in its following activity report of a chapter giving a detailed account of the follow-up during the year to Parliament's earlier discharge decisions, including possible explanations for not having followed the recommendations;
 20. Notes that, despite amendments to the Financial Regulation, its rules on procurement are still excessively cumbersome for smaller institutions, such as the EESC, especially in relation to tenders for contracts for relatively small amounts; invites the Commission — when carrying out its preliminary work prior to drawing up any future proposals for amendment to the Financial Regulation — to consult extensively with the Secretary-General of the EESC and its administration in order to ensure that their concerns are fully taken into account in the final draft.
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DECISION OF THE EUROPEAN PARLIAMENT**of 23 April 2009****on discharge in respect of the implementation of the European Union general budget for the financial year 2007, Section VII — Committee of the Regions**

(2009/638/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2007 ⁽¹⁾,
 - having regard to the final annual accounts of the European Communities for the financial year 2007 — Volume I (C6-0421/2008) ⁽²⁾,
 - having regard to the Committee of the Regions' annual report to the discharge authority on internal audits carried out in 2007,
 - having regard to the Annual Report of the Court of Auditors on the implementation of the budget concerning the financial year 2007, together with the audited institutions' replies ⁽³⁾,
 - having regard to the statement of assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors pursuant to Article 248 of the EC Treaty ⁽⁴⁾,
 - having regard to Articles 272(10), 274, 275 and 276 of the EC Treaty,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Articles 50, 86, 145, 146 and 147 thereof,
 - having regard to Rule 71 of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0153/2009),
1. Grants the Secretary-General of the Committee of the Regions discharge in respect of the implementation of its budget for the financial year 2007;
 2. Sets out its observations in the Resolution below;
 3. Instructs its President to forward this Decision and the Resolution that forms an integral part of it to the Council, the Commission, the Court of Justice, the Court of Auditors, the European Ombudsman and the European Data Protection Supervisor, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ L 77, 16.3.2007.

⁽²⁾ OJ C 287, 10.11.2008, p. 1.

⁽³⁾ OJ C 286, 10.11.2008, p. 1.

⁽⁴⁾ OJ C 287, 10.11.2008, p. 111.

⁽⁵⁾ OJ L 248, 16.9.2002, p. 1.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 23 April 2009****with observations forming an integral part of its Decision on discharge in respect of the implementation of the European Union general budget for the financial year 2007, Section VII — Committee of the Regions**

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2007 ⁽¹⁾,
 - having regard to the final annual accounts of the European Communities for the financial year 2007 — Volume I (C6-0421/2008) ⁽²⁾,
 - having regard to the Committee of the Regions' annual report to the discharge authority on internal audits carried out in 2007,
 - having regard to the Annual Report of the Court of Auditors on the implementation of the budget concerning the financial year 2007, together with the audited institutions' replies ⁽³⁾,
 - having regard to the statement of assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors pursuant to Article 248 of the EC Treaty ⁽⁴⁾,
 - having regard to Articles 272(10), 274, 275 and 276 of the EC Treaty,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Articles 50, 86, 145, 146 and 147 thereof,
 - having regard to Rule 71 of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0153/2009),
1. Notes that in 2007 the Committee of the Regions (CoR) had commitment appropriations available amounting to a total of EUR 68,6 million (2006: EUR 74,4 million), with a utilisation rate of 96,22 %;
 2. Points out that the Court of Auditors indicated in its Annual Report that the audit did not give rise to any significant observations as regards the CoR;
 3. Welcomes the signature in December 2007 of a new Administrative Cooperation Agreement between the European Economic and Social Committee and the CoR for the period 2008 to 2014; is convinced that cooperation between the two institutions will be financially advantageous to European taxpayers; further welcomes the fact that the CoR has launched its EMAS (eco-management and audit scheme) certification;
 4. Notes with satisfaction the clear commitment of the two Committees to the aim of harmonising their internal control environment and standards, based on best practices, as well as all other relevant financial procedures relating to the Joint Services;
 5. Observes that the new Agreement keeps the most important areas (infrastructure, IT and telecommunications, as well as translation, including the production of documents) within the Joint Services' remit, while a limited number of services are decoupled, such as internal services, the sociomedical service, the library and prepress;

⁽¹⁾ OJ L 77, 16.3.2007.

⁽²⁾ OJ C 287, 10.11.2008, p. 1.

⁽³⁾ OJ C 286, 10.11.2008, p. 1.

⁽⁴⁾ OJ C 287, 10.11.2008, p. 111.

⁽⁵⁾ OJ L 248, 16.9.2002, p. 1.

6. Insists however that this decoupling should be budget neutral and, therefore, urges the two Committees to carry out a joint analysis as part of the mid-term review of whether this shift of resources is beneficial to both; calls on the two Committees to keep Parliament informed of the evaluation in early 2009 of the mini-cooperation agreements in the areas concerned by decoupling;
7. Welcomes the service level agreement concluded between the CoR and the Commission's DG Budget on the implementation of ABAC (new financial and accounting application), deployed in January 2007;
8. Welcomes in this context the creation within the Joint Services of a Contracts Unit providing assistance to all operational departments in the Joint Services in the area of public procurement; notes that under the new Agreement, the verification service of the Joint Services has been transferred to each Committee's own services;
9. Considers it crucial that controls carried out by, for example, authorising officers, verifiers and auditors, are sufficiently rigorous; underlines in this context the importance of an adequate number of random checks in all sectors, in addition to those few strategic sectors that present a higher risk;
10. Notes with satisfaction the development by the CoR's budget service of a new budget analytical monitoring tool (BudgetWatch), providing comprehensive information on all CoR budget lines and sub-lines, including the available appropriations, monthly developments of commitments and real payments made for the year;
11. Welcomes the establishment by the CoR of a list of sensitive posts, as well as the intention of the CoR to create within the personnel unit a dedicated mobility cell which should help to develop a forward-looking approach to human resource planning;
12. Notes that the Internal Audit Service carried out three audits in 2007 (on the performance of missions expenditure, on the performance of external studies and on the adequacy of financial circuits), as well as two follow-up audits (on salary transfers with corrector coefficient and on internal control standards);
13. Recalls that the internal audit on salary transfers, which was completed in 2006 and which included an in-depth review of all existing transfers, revealed that '[w]eaknesses existed concerning the principle of separation of functions in this area (initiating functions and internal verification) and the control environment should have been given greater priority in view of the risks concerned'; further notes that a follow-up to the Internal Auditor's recommendations was carried out in February 2007 and a second follow-up took place in 2008, and that it was found that 16 out of 20 recommendations have been fully implemented; urges the CoR's administration to ensure the full implementation of all audit recommendations;
14. Recalls that, following an investigation, OLAF established with regard to eight transfers that they were not in compliance with statutory conditions and recommended recovering the amounts overpaid from the officials concerned; notes with satisfaction that all recoveries were completed by early 2007; further recalls that with regard to six staff members, OLAF recommended the opening of disciplinary proceedings, and for five of them it also submitted files to the Belgian authorities;
15. Observes that, following a request by the Belgian authorities, the CoR Appointing Authority lifted the immunity of the officials concerned on 6 July 2007, and that those officials were subsequently interviewed by the authorities; further notes that on 17 November 2008, following a request from the Public Prosecutor, the immunity of one more official was lifted by the CoR Appointing Authority;
16. Notes with satisfaction that an administrative enquiry was launched by the CoR's Secretary-General and carried out by a former deputy Director-General of the Commission; points out that in two of the five cases where the files were submitted to the authorities, the CoR Appointing Authority decided on 17 January 2008 to open disciplinary proceedings before the Disciplinary Board; understands that, in accordance with the Staff Regulations, a final decision can be taken in these cases only after a final judgment has been handed down by the Belgian court;

17. Notes that in the three other cases, the Appointing Authority will take its decision on the opening of disciplinary proceedings as soon as it has received the necessary information as to the follow-up the Belgian authorities intend to give to those files; further notes that in a further case, in which OLAF has not submitted the file to the Belgian authorities, the Appointing Authority decided, in line with the recommendations of the administrative enquiry, to address a warning to the official concerned; reiterates its demand for the strict prosecution of all cases where fraudulent behaviour can be proved;
 18. Asks the CoR to consider proportionate disciplinary measures if the outcome of the pending cases requires them;
 19. Notes that Members of the CoR either hold a regional or local authority electoral mandate or are politically accountable to an elected assembly; further notes that in those capacities, Members declare their financial interests, disclosing relevant information on such things as declarable professional activities and remunerated posts or activities, in accordance with the provisions prevailing in their regional and local bodies; suggests that the CoR introduce this obligation for all its Members; further proposes the appointment of an independent monitoring officer whose task would be to report annually and publicly on received declarations in order to ensure credible monitoring and control;
 20. Requests the CoR to include in its following activity report (financial year 2008) a chapter giving a detailed account of the follow-up during the year to Parliament's earlier discharge decisions, including possible explanations for not having followed the recommendations, and not merely a reference to the discharge decisions;
 21. Notes that, despite amendments to the Financial Regulation, its rules on procurement are still excessively cumbersome for smaller institutions, such as the CoR, especially in relation to tenders for contracts for relatively small amounts; invites the Commission — when carrying out its preliminary work prior to drawing up any future proposals for amendment to the Financial Regulation — to consult extensively with the Secretary-General of the CoR and its administration in order to ensure that their concerns are fully taken into account in the final draft.
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DECISION OF THE EUROPEAN PARLIAMENT**of 23 April 2009****on discharge in respect of the implementation of the European Union general budget for the financial year 2007, Section VIII — European Ombudsman**

(2009/639/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2007 ⁽¹⁾,
 - having regard to the final annual accounts of the European Communities for the financial year 2007 — Volume I (C6-0423/2008) ⁽²⁾,
 - having regard to the European Ombudsman's annual report to the discharge authority on internal audits carried out in 2007,
 - having regard to the Annual Report of the Court of Auditors on the implementation of the budget concerning the financial year 2007, together with the audited institutions' replies ⁽³⁾,
 - having regard to the statement of assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors pursuant to Article 248 of the EC Treaty ⁽⁴⁾,
 - having regard to Articles 272(10), 274, 275 and 276 of the EC Treaty,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Articles 50, 86, 145, 146 and 147 thereof,
 - having regard to Rule 71 of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0156/2009),
1. Grants the European Ombudsman discharge in respect of the implementation of its budget for the financial year 2007;
 2. Sets out its observations in the Resolution below;
 3. Instructs its President to forward this Decision and the Resolution that forms an integral part of it to the Council, the Commission, the Court of Justice, the Court of Auditors, the European Ombudsman and the European Data Protection Supervisor, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ L 77, 16.3.2007.

⁽²⁾ OJ C 287, 10.11.2008, p. 1.

⁽³⁾ OJ C 286, 10.11.2008, p. 1.

⁽⁴⁾ OJ C 287, 10.11.2008, p. 111.

⁽⁵⁾ OJ L 248, 16.9.2002, p. 1.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 23 April 2009****with observations forming an integral part of its Decision on discharge in respect of the implementation of the European Union general budget for the financial year 2007, Section VIII — European Ombudsman**

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2007 ⁽¹⁾,
 - having regard to the final annual accounts of the European Communities for the financial year 2007 — Volume I (C6-0423/2008) ⁽²⁾,
 - having regard to the European Ombudsman's annual report to the discharge authority on internal audits carried out in 2007,
 - having regard to the Annual Report of the Court of Auditors on the implementation of the budget concerning the financial year 2007, together with the audited institutions' replies ⁽³⁾,
 - having regard to the statement of assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors pursuant to Article 248 of the EC Treaty ⁽⁴⁾,
 - having regard to Articles 272(10), 274, 275 and 276 of the EC Treaty,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Articles 50, 86, 145, 146 and 147 thereof,
 - having regard to Rule 71 of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0156/2009),
1. Notes that in 2007 the European Ombudsman (the Ombudsman) had available commitment appropriations amounting to a total of EUR 8,2 million (2006: EUR 7,7 million ⁽⁶⁾), with a utilisation rate of 90,48 %, below the average of the other institutions (93,84 %);
 2. Notes that, over the period 2003 to 2007, commitment appropriations have steadily increased from EUR 4,4 million to EUR 8,2 million (nearly + 86 %) and posts from 31 to 57 units (+ 84 %), while complaints have increased from 2 436 to 3 217 (+ 32 %) and new enquiries opened from 253 to 308 (+ 22 %); further notes that the number of posts did not increase for the second consecutive year;
 3. Points out that the Court of Auditors indicated in its annual report that the audit did not give rise to any significant observations as regards the Ombudsman;
 4. Notes that, according to the Internal Auditor's report No 08/03, the Internal Auditor's work in 2007 showed that 'subject to full implementation of the agreed actions [...] the institution's internal management and control systems are effective and provide reasonable assurance of attaining its control objectives on a consistent basis';

⁽¹⁾ OJ L 77, 16.3.2007.

⁽²⁾ OJ C 287, 10.11.2008, p. 1.

⁽³⁾ OJ C 286, 10.11.2008, p. 1.

⁽⁴⁾ OJ C 287, 10.11.2008, p. 111.

⁽⁵⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁶⁾ 2005: EUR 7,2 million.

5. Recalls that the Internal Auditor's report No 06/04, carried out to assess the adequacy of management and control procedures for establishing the staff's individual entitlements, 'did not reveal areas of significant risk in the management and control procedures, but it did confirm that the institution should address a number of specific issues'; further recalls that an action plan was consequently agreed between the Internal Auditor and the institution and a deadline for its implementation was set for 30 September 2007; welcomes the conclusions of the follow-up audit carried out in December 2007, according to which all items agreed in the action plan concerning the management of individual entitlements were fully implemented;
6. Notes that the follow-up audit of the agreed action plan concerning compliance with public procurement rules showed that, while some progress had been made, the Ombudsman had not yet fully implemented the two outstanding actions from Internal Audit report No 06/03; encourages the Ombudsman to proceed urgently to complete the implementation of these actions, as suggested by the Internal Auditor; welcomes the fact that, based on its findings, the Internal Auditor included an audit of the public procurement process in its 2008 work programme, and awaits the findings of this follow-up audit;
7. Notes the information given by the Principal Authorising Officer by Delegation in the 2007 activity report to the effect that the self-assessment of the efficiency of the internal control framework of the Ombudsman's services was carried out again in early 2008, and that the global picture resulting from this exercise was that of an overall satisfactory level of implementation of the internal control standards (88 % against 85 % in 2006 and 74 % in 2004);
8. Further notes, however, that improvements in effectiveness were considered to be necessary in some areas (identification of sensitive functions, improvement of planning and programming, performance indicators); encourages the Ombudsman to make every effort to further improve the efficiency of the internal control framework of the institution;
9. Notes with satisfaction that the new framework cooperation agreement of indefinite duration between the Ombudsman and the Parliament, which entered into force on 1 April 2006, started to bear fruit in 2007; further notes that this agreement concerns the provision of certain administrative services, including buildings, IT, communications, legal advice, medical services, training, translation and interpretation;
10. Praises the Ombudsman for having continued its efforts to develop interinstitutional links with other bodies (in particular OPOCE, EAS and EPSO) and with the Translation Centre; notes that 70 % of its operational expenditure was committed and spent on the basis of interinstitutional cooperation;
11. Notes with satisfaction the successful implementation from May 2007 of the reorganisation of the legal service, ensuring effective monitoring of, and a sustained momentum in, the handling of enquiries and the preparation of decisions;
12. Observes that, according to its annual report, the Ombudsman faces fewer difficulties than in previous years regarding the recruitment of qualified lawyers and high staff turnover;
13. Welcomes the adoption by the Ombudsman on 14 December 2007 of a decision on the annual declaration of interests of the Ombudsman; notes with satisfaction that this declaration is published on the Ombudsman's website;
14. Congratulates the Ombudsman on its accession on 2 June 2008 to the Interinstitutional Agreement of 25 May 1999 between the European Parliament, the Council and the Commission concerning internal investigations by the European Anti-Fraud Office (OLAF) ⁽¹⁾ in applying the system set up by Regulation (EC) No 1073/1999 ⁽²⁾; notes with satisfaction that on the same date the Ombudsman took a decision concerning the terms and conditions for internal investigations in relation to the prevention of fraud, corruption and any illegal activity detrimental to the Communities' interests;

⁽¹⁾ OJ L 136, 31.5.1999, p. 15.

⁽²⁾ Regulation (EC) No 1073/1999 of the European Parliament and of the Council of 25 May 1999 concerning investigations conducted by the European Anti-Fraud Office (OLAF) OJ L 136, 31.5.1999, p. 1).

15. Requests that the Ombudsman include in its following activity report (financial year 2008) a chapter giving a detailed account of the follow-up during the year to Parliament's earlier discharge decisions, including possible explanations for not having followed the recommendations;
 16. Notes that, despite amendments to the Financial Regulation, its rules on procurement are still excessively cumbersome for smaller institutions, such as the Ombudsman, especially in relation to tenders for contracts for relatively small amounts; invites the Commission — when carrying out its preliminary work prior to drawing up any future proposals for amendment to the Financial Regulation — to consult extensively with the Secretary General of the Ombudsman and its Secretariat in order to ensure that their concerns are fully taken into account in the final draft.
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DECISION OF THE EUROPEAN PARLIAMENT**of 23 April 2009****on discharge in respect of the implementation of the European Union general budget for the financial year 2007, Section IX — European Data Protection Supervisor**

(2009/640/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2007 ⁽¹⁾,
 - having regard to the final annual accounts of the European Communities for the financial year 2007 — Volume I (C6-0424/2008) ⁽²⁾,
 - having regard to the European Data Protection Supervisor's annual report to the discharge authority on internal audits carried out in 2007,
 - having regard to the Annual Report of the Court of Auditors on the implementation of the budget concerning the financial year 2007, together with the audited institutions' replies ⁽³⁾,
 - having regard to the statement of assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors pursuant to Article 248 of the EC Treaty ⁽⁴⁾,
 - having regard to Articles 272(10), 274, 275 and 276 of the EC Treaty,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Articles 50, 86, 145, 146 and 147 thereof,
 - having regard to Rule 71 of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0154/2009),
1. Grants the European Data Protection Supervisor discharge in respect of the implementation of its budget for the financial year 2007;
 2. Sets out its observations in the Resolution below;
 3. Instructs its President to forward this Decision and the Resolution that forms an integral part of it to the Council, the Commission, the Court of Justice, the Court of Auditors, the European Ombudsman and the European Data Protection Supervisor, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ L 77, 16.3.2007.

⁽²⁾ OJ C 287, 10.11.2008, p. 1.

⁽³⁾ OJ C 286, 10.11.2008, p. 1.

⁽⁴⁾ OJ C 287, 10.11.2008, p. 111.

⁽⁵⁾ OJ L 248, 16.9.2002, p. 1.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 23 April 2009****with observations forming an integral part of its Decision on discharge in respect of the implementation of the European Union general budget for the financial year 2007, Section IX — European Data Protection Supervisor**

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2007 ⁽¹⁾,
 - having regard to the final annual accounts of the European Communities for the financial year 2007 — Volume I (C6-0424/2008) ⁽²⁾,
 - having regard to the European Data Protection Supervisor's annual report to the discharge authority on internal audits carried out in 2007,
 - having regard to the Annual Report of the Court of Auditors on the implementation of the budget concerning the financial year 2007, together with the audited institutions' replies ⁽³⁾,
 - having regard to the statement of assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors pursuant to Article 248 of the EC Treaty ⁽⁴⁾,
 - having regard to Articles 272(10), 274, 275 and 276 of the EC Treaty,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Articles 50, 86, 145, 146 and 147 thereof,
 - having regard to Rule 71 of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0154/2009),
1. Notes that in 2007 the European Data Protection Supervisor (EDPS) had commitment appropriations available amounting to a total of EUR 5 million (2006: EUR 4,1 million ⁽⁶⁾), representing an increase of nearly 20 % as compared with 2006, with a utilisation rate of 86,14 %, below the average of the other institutions (93,84 %);
 2. Notes the increase in permanent posts from 24 in 2006 to 29 in 2007 (+ 21 %) allocated to the EDPS; welcomes in this context the EDPS' intention of restricting expansion in both tasks and staff, using controlled growth to ensure that new staff are fully taken on board and adequately integrated and trained;
 3. Points out that the Court of Auditors indicated in its annual report that the audit did not give rise to any significant observations as regards the EDPS;
 4. Recalls that on 7 December 2006 the Administrative Cooperation Agreement between the Secretaries-General of the Commission, Parliament and the Council, signed together with the EDPS, was renewed for a further period of three years with effect from 16 January 2007;

⁽¹⁾ OJ L 77, 16.3.2007.

⁽²⁾ OJ C 287, 10.11.2008, p. 1.

⁽³⁾ OJ C 286, 10.11.2008, p. 1.

⁽⁴⁾ OJ C 287, 10.11.2008, p. 111.

⁽⁵⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁶⁾ 2005: EUR 2,8 million.

5. Notes that, based on the above-mentioned Cooperation Agreement, the administrative handling of all EDPS missions is ensured by the Paymaster's Office of the Commission, and the same internal rules apply to the reimbursement of accommodation costs incurred on mission for its two categories, its two Members and its staff;
6. Recalls that, by decision of 7 November 2006, the EDPS decided to set up an internal control structure in line with its activities and requirements; notes that a first evaluation performed by the EDPS' services has demonstrated the functionality and efficiency of this internal control system;
7. Notes with satisfaction that the first audit report issued by the Internal Audit Service (IAS) was received in September 2007, and that it identified certain issues requiring improvement; is satisfied by the fact that the implementation of IAS recommendations agreed by the EDPS was set as a priority for 2008 and that, as a consequence, an action plan was drawn up in early 2008; encourages the EDPS to fully implement this action plan;
8. Welcomes the annual publication by the EDPS and the Assistant EDPS of a declaration of their financial interests, in a form similar to that completed annually by Members of Parliament, containing relevant information on such things as declarable professional activities and remunerated posts or activities;
9. Congratulates the EDPS on its decision of 12 September 2007 to accede to the Interinstitutional Agreement of 25 May 1999 between the European Parliament, the Council and the Commission concerning internal investigations by the European Anti-Fraud Office (OLAF) ⁽¹⁾ in applying the system set up by Regulation (EC) No 1073/1999 ⁽²⁾;
10. Requests that the EDPS include in its following activity report (financial year 2008) a chapter giving a detailed account of the follow-up during the year to Parliament's earlier discharge decisions, including possible explanations for not having followed the recommendations;
11. Notes that, despite amendments to the Financial Regulation, its rules on procurement are still excessively cumbersome for smaller institutions, such as the EDPS, especially in relation to tenders for contracts for relatively small amounts; invites the Commission — when carrying out its preliminary work prior to drawing up any future proposals for amendment to the Financial Regulation — to consult extensively with the European Data Protection Supervisor and its Secretariat in order to ensure that their concerns are fully taken into account in the final draft.

⁽¹⁾ OJ L 136, 31.5.1999, p. 15.

⁽²⁾ Regulation (EC) No 1073/1999 of the European Parliament and of the Council of 25 May 1999 concerning investigations conducted by the European Anti-Fraud Office (OLAF) (OJ L 136, 31.5.1999, p. 1).

DECISION OF THE EUROPEAN PARLIAMENT**of 23 April 2009****on discharge in respect of the implementation of the budget of the Seventh, Eighth and Ninth European Development Funds for the financial year 2007**

(2009/641/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the Commission report on the follow-up to the 2006 discharge decisions (COM(2008) 629 and its annex SEC(2008) 2579),
- having regard to the financial statements and revenue and expenditure accounts for the Seventh, Eighth and Ninth European Development Funds for the financial year 2007 (COM(2008) 490 — C6-0296/2008),
- having regard to the report on the financial management of the Seventh, Eighth and Ninth European Development Funds for the year 2007 (COM(2008) 224),
- having regard to the Court of Auditors' annual report on the activities funded by the Seventh, Eighth and Ninth European Development Funds concerning the financial year 2007, together with the Commission's replies ⁽¹⁾,
- having regard to the statement of assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors pursuant to Article 248 of the EC Treaty ⁽²⁾,
- having regard to the Council's recommendations of 10 February 2009 (5042/2009 — C6-0057/2009, 5044/2009 — C6-0058/2009, 5045/2009 — C6-0059/2009),
- having regard to the Partnership Agreement between the members of the African, Caribbean and Pacific Group of States of the one part, and the European Community and its Member States, of the other part, signed in Cotonou on 23 June 2000 ⁽³⁾ and revised in Luxembourg on 25 June 2005 ⁽⁴⁾,
- having regard to Council Decision 2001/822/EC of 27 November 2001 on the association of the overseas countries and territories with the European Community (the Overseas Association Decision) ⁽⁵⁾, amended by Council Decision 2007/249/EC of 19 March 2007 ⁽⁶⁾,
- having regard to Article 33 of the Internal Agreement of 20 December 1995, between the representatives of the governments of the Member States meeting within the Council, on the financing and administration of the Community aid under the Second Financial Protocol to the fourth ACP-EC Convention ⁽⁷⁾,
- having regard to Article 32 of the Internal Agreement of 18 September 2000, between representatives of the governments of the Member States meeting within the Council, on the financing and administration of Community aid under the Financial Protocol to the Partnership Agreement between the African, Caribbean and Pacific States and the European Community and its Member States signed in Cotonou (Benin) on 23 June 2000, and the allocation of financial assistance for the Overseas Countries and Territories to which Part Four of the EC Treaty applies ⁽⁸⁾,
- having regard to Article 276 of the EC Treaty,

⁽¹⁾ OJ C 286, 10.11.2008, p. 273.

⁽²⁾ OJ C 277, 31.10.2008, p. 243.

⁽³⁾ OJ L 317, 15.12.2000, p. 3.

⁽⁴⁾ OJ L 287, 28.10.2005, p. 1.

⁽⁵⁾ OJ L 314, 30.11.2001, p. 1 and OJ L 324, 7.12.2001, p. 1.

⁽⁶⁾ OJ L 109, 26.4.2007, p. 33.

⁽⁷⁾ OJ L 156, 29.5.1998, p. 108.

⁽⁸⁾ OJ L 317, 15.12.2000, p. 355.

- having regard to Article 74 of the Financial Regulation of 16 June 1998 applicable to development finance cooperation under the fourth ACP-EC Convention ⁽¹⁾,
 - having regard to Article 119 of the Financial Regulation of 27 March 2003 applicable to the Ninth European Development Fund ⁽²⁾,
 - having regard to Rules 70 and 71, third indent of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Development (A6-0159/2009),
1. Grants the Commission discharge in respect of the implementation of the budget of the Seventh, Eighth and Ninth European Development Funds for the financial year 2007;
 2. Sets out its observations in the Resolution below;
 3. Instructs its President to forward this Decision and the Resolution that forms an integral part of it to the Council, the Commission, the Court of Justice, the Court of Auditors, the European Investment Bank, and the governments and parliaments of the Member States and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ L 191, 7.7.1998, p. 53.

⁽²⁾ OJ L 83, 1.4.2003, p. 1.

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 Seventh, Eighth and Ninth European Development Funds for the financial year 2007**

THE EUROPEAN PARLIAMENT,

- having regard to the Commission report on the follow-up to the 2006 discharge decisions (COM(2008) 629 and its annex SEC(2008) 2579),
- having regard to the financial statements and revenue and expenditure accounts for the Seventh, Eighth and Ninth European Development Funds for the financial year 2007 (COM(2008) 490 — C6-0296/2008),
- having regard to the report on the financial management of the Seventh, Eighth and Ninth European Development Funds for the year 2007 (COM(2008) 224),
- having regard to the Court of Auditors' annual report on the activities funded by the Seventh, Eighth and Ninth European Development Funds concerning the financial year 2007, together with the Commission's replies ⁽¹⁾,
- having regard to the statement of assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors pursuant to Article 248 of the EC Treaty ⁽²⁾,
- having regard to the Council's recommendations of 10 February 2009 (5042/2009 — C6-0057/2009, 5044/2009 — C6-0058/2009, 5045/2009 — C6-0059/2009),
- having regard to the Partnership Agreement between the members of the African, Caribbean and Pacific Group of States of the one part, and the European Community and its Member States, of the other part, signed in Cotonou on 23 June 2000 ⁽³⁾ and revised in Luxembourg on 25 June 2005 ⁽⁴⁾,
- having regard to Council Decision 2001/822/EC of 27 November 2001 on the association of the overseas countries and territories with the European Community (the Overseas Association Decision) ⁽⁵⁾, amended by Council Decision 2007/249/EC of 19 March 2007 ⁽⁶⁾,
- having regard to Article 33 of the Internal Agreement of 20 December 1995, between the representatives of the governments of the Member States meeting within the Council, on the financing and administration of the Community aid under the Second Financial Protocol to the fourth ACP-EC Convention ⁽⁷⁾,
- having regard to Article 32 of the Internal Agreement of 18 September 2000, between representatives of the governments of the Member States meeting within the Council, on the financing and administration of Community aid under the Financial Protocol to the Partnership Agreement between the African, Caribbean and Pacific States and the European Community and its Member States signed in Cotonou (Benin) on 23 June 2000, and the allocation of financial assistance for the Overseas Countries and Territories to which Part Four of the EC Treaty applies ⁽⁸⁾,
- having regard to Article 276 of the EC Treaty,

⁽¹⁾ OJ C 286, 10.11.2008, p. 273.

⁽²⁾ OJ C 277, 31.10.2008, p. 243.

⁽³⁾ OJ L 317, 15.12.2000, p. 3.

⁽⁴⁾ OJ L 287, 28.10.2005, p. 1.

⁽⁵⁾ OJ L 314, 30.11.2001, p. 1 and OJ L 324, 7.12.2001, p. 1.

⁽⁶⁾ OJ L 109, 26.4.2007, p. 33.

⁽⁷⁾ OJ L 156, 29.5.1998, p. 108.

⁽⁸⁾ OJ L 317, 15.12.2000, p. 355.

- having regard to Article 74 of the Financial Regulation of 16 June 1998 applicable to development finance cooperation under the fourth ACP-EC Convention ⁽¹⁾,
 - having regard to Article 119 of the Financial Regulation of 27 March 2003 applicable to the Ninth European Development Fund ⁽²⁾,
 - having regard to Rules 70 and 71, third indent of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Development (A6-0159/2009),
- A. whereas the European Development Fund (EDF) is the European Union's most important financial instrument for development cooperation with the African, Caribbean and Pacific States,
- B. whereas the total amount of aid channelled through the EDF will increase considerably over the coming years since the amount of Community aid under the 10th EDF for the period 2008 to 2013 has been set at EUR 21 966 000 000 which represents a 62 % increase compared with the financial allocations under the Ninth EDF,
- C. whereas budget support is an aid instrument which requires a paradigm shift in parliamentary oversight moving from control over inputs to check of results and outputs,
- D. whereas it is determined continuously to develop its oversight capacities in order to fulfil as efficiently as possible its obligations as discharge authority,
1. Agrees with the Commission that 'weak administrations' and 'weak governance' in many beneficiary countries are significant risks affecting the sound management of the EDFs (Commission's replies to points 1 to 5 of the Court of Auditors' Annual Report on the activities funded by the EDFs);
 2. Invites the Commission — when 'fine-tuning' its control strategy (points 1 to 5 of the Annual Report on the EDFs) — to identify the point where lack of results and the costs of control call for a policy change;
 3. Takes the view that the implementation strategy for the 10th EDF (EUR 21 966 000 000 for the period from 2008 to 2013) should focus on areas of crucial importance for ensuring sustainable development; encourages the Commission to prioritise and avoid proliferation;
 4. Believes that the Commission, in an effort to prioritise and concentrate its development activities, could look for opportunities to increase assistance to low-income countries;
 5. Points out that due attention must be paid to the sustainability of the Commission's interventions, including the formulation of a clear exit strategy and monitoring of implementation; considers that the enhanced evaluation of results represents a major factor for ensuring the democratic legitimacy of EU development cooperation;

Financial implementation

6. Welcomes the Commission's performance in 2007, and notes that payments increased by 12 % and commitments by 9 %, whereas the increase in outstanding commitments was kept down to 2,8 %; considers the implementation rate of 3,7 years as acceptable given the increase in efficiency;
7. Welcomes the commitment of all available funding for the Ninth EDF in 2007; calls on the Commission to formulate recommendations applicable for the non-committed parts of the Eighth EDF; stresses however that speedy commitment of funds should not be carried out to the detriment of the quality of projects;

⁽¹⁾ OJ L 191, 7.7.1998, p. 53.

⁽²⁾ OJ L 83, 1.4.2003, p. 1.

8. Recalls the Commission's commitment ⁽¹⁾ to endeavour to ensure that a benchmark of 20 % of its allocated assistance under the Development Cooperation Instrument (DCI) is dedicated to basic and secondary education and basic health; calls for reporting against the same benchmark to be provided for the EDFs;
9. Expresses concern at the findings contained in the Court of Auditors' Special Report No 10/2008 on EC Development assistance to health services in sub-Saharan Africa, which points out that 'Financial allocations to the health sector in sub-Saharan Africa have not increased since 2000 as a proportion of its total development assistance despite the Commission's MDG commitments and the health crisis in sub-Saharan Africa'; calls on the Commission to prioritise support to health systems and identify the most appropriate aid delivery instruments for this area;

The Commission's financial management of the EDFs

10. Notes with satisfaction that in the Court's opinion the abovementioned Commission's report on the financial management of the Seventh, Eighth and Ninth European Development Funds for the year 2007 presents 'an accurate description of the achievements of the objectives for the financial year, the financial situation and the events that had a significant influence on the activities carried out in 2007' (point 13 of the Annual Report on the EDFs);
11. Regrets however that the Commission's follow up to observations made by the Court in a number of cases is inadequate; stresses that the Commission's action on the Court's recommendations is an important element of accountability for the discharge authority; welcomes the fact that the Commission 'will provide more detailed information in the future' (point 13 of the Annual Report on the EDFs);

The Court of Auditors' Statement of Assurance

Reliability of the accounts

12. Notes that, pursuant to Articles 1 and 103(3) of the Financial Regulation of 27 March 2003 applicable to the Ninth European Development Fund, the Statement of Assurance does not extend to the part of the Ninth EDF resources (EUR 2 200 000 000) that is managed by the EIB and for which the EIB is responsible (footnotes 2 and 11 of the Annual Report on the EDFs);
13. Notes that the Court is of the opinion that the final annual accounts of the Seventh, Eighth and Ninth EDFs fairly present, in all material respects, the financial position of the EDFs as of 31 December 2007 (paragraph VI, Statement of Assurance);
14. Notes that the Court draws attention to the fact that the validity of the assumptions used for the estimate of the provision for costs incurred has not been demonstrated by the Commission and that this may lead to an understatement of accrued expenditure as well as to an overstatement of the amount of guarantees disclosed in the notes to the financial statements (paragraph VII, Statement of Assurance);

Legality and regularity of the underlying transactions

15. Notes that:
 - in the Court's opinion, the transactions underlying the revenue and commitments for the financial year are, taken as a whole, legal and regular (paragraph VIII, Statement of Assurance), whilst the Court draws attention to the high fiduciary risk with regard to budget support resulting from the Commission's 'dynamic interpretation' of the eligibility criteria (paragraph X, Statement of Assurance),

⁽¹⁾ Commission Declaration concerning Article 5 DCI, Annex to the communication from the Commission to the European Parliament of 24 October 2006 (COM(2006) 628).

- the Court's audit revealed 'a material level of errors' affecting transactions underlying payments (paragraph IX, Statement of Assurance),
- the Court found that the Commission has introduced improvements as regards its supervisory and control systems and states that there is still room for improvement;

Comments on the information presented by the Court in support of its Statement of Assurance

Scope of the audit

16. Notes that the Court's observations regarding the legality and regularity of the underlying transactions are based on:
- (a) an evaluation of the supervisory and control systems at EuropeAid's central services and in five delegations covering six countries;
 - (b) an audit of 90 payments and 15 individual legal commitments;
 - (c) as regards budget support, an examination of 30 payments and 15 financial commitments statistically selected;
 - (d) an examination of 30 statistically selected payments authorised by EuropeAid's central services;
 - (e) an examination of 30 statistically selected transactions already checked ex post by EuropeAid's central services;
 - (f) an examination of 30 statistically selected financial commitments; and
 - (g) an examination of the Annual Activity Report and the declaration by the Director-General of EuropeAid (point 15 of the Annual Report on the EDFs);

Reliability of the accounts

17. Regrets that the Commission is still not able to give full accounting information due to technical difficulties; notes the Commission's reply according to which the 'introduction of the new accounting system as from 2009 will overcome current limitations' (point 16 of the Annual Report on the EDFs); welcomes the introduction of the ABAC-EDF system in February 2009;
18. Notes the Court's recurrent remark concerning the validity of the Commission's statistical approach used to estimate the provision for costs incurred in the reporting period for which no invoices have been received at year-end; further notes that this provision amounts to EUR 2 087 000 000 or 83 % of total liabilities (point 17 of the Annual Report on the EDFs); invites the Commission to continue to fine-tune and improve its approach;

Legality and regularity of the underlying transactions

19. Notes the difference of opinion between the Commission and the Court as regards the moment when financing agreements should be 'drawn up' and 'signed' (point 19 of the Annual Report on the EDFs); regrets the unclear message to the discharge authority, and invites the Commission to provide clarification so that all parties — Commission and ACP States — have the same understanding of 'drawn up';
20. Notes that the Court, in the course of checking transactions, was unable to obtain the relevant documentation from United Nations bodies in the case of two payments (out of a sample of eleven); calls on the Commission, therefore, to ensure full compliance with the financial and administrative framework agreement;

21. Notes that, on the basis of its audit results (points 32 to 47 of the Annual Report on the EDFs), the Court concludes that EuropeAid's supervisory and control systems for the EDFs are only 'partially effective' (point 53 of the Annual Report on the EDFs);
22. Further notes that, out of nine elements of the internal control system at central level, six are effective, two are partially effective and one element — quantity of monitoring missions — is not effective at all, and that out of five elements of the internal control system at delegation level, two elements are effective and three only partially effective (Table 3 of the Annual Report on the EDFs);
23. Notes that the Commission considers that '(g)iven the financial and human resources available to it, (...) it has set up control systems which provide reasonable assurance' (point 53 of the Annual Report on the EDFs);
24. Regards the Commission's answers as unsatisfactory in that it seems reluctant to review the arrangements it has put in place, and invites the Commission to give more precise information as to the notion of 'reasonable assurance' and, in particular, as regards the actual cost/benefit ratio of controls and the actual error rate, as well as a breakdown indicating which additional human and financial resources are necessary to improve the control system in order to allow the Court to give the mark 'effective' as the overall assessment;
25. Notes that the Court highlights the inadequacy of the controls carried out by supervisors or auditors, which indicates the weaknesses in the supervisory and control systems; calls on the Commission, therefore, to tighten up its controls and, in particular, to introduce a system of review of external audit reports to check their quality;

Budget support commitments and payments

26. Notes that in five out of 15 budget support commitments examined, the Court found:
 - 'serious weaknesses in the internal oversight of the budget, accounting systems, public procurement or anti-corruption measures',
 - that the failure to produce timely audited accounts and the ineffectiveness of external control are 'important matters of concern',
 - that providing budget support in these conditions implies a 'very high fiduciary risk' (point 26 of the Annual Report on the EDFs);
27. Stresses that the Court is of the opinion that the requirements of the Cotonou Agreement — that public expenditure management has to be sufficiently transparent, accountable and effective — are not met in these five cases;
28. Recalls that 'fiduciary risk' means that there is a risk that European taxpayers' money is not used for its intended purposes, does not achieve value for money or is not properly accounted for;
29. Further notes that the Commission 'does not agree with the Court's assessment' that commitments, according to the Commission, were made following an evaluation of 'sufficient positive progress in PFM (public finance management) systems', that the countries concerned subsequently 'continued to show progress' and have 'remained on track for further budget support' (point 26 of the Annual Report on the EDFs);
30. Regrets the Commission's reply in so far as it does not reflect the seriousness of the Court's findings (important matters of 'concern', very high fiduciary risk); considers the use of open-ended and non-result-based expressions like 'sufficient', 'progress' and 'on track' in this serious context to be inadequate, if not superficial;
31. Invites the Commission to provide the evidence on which it has based its conclusions and to present it in such a way that it is clear how much progress has been made (from where to where) and why this amount of progress was considered 'sufficient';

32. Notes that in seven out of 33 financing agreements examined, the Court found that the provisions of the financing agreements for budget support were incomplete or unclear in so far as they did not contain the general conditions for budget support, ambiguously defined the method for the calculation of the amounts for disbursement or referred to commitments made by government without defining a due date and the consequences when these commitments are not met (point 27 of the Annual Report on the EDFs); also notes that the Commission 'will (...) seek to further improve the quality of financing agreements under the 10th EDF';
33. Notes, as regards budget support payments, that the underlying transactions are 'affected by a material level of error' (point 52(b) of the Annual Report on the EDFs) due to:
- calculations of amounts for disbursement based on a positive conclusion as regards progress in public finance management which is not consistent with the underlying assessment of the situation,
 - use of a calculation method not provided for by the financing agreement,
 - payments made without up-to-date reports concerning public finance management being available (point 28 of the Annual Report on the EDFs);
34. Also notes the following findings by the Court in relation to six out of 30 payments examined:
- failure by the Commission to demonstrate in a structured and formalised way whether the payment conditions relating to public finance management were met,
 - assessment of progress being unreasonably optimistic or based on outdated or inappropriate information,
 - conclusions not supported by underlying information,
 - reliance put on future occurrences rather than on events that had taken place,
 - inaccurate appraisal of indicators (point 29 of the Annual Report on the EDFs);
35. Notes the Commission's reply, according to which 'the Commission balances the progress made, the political commitment to reform and the remaining areas of concern to arrive at an informed decision' (Commission's reply to point 29 of the Annual Report on the EDFs);
36. Is worried by the Court's findings, but even more by the Commission's replies, which show that the Commission is very reluctant to share the information on which its decisions on budget support are based;

Effective parliamentary oversight

37. Believes that the decision on use of budget support as a development aid instrument fully falls within the powers of the executive and that budgetary support operations should not require prior parliamentary approval;
38. Notes that parliamentary assessment of budget support should not focus only on the risks but also on the benefits, as well as on the risks and benefits of alternative aid delivery; notes further that traditional project approaches used over several decades have not delivered what was expected;
39. Believes that the ultimate aim of parliamentary oversight is to achieve aid effectiveness, which means the effective, economic, legal and regular use of aid to produce sustainable development, and considers the oversight of budget support to be a part of its general efforts in overseeing the effectiveness and the results of overall development spending;

40. Regrets that it does not have sufficient useful, comprehensive and reliable information in order to carry out an effective oversight of budget support results;
41. Calls for the ending of the previous system of consecutive EDFs by means of the full consolidation of the financing of EU/ACP cooperation in the EU budget in order to ensure parliamentary oversight of the allocation of resources under the EDFs;

Annual report on the use of budget support

42. Invites the Commission to draw up an annual report on the use of budget support — and its Committee on Budgetary Control to draw up an own initiative report on this annual report — including useful, comprehensive, reliable, analytical and evaluative, and not only descriptive, information on:
 - planned and disbursed budget support,
 - achievement of expected results as set out by donor objectives and country strategies,
 - existence and quality of complementary conditions,
 - the effectiveness of the dialogue, the state of donor harmonisation, the complementary capacity building which has taken place and the effect of that capacity building,
 - achievement of improved country systems,
 - accountability institutions, public finance management institutions, monitoring and evaluation institutions,
 - the amount and rate of irregular expenditure,
 - an analysis of the typology of irregularities (systemic and non-systemic) brought to light by controls and audits,
 - remedial action taken;
43. Further invites the Commission to identify, with the utmost rigour, countries or issues in budgetary support implementation where particular parliamentary attention could prove useful in improving donor accountability;
44. Also invites the Commission to introduce annual monitoring of this risk;

Assessing and managing risks

45. Notes that channelling funds through systems in developing countries which are weak creates a risk of inefficiency and wastage, and that a comprehensive fiduciary risk assessment is therefore absolutely necessary prior to starting budget support programmes;
46. Recalls that the Commission is not using a system in which risk assessment results in a clear threshold of values below which budget support should not be given, but rather a 'dynamic approach' in which the degree of discretion is much higher;
47. Takes the view that the higher degree of discretion in 'dynamic approach' decisions on budget support must be counterbalanced by an equally high degree of transparency; invites, therefore, the Commission to make available to its Committee on Budgetary Control and its Committee on Development the information on which it bases its assessments;

48. Expects in particular to receive explicit information on the Commission's risk assessments and analyses of government systems in developing countries, its judgement of the significance of system weaknesses as regards potential inefficiencies and wastage of aid and estimates, quantified to the extent possible, of these factors, as well as information on measures taken, or to be taken in future, in order to mitigate the identified risks;

Rhetoric or reality

49. Notes that the responsible Commissioner Louis Michel in a booklet entitled 'Budget support — A question of mutual trust' ⁽¹⁾ states that '(b)udget support and more of it is the only answer. For this reason I have decided to increase the proportion of budget support from 20 % of our funding to 50 %';
50. Invites the Commissioner to review these intentions until rhetoric has been replaced by reality and conclusive evidence, showing the extent to which budget support has given better value for money than other aid instruments or has had an impact on income poverty is available;
51. Notes the letter and note from Commissioner Louis Michel to Mr Jacek Uczkiewicz, Member of the European Court of Auditors, and with copy to Mr Herbert Bösch, Chairman of the Committee on Budgetary Control, dated 9 January 2009 (DR/amw/S(08)0418) in which the Commissioner indicates that:
- 'there is scope to improve the Commission's formulation and implementation of budget support programmes in line with the ECA's observations, through a more transparent, structured and formalised approach', and
 - 'there is scope for a more systematic attention to risk management and the consideration of appropriate safeguard measures or conditions' (page 9 in the note 'Responding to the European Court of Auditors' proposal to apply public financial management baseline requirements in determining eligibility for budget support' attached to the letter);
52. Welcomes the Commission's acceptance of the Court's observations, as well as the Commission's intentions, and looks forward to being informed of the detailed design and implementation of this 'enhanced approach' (ibidem page 1);

The European Court of Auditors

53. Invites the Court to inform it of the quality of the Commission's assessment and management of risk, and would welcome more performance audits assessing the results of development spending in general and budget support in particular;

Recipient country parliaments

54. Invites its Committee on Budgetary Control to establish direct contacts with its sister committees in selected recipient country parliaments in order to encourage and support their role in ensuring aid effectiveness through parliamentary oversight activities;
55. Urges the Commission to prioritise support to partner countries to develop parliamentary control and audit capacities, in particular when aid is provided via budget support, and invites the Commission to report regularly on progress achieved;
56. Is of the view that the involvement of national parliaments, civil society and local authorities in partner countries is indispensable for achieving genuine ownership of the process; urges the Commission to make every effort to improve dialogue with these bodies at all the different stages of the programming process;

⁽¹⁾ ISBN 978-92-79-10115-1 at http://ec.europa.eu/commission_barroso/michel/Policy/key_documents/docs/NH8108406ENC_web.pdf

Involvement of the ACP States

57. Is worried about 'the lack of involvement by the ACP States' in assuring effective control of EDF expenditure and is disappointed that delegations 'can place only limited reliance on the controls performed by the NAO (National Authorising Officer) administrations' (point 36 of the Annual Report on the EDFs);
58. Notes that NAOs are obligatory in ACP States but do not exist in RELEX developing countries; invites the Commission to inform it of the advantages and disadvantages of the EDF approach and to assess best practices across ACP States in order to improve the control of EDF expenditure by NAO administrations;
59. Further notes that 'the lack of capacity and resources within NAO administrations' is 'regularly reported by delegations' (point 41 of the Annual Report on the EDFs) to EuropeAid's central services; invites the Commission to inform it of feedback given to delegations on this issue;

Human resources

60. Notes that, according to the Court, the number of Commission staff compared to the funds committed is decreasing, and that no significant increase of staff is foreseen despite the forecasted substantial increase of commitments under the 10th EDF (point 33 of the Annual Report on the EDFs);
61. Fully agrees with the Court that there 'is a risk that shortage or inadequate distribution of staff or unavailability of specific skills and knowledge has an impact on the quality of the controls, verification and monitoring' (point 33 of the Annual Report on the EDFs);
62. Invites the Commission to explain how it envisages managing the tension — if not contradiction — between the need for additional human resources at delegations and its commitment 'to maintain stable staffing once all enlargement-related personnel are integrated, with no requests for new posts for the period 2009-2013' and 'to meet new staffing needs in key policy areas exclusively through redeployment within and between departments' ⁽¹⁾;
63. Takes the view that additional human resources could be found by abolishing the split responsibility for development between RELEX and DEV; invites the current Commission to take the necessary steps with a view to facilitating this reorganisation in the new Commission; believes that the current division of labour on development cooperation between DEV and RELEX does not allow the Commission to participate fully in nurturing international efforts to promote development coherence and aid effectiveness; further invites the Commission to ensure that development cooperation is unambiguously dedicated to the primary objective of poverty eradication;
64. Calls on the Commission to take the necessary measures to increase the number of staff allocated to the EDF's management and control structures in view of the anticipated increase in the volume of commitments under the 10th EDF;

Comments on the Court's conclusions and recommendations

65. Notes with satisfaction the Court's recognition of EuropeAid's efforts to develop a control strategy; takes the view that an efficient control strategy aims at preventing errors ex ante and not primarily at recovering undue paid funds ex post; invites the Commission to continue developing its control strategy in the light of this approach, which is a priority for the discharge authority;

⁽¹⁾ Report from the Commission. Planning and optimising Commission human resources to serve EU priorities (SEC(2007) 530), p. 3, at http://www.europarl.europa.eu/meetdocs/2004_2009/documents/dv/sec_2007_5/sec_2007_530.pdf

66. Fully agrees with the Court's recommendations expressed in points 55(a) to (g) and 56(a) to (f) of the Annual Report on the EDFs; draws in particular the Commission's attention to the recommendation set out in point 56(a) that

'compliance with the Cotonou Agreement should be benchmarked against baseline requirements, such as the availability of timely published and audited accounts, to be met before budget support is granted'

and that set out in point 56(d) that

'EuropeAid should ensure, before the start of a budget support programme, that there is a clear and complete assessment of the public finance management and that the recipient country has a credible and relevant reform programme to address all significant weaknesses over a foreseeable timetable';

therefore calls on the Commission to grant budget support only where public expenditure management is sufficiently transparent, accountable and effective, or is at least likely to be so with the implementation within a short time frame of a reform programme; further points out that the selection of financing arrangements for a specific sector should be directly linked to their efficiency for this specific area of intervention;

67. Invites the Commission to give priority to the swift implementation of these recommendations, to which the discharge authority attaches particular importance, in so far as clear and agreed limits for executive discretion are indispensable for meaningful parliamentary supervision;

A new approach to a new situation

68. Stresses that the recipient country's use of funds delivered as budget support is outside the direct control of the Commission (and other donors) since it is the sovereign right of the recipient country concerned to manage its budget in accordance with its own specific rules and national budgetary procedures;
69. Recalls that public sector financial management, internal control and external audit functions in some recipient countries are often not sufficiently reliable to ensure that donors' funds are managed adequately and used for the intended purposes;
70. Believes that the Commission, in the light of the growing attention given to accountability issues and the increasing interest among donor country taxpayers in seeing concrete results of development aid, has every interest in knowing the risks assumed when granting budget support and in sharing this knowledge with the discharge authority, to which it is accountable;
71. Further believes that the Commission should inform recipient countries' administrations of its accountability obligations and request those who manage funds downstream to be subject to similar obligations;

A Country Disclosure Statement

72. Takes the view, therefore, that development aid in general and budget support in particular should be tied to an ex-ante disclosure statement, issued by the recipient country's government and signed by the finance minister, concerning selected issues that affect the governance and accountability structure of a beneficiary country;
73. Strongly believes that a recipient country's own assessment and understanding of control weaknesses will provide greater motivation for improvement than audits and controls imposed on it by an outside authority;

74. Takes the view that a Country Disclosure Statement will enhance transparency and accountability and give international donors valuable information with a view to making an informed judgement of the overall transparency and reliability of the beneficiary country's governance and accountability structure;
75. Invites the Commission to take the lead and to present this proposal to other international donors — in particular the World Bank — with a view to developing and implementing such an instrument in agreement with other donors; stresses that the nature of penalties for a deliberately misleading disclosure statement will need particular attention;
76. Invites the Commission to inform it of a possible timeframe for these negotiations;

Integration of the EDF budget in the general budget of the European Union

77. Welcomes the Commission engagement to 'raise again its proposal to fully incorporate the EDF into the budget during discussions on the next financial framework' ⁽¹⁾; invites the Commission to keep its Committee on Budgetary Control fully informed as regards the preparation of this initiative;
78. Reaffirms its support for the incorporation of the EDF into the general budget of the European Union, which it considers would make it possible to enhance the coherence, transparency and effectiveness of the EDF and to strengthen its oversight system;

Tailoring parliamentary oversight to the instrument

79. Takes the view that its role as regards budget support is to hold the Commission accountable for the results of spending, and that budget support is an aid instrument which requires a paradigm shift in oversight behaviour moving from control over inputs to the checking of results against indicators;
80. Believes that it is obliged to develop its present way of working in order to achieve this; takes the view that a sub-committee on the oversight of budget support set up by its Committee on Budgetary Control would be an efficient tool to ensure that aid support spending benefits the population of the recipient country and that taxpayers' contributions to aid spending are not misappropriated;

The Investment Facility

81. Recalls that in paragraphs 20 to 24 of its Resolution of 22 April 2008 on discharge in respect of the implementation of the budget of the Sixth, Seventh, Eighth and Ninth European Development Funds for the financial year 2006 ⁽²⁾ it expressed its concern that the management of the Investment Facility by the European Investment Bank (EIB) is excluded from the discharge; further recalls that EDF resources are public money contributed by European taxpayers and not by the financial markets;
82. Regrets, as did the Court in its Opinion No 9/2007 on the proposal for a Council Regulation on a Financial Regulation applicable to the 10th European Development Fund ⁽³⁾, the creation of two separate areas of management, as this limits the scope of the discharge, creates additional needs for coordination between the Commission and the EIB, and makes it difficult to get a complete picture of results achieved;
83. Notes that the EIB's annual report on the Investment Facility contains mainly financial information and very little — if any — information on the results of the different financed programmes;

⁽¹⁾ (SEC(2008) 2579) Commission Staff Working Document. Annex to the report from the Commission to the European Parliament on the follow-up to 2006 discharge procedure, p. 86.

⁽²⁾ OJ L 88, 31.3.2009, p. 253.

⁽³⁾ OJ C 23, 28.1.2008, p. 3.

84. Invites the EIB to focus its reporting on results and to present complete, relevant and objective information as regards outcomes, objectives set, objectives achieved and reasons for possible deviation, as well as evaluations carried out and a summary of evaluation results;
85. Stresses that the EIB is operating in ACP countries under the Cotonou Agreement, whose primary aim is to eradicate poverty and promote sustainable development, and that it must therefore respect these goals with regard to its lending policy to these countries;
86. Invites the Commission to inform it of the specific procedures it has established with the EIB in order to coordinate the two institutions' efforts to achieve EU development objectives, as well as of the efficiency of these procedures;
87. Is concerned about the image of the EIB as being the least transparent, least accountable and least democratically controlled institution among all the bodies entrusted with implementing EU policies as well as public financial institutions;
88. Invites the EIB, in the interests of the European Union and its values and with a view to improving public perception of the EIB as an institution, to present evidence showing:
 - how it lives up to the spirit of Regulation (EC) No 1049/2001 of the European Parliament and of the Council of 30 May 2001 regarding public access to European Parliament, Council and Commission documents ⁽¹⁾ and the Aarhus Convention of 25 June 1998 on access to information, public participation in decision-making and access to justice in environmental matters,
 - how it lives up to the global development commitments of the EU and the standards set by other multilateral development banks,
 - how its financing of capital-intensive projects in the extractive sectors contributes to poverty alleviation,
 - the guidelines it has developed for investment in the energy, forestry, transport, water and waste management sectors, and how its investment decisions fully follow these guidelines,
 - that the very few full-time environmental experts in its staff responsible for reviewing its entire lending portfolio and ensuring compliance with relevant policies are sufficient,
 - the efficiency of its complaint mechanism for affected citizens, to which citizens from outside the European Union should also have access,
 - the efficiency of measures taken to combat corruption and money laundering,
 - its criteria for lending to the private sector, beyond basic financial standards and the completeness of a list of final beneficiaries of its lending to the private sector;
89. Invites the Commission to follow up closely the implementation of the Investment Facility with a view to guaranteeing that it fulfils its objective as a development tool, and to inform its Committee on Budgetary Control on a regular basis of its findings;
90. Invites its Committee on Budgetary Control to strengthen its activities as regards control of the financial activities of the EIB, which fully falls under the responsibilities of that committee under the Rules of Procedure, Annex VI, Chapter V, point 3.

⁽¹⁾ OJ L 145, 31.5.2001, p. 43.

DECISION OF THE EUROPEAN PARLIAMENT**of 23 April 2009****on the closure of the accounts of the Seventh, Eighth and Ninth European Development Funds for the financial year 2007**

(2009/642/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the Commission report on the follow-up to the 2006 discharge decisions (COM(2008) 629 and its annex SEC(2008) 2579),
- having regard to the financial statements and revenue and expenditure accounts for the Seventh, Eighth and Ninth European Development Funds for the financial year 2007 (COM(2008) 490 — C6-0296/2008),
- having regard to the report on the financial management of the Seventh, Eighth and Ninth European Development Funds for the year 2007 (COM(2008) 224),
- having regard to the Court of Auditors' annual report on the activities funded by the Seventh, Eighth and Ninth European Development Funds concerning the financial year 2007, together with the Commission's replies ⁽¹⁾,
- having regard to the statement of assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors pursuant to Article 248 of the EC Treaty ⁽²⁾,
- having regard to the Council's recommendations of 10 February 2009 (5042/2009 — C6-0057/2009, 5044/2009 — C6-0058/2009, 5045/2009 — C6-0059/2009),
- having regard to the Partnership Agreement between the members of the African, Caribbean and Pacific Group of States of the one part, and the European Community and its Member States, of the other part, signed in Cotonou on 23 June 2000 ⁽³⁾ and revised in Luxembourg on 25 June 2005 ⁽⁴⁾,
- having regard to Council Decision 2001/822/EC of 27 November 2001 on the association of the overseas countries and territories with the European Community (the Overseas Association Decision) ⁽⁵⁾, amended by Council Decision 2007/249/EC of 19 March 2007 ⁽⁶⁾,
- having regard to Article 33 of the Internal Agreement of 20 December 1995, between the representatives of the governments of the Member States meeting within the Council, on the financing and administration of the Community aid under the Second Financial Protocol to the fourth ACP-EC Convention ⁽⁷⁾,
- having regard to Article 32 of the Internal Agreement of 18 September 2000, between representatives of the governments of the Member States meeting within the Council, on the financing and administration of Community aid under the Financial Protocol to the Partnership Agreement between the African, Caribbean and Pacific States and the European Community and its Member States signed in Cotonou (Benin) on 23 June 2000, and the allocation of financial assistance for the Overseas Countries and Territories to which Part Four of the EC Treaty applies ⁽⁸⁾,
- having regard to Article 276 of the EC Treaty,

⁽¹⁾ OJ C 286, 10.11.2008, p. 273.

⁽²⁾ OJ C 277, 31.10.2008, p. 243.

⁽³⁾ OJ L 317, 15.12.2000, p. 3.

⁽⁴⁾ OJ L 287, 28.10.2005, p. 1.

⁽⁵⁾ OJ L 314, 30.11.2001, p. 1 and OJ L 324, 7.12.2001, p. 1.

⁽⁶⁾ OJ L 109, 26.4.2007, p. 33.

⁽⁷⁾ OJ L 156, 29.5.1998, p. 108.

⁽⁸⁾ OJ L 317, 15.12.2000, p. 355.

- having regard to Article 74 of the Financial Regulation of 16 June 1998 applicable to development finance cooperation under the fourth ACP-EC Convention ⁽¹⁾,
 - having regard to Article 119 of the Financial Regulation of 27 March 2003 applicable to the Ninth European Development Fund ⁽²⁾,
 - having regard to Rules 70 and 71, third indent of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Development (A6-0159/2009),
1. Notes that the final annual accounts of the Seventh, Eighth and Ninth European Development Funds are as shown in table 1 of the Court of Auditors' annual report;
 2. Approves the closure of the accounts of the Seventh, Eighth and Ninth European Development Funds for the financial year 2007;
 3. Instructs its President to forward this Decision to the Council, the Commission, the Court of Justice, the Court of Auditors, the European Investment Bank, and the governments and parliaments of the Member States and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ L 191, 7.7.1998, p. 53.

⁽²⁾ OJ L 83, 1.4.2003, p. 1.

DECISION OF THE EUROPEAN PARLIAMENT**of 23 April 2009****on discharge in respect of the implementation of the budget of Eurojust for the financial year 2007**

(2009/643/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of Eurojust for the financial year 2007 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of Eurojust for the financial year 2007, together with Eurojust'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 Decision 2002/187/JHA of 28 February 2002 setting up Eurojust with a view to reinforcing the fight against serious crime ⁽⁴⁾, and in particular Article 36 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A6-0161/2009),
1. Grants the Administrative Director of Eurojust discharge in respect of the implementation of Eurojust's budget for the financial year 2007;
 2. Sets out its observations in the Resolution below;
 3. Instructs its President to forward this Decision and the Resolution that forms an integral part of it to the Administrative Director of Eurojust, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 278, 31.10.2008, p. 57.

⁽²⁾ OJ C 311, 5.12.2008, p. 142.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 63, 6.3.2002, p. 1.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

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 Eurojust for the financial year 2007**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of Eurojust for the financial year 2007 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of Eurojust for the financial year 2007, together with Eurojust'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 Decision 2002/187/JHA of 28 February 2002 setting up Eurojust with a view to reinforcing the fight against serious crime ⁽⁴⁾, and in particular Article 36 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A6-0161/2009),
- 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 Administrative Director of Eurojust discharge in respect of the implementation of Eurojust's budget for the financial year 2006 ⁽⁶⁾, and in its resolution accompanying the discharge decision, *inter alia*:
- noted the ECA's observation in its 2006 report that the carry-over rate was 33 % for administrative expenditure and 30 % for operational expenditure, with a high number of transfers of appropriations between budget lines and in many cases insufficiently detailed supporting documentation, so that the budgetary principle of specification was not strictly observed,
 - noted further the ECA's findings that the rules on procurement were not strictly observed, and that a fixed assets register including all assets and their values was not established and used to monitor Eurojust's property; called on Eurojust to strictly implement procurement rules, notably as regards framework contracts,
 - expressed concern at the statement in Eurojust's annual report that there were still many opportunities to develop Eurojust's relationship with OLAF, including by means of a formal cooperation agreement;

⁽¹⁾ OJ C 278, 31.10.2008, p. 57.

⁽²⁾ OJ C 311, 5.12.2008, p. 142.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 63, 6.3.2002, p. 1.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

⁽⁶⁾ OJ L 88, 31.3.2009, p. 234.

1. Notes that, although the ECA's statement of assurance is positive, its observations indicate that structural problems remain in the areas of budget implementation, procurement and recruitment planning;
2. Is satisfied with the information in Eurojust's annual report 2007 that Eurojust introduced ABAC (Accrual Based Accounting) on 1 October 2007;
3. Notes from Eurojust's annual report 2007 that, due to the rapid growth of Eurojust and the resulting need for new headquarters, Eurojust is cooperating with the host state in order to secure extra temporary office space; notes from Eurojust's annual report 2007 that the host state is committed to providing suitable new premises by 2012;
4. Requests that Eurojust include information about progress in the negotiations concerning new headquarters, interim arrangements and financial implications in its annual report 2008;

High level of appropriations carried over

5. Notes the ECA's finding that of the EUR 18 000 000 which were committed in 2007, EUR 5 200 000 were carried over;
6. Is concerned by the ECA's conclusion that such high levels of carry-overs are at odds with the principle of annuality and suggest weaknesses in the programming and monitoring of Eurojust's activities;
7. Notes Eurojust's reply that the high level of carry-overs was due to a lack of staff to manage the funds and difficulties in the implementation of the new procurement system; observes that only 95 of the 147 posts in the 2007 establishment plan were filled;
8. Notes that Eurojust introduced a carry-over reduction strategy in 2008;

Weaknesses in procurement procedures

9. Acknowledges that, following recommendations by the ECA made in previous years, Eurojust centralised the management of its procurement procedures in a specialised unit;
10. Regrets that, however, the ECA still found weaknesses in procurement procedures, as in the two previous years;
11. Expresses its surprise at the ECA's finding that Eurojust extended existing contracts in a manner contrary to the rules, although the expiry of the contracts had been known for a long time;
12. Fully supports the ECA's recommendation that the authorising officer put in place an effective plan for managing procurement procedures;
13. Notes that Eurojust defined a general procurement plan for 2008 and adopted a decision on the organisation of procurement and related tasks, and that all contracts mentioned by the ECA were re-tendered in conformity with the rules;

Weaknesses in recruitment planning

14. Notes the ECA's finding that the establishment plan for 2007 provided for 147 posts compared to 112 in 2006 and that, at the end of 2006, only 87 posts were filled;
15. Is concerned that the ECA found that Eurojust did not manage to recruit the 60 staff necessary to fill the establishment plan in 2007, but that, at the end of 2007, only 95 posts were filled;

16. Agrees with the ECA that this shows that there are weaknesses in Eurojust's recruitment planning;
17. Regrets that, as acknowledged by Eurojust, the considerable lack of staff had a negative impact on the implementation of its budget;
18. Notes that Eurojust, according to its replies, aimed to fill the posts in its establishment plan in 2008;
19. Notes that 130 of the 175 posts in the 2008 establishment plan were filled by the end of 2008; welcomes the fact that Eurojust reduced the vacancy rate from 34 % at the end of 2007 to 25 % at the end of 2008; urges Eurojust to make further efforts to fill the vacant posts as soon as possible;
20. Notes from Eurojust's annual report 2007 that it:
 - drafted a multiannual staff policy plan, covering the period 2007-2010,
 - adopted a new recruitment policy describing the legal framework, principles, selection process, roles and actors involved,
 - intended to sign the inter-agency job market agreement;

Follow-up to the 2006 discharge exercise

21. Calls on Eurojust to follow up on the ECA's recommendations, in particular in the areas of budget implementation, procurement and recruitment, and to report in detail on the action taken in its 2008 annual report;
22. Is satisfied with the conclusion of the Practical Agreement on arrangements of cooperation between Eurojust and OLAF ⁽¹⁾ on 24 September 2008;
23. 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 ⁽²⁾.

⁽¹⁾ OJ C 314, 9.12.2008, p. 3.

⁽²⁾ See page 206 of this Official Journal.

DECISION OF THE EUROPEAN PARLIAMENT
of 23 April 2009
on the closure of the accounts of Eurojust for the financial year 2007

(2009/644/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of Eurojust for the financial year 2007 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of Eurojust for the financial year 2007, together with Eurojust'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 Decision 2002/187/JHA of 28 February 2002 setting up Eurojust with a view to reinforcing the fight against serious crime ⁽⁴⁾, and in particular Article 36 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A6-0161/2009),
1. Notes that the final annual accounts of Eurojust are as annexed to the Court of Auditors' report;
 2. Approves the closure of the accounts of Eurojust for the financial year 2007;
 3. Instructs its President to forward this Decision to the Administrative Director of Eurojust, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 278, 31.10.2008, p. 57.

⁽²⁾ OJ C 311, 5.12.2008, p. 142.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 63, 6.3.2002, p. 1.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

DECISION OF THE EUROPEAN PARLIAMENT**of 23 April 2009****on discharge in respect of the implementation of the budget of the European Medicines Agency for the financial year 2007**

(2009/645/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Medicines Agency for the financial year 2007⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Medicines Agency 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 Regulation (EC) No 726/2004 of the European Parliament and of the Council of 31 March 2004 laying down Community procedures for the authorisation and supervision of medicinal products for human and veterinary use and establishing a European Medicines Agency⁽⁴⁾, and in particular Article 68 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A6-0162/2009),
1. Grants the Executive Director of the European Medicines Agency discharge in respect of the implementation of the Agency's budget for the financial year 2007;
 2. Sets out its observations in the Resolution below;
 3. Instructs its President to forward this Decision and the Resolution that forms an integral part of it to the Executive Director of the European Medicines Agency, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 278, 31.10.2008, p. 10.

⁽²⁾ OJ C 311, 5.12.2008, p. 27.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 136, 30.4.2004, p. 1.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

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 Medicines Agency for the financial year 2007**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Medicines Agency for the financial year 2007 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Medicines Agency 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 Regulation (EC) No 726/2004 of the European Parliament and of the Council of 31 March 2004 laying down Community procedures for the authorisation and supervision of medicinal products for human and veterinary use and establishing a European Medicines Agency ⁽⁴⁾, and in particular Article 68 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A6-0162/2009),
- A. whereas the European 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 Executive Director of the European Medicines Agency discharge in respect of the implementation of the Agency's budget for the financial year 2006 ⁽⁶⁾, and in its resolution accompanying the discharge decision, inter alia:
- noted the ECA's statement in its 2006 report that as regards administrative expenditure the utilisation for commitment appropriations was less than 60 %,
 - noted that a considerable amount of budget appropriations for 2006 had been carried over to 2007 due to the nature of the projects dealt with by the Agency,
 - noted that in December 2006 the Agency's Management Board decided to undertake a revision of the scale fees system in consultation with the competent national authorities;

⁽¹⁾ OJ C 278, 31.10.2008, p. 10.

⁽²⁾ OJ C 311, 5.12.2008, p. 27.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 136, 30.4.2004, p. 1.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

⁽⁶⁾ OJ L 88, 31.3.2009, p. 175.

1. Underlines that the Agency's budget is financed both from the EU Budget and mainly by fees paid by pharmaceutical industry applicants for obtaining or maintaining a Community marketing authorisation. However notes that the EC general contribution increased by 24,48 % between 2006 and 2007 and represents 24,13 % of the total 2007 revenue; is aware in this context of newly assigned tasks arising from Regulation (EC) No 1901/2006 of the European Parliament and of the Council of 12 December 2006 on medicinal products for paediatric use ⁽¹⁾ and an increase in the orphan medicines budget line;
2. Welcomes the efforts of the Agency to provide more scientific advice at early stages of the development of new medicines as well as the introduction of measures to accelerate the assessment of medicines that are of critical importance to public health and to accelerate the development and implementation of Telematics programmes;
3. Considers the Agency as a source of important scientific advice, science-based recommendations, best practice for medicines evaluation and supervision in Europe and welcomes the contributions to the Commission and the Member States towards the harmonisation of regulatory standards at international level;
4. Encourages the Agency to continue its action in the Orphan Medicines field; discourages, however, the decrease in the Orphan Medicines contribution, mainly due to a change in the policy for orphan fee reductions resulting from the flexibility provided by Council Regulation (EC) No 297/95 of 10 February 1995 on fees payable to the European Agency for the Evaluation of Medicinal Products ⁽²⁾, which none the less results in (generates) a reduction of 26,25 % in 2007 compared to 2006;
5. Emphasises the role of the Agency to monitoring the safety of medicines through the pharmacovigilance network; calls, however, for constant improvement of the vigilance level;

Weaknesses in budgetary management concerning the Telematics programme

6. Notes the ECA's criticism that, as in 2006, the high level of carry-overs for administrative expenditure was mainly due to the Telematics programme; notes the ECA's statement that this situation was at odds with the principle of annuality and that the Agency must ensure better planning and monitoring of the implementation of the programme;
7. Notes the ECA's recommendation that the Agency should consider using the differentiated appropriations system for the Telematics programme, which was more suitable for the budgetary management of such programmes;
8. Calls on the Agency to implement the ECA's recommendation to use differentiated appropriations for the Telematics programme promptly; requests that the Agency report on the action taken in its annual activity report for 2008;

Weaknesses as regards procurement procedures

9. Notes the ECA's finding with regard to procurement procedures, stating that:
 - in two cases the procedures chosen were not sufficiently justified,
 - in three cases the evaluation methods for the price criteria were inadequate,
 - in one case of a joint procurement procedure with five other agencies the volume of the services to be procured had not been adequately identified;

⁽¹⁾ OJ L 378, 27.12.2006, p. 1.

⁽²⁾ OJ L 35, 15.2.1995, p. 1.

10. Notes the Agency's replies according to which:
 - it established a formula for the objective evaluation of price as an award criteria with effect from 17 March 2008,
 - in the case of the joint procurement procedure the original estimate had to be revalued due to the technological advances that occurred between the definition of services to be provided and the launch of the procurement procedure;
11. Requests the Agency to address the weaknesses in the procurement procedures mentioned above and to report on the action taken in its annual activity report for 2008;

Progress towards ensuring compliance with the fee regulation

12. Notes that the ECA, in its 2006 annual report, found that the Agency's practice was in breach of its fee regulation for the following reasons: the Agency's customers were billed an amount which was divided into two parts, the Agency's costs and an amount which was repaid to the Member States' rapporteurs to cover their own costs; and the Member States' rapporteurs however never provided full evidence of their actual costs;
13. Notes that the ECA, in its 2007 annual report, followed up on these findings, stating that the Agency's Management Board set up a costing group which made a proposal for an alternative option for remunerating the rapporteurs at the end of 2007;
14. Insists, in accordance with the ECA's recommendation, that the Agency make further progress to resolve this issue and report on the follow-up action taken in its annual activity report for 2008;
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⁾.

⁽¹⁾ See page 206 of this Official Journal.

DECISION OF THE EUROPEAN PARLIAMENT
of 23 April 2009
on the closure of the accounts of the European Medicines Agency for the financial year 2007

(2009/646/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Medicines Agency for the financial year 2007 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Medicines Agency 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 Regulation (EC) No 726/2004 of the European Parliament and of the Council of 31 March 2004 laying down Community procedures for the authorisation and supervision of medicinal products for human and veterinary use and establishing a European Medicines Agency ⁽⁴⁾, and in particular Article 68 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A6-0162/2009),
1. Notes that the final annual accounts of the European Medicines Agency are as annexed to the Court of Auditors' report;
 2. Approves the closure of the accounts of the European Medicines Agency for the financial year 2007;
 3. Instructs its President to forward this Decision to the Executive Director of the European Medicines Agency, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 278, 31.10.2008, p. 10.

⁽²⁾ OJ C 311, 5.12.2008, p. 27.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 136, 30.4.2004, p. 1.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

DECISION OF THE EUROPEAN PARLIAMENT**of 23 April 2009****on discharge in respect of the implementation of the budget of the European Aviation Safety Agency for the financial year 2007**

(2009/647/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Aviation Safety Agency for the financial year 2007 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Aviation Safety Agency 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 the Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽³⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EC) No 216/2008 of the European Parliament and of the Council of 20 February 2008 on common rules in the field of civil aviation and establishing a European Aviation Safety Agency ⁽⁴⁾, and in particular Article 60 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A6-0163/2009),
1. Grants the Executive Director of the European Aviation Safety Agency discharge in respect of the implementation of the Agency's budget for the financial year 2007;
 2. Sets out its observations in the Resolution below;
 3. Instructs its President to forward this Decision and the Resolution that forms an integral part of it to the Executive Director of the European Aviation Safety Agency, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 278, 31.10.2008, p. 16.

⁽²⁾ OJ C 311, 5.12.2008, p. 20.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 79, 19.3.2008, p. 1.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

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 Aviation Safety Agency for the financial year 2007**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Aviation Safety Agency for the financial year 2007 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Aviation Safety Agency 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 the Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽³⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EC) No 216/2008 of the European Parliament and of the Council of 20 February 2008 on common rules in the field of civil aviation and establishing a European Aviation Safety Agency ⁽⁴⁾, and in particular Article 60 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A6-0163/2009),
- 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 Executive Director of the European Aviation Safety Agency discharge in respect of the implementation of the Agency's budget for the financial year 2006 ⁽⁶⁾, and in its resolution accompanying the discharge decision, *inter alia*:
- noted the ECA's insistence that the Agency, in cooperation with the Commission, must review the current fees scheme in order to ensure that its costs for certification activities are justified and covered by its fees,
 - called on the Agency and the Commission to review the Agency's fee structure to bring costs and revenue for certification activities into balance,
 - noted the Agency's reply that the fees and charges regulation ⁽⁷⁾, which entered into force on 1 June 2007, should generate revenue sufficient to cover the cost of certification activities,

⁽¹⁾ OJ C 278, 31.10.2008, p. 16.

⁽²⁾ OJ C 311, 5.12.2008, p. 20.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 79, 19.3.2008, p. 1.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

⁽⁶⁾ OJ L 88, 31.3.2009, p. 201.

⁽⁷⁾ Commission Regulation (EC) No 593/2007 (OJ L 140, 1.6.2007, p. 3).

- called on the Agency to implement an effective claim management system, possibly including interest for late payments;
1. Notes that the Agency had EUR 72 045 000 in commitment and payment appropriations from the 2007 budget;
 2. Notes the ECA's observation that the 2007 establishment plan consisted of 467 temporary posts, but that budget appropriations for staff expenditure did not cover actual staff costs for these posts and that, as a consequence, the Agency agreed with the Commission to reduce the number of its posts to a maximum of 342, of which 333 were filled at the year-end;
 3. Notes the Agency's reply that the reduction of staff was due to the fact that during the first two years of implementation of its fees and charges regulation, revenue was insufficient to cover forecasted costs; notes that the Agency refers to a staff policy plan 2008-2010, agreed with the Commission, in which the reduction of staff is reflected;
 4. Observes that the imbalance between costs and revenue highlighted in the previous discharge resolution triggered a need to reduce the planned number of staff by 25 %, from 467 to a maximum of 342;
 5. Expects the Agency to include information in its annual accounts for the financial year 2008 on how far a balance between costs and revenue in relation to certification activities could be achieved through implementation of the new fees and charges regulation;
 6. Notes the ECA's criticism that the changes concerning the staffing of the Agency in 2007 were not reflected in the establishment plan, which was not amended accordingly;
 7. Fully supports the ECA's recommendation that the Agency carefully check the consistency of its expenditure forecasts, which form the basis of decisions of the budgetary authority, in particular with regard to staff costs; requests the Agency to ensure that the establishment plan corresponds to the actual situation;
 8. Notes that the ECA and the Agency disagree over the calculation of an amount of EUR 14 900 000 in assigned revenue received by the Agency in 2007 to cover future certification costs; notes the ECA's view that the Agency erroneously included fees levied under the former fees and charges regulation in its calculation; notes that the Agency provided an explanation for its calculation, stating that it was entitled to include those fees in its calculation according to its basic regulation;
 9. Notes the ECA's criticism of several audited procurement procedures; notes that the ECA found one procedure, in which bidders received incomplete information on the award criteria and their evaluation, to be untransparent; notes the ECA's statement that in three cases the restricted procedure was applied although there should have been an open call for tender as the overall value of the services exceeded the threshold;
 10. Requests that the Agency stick to the promise given in its replies to comply strictly with the procurement rules and to pay particular attention to the provision of clear information to potential bidders;
 11. Urges the Commission to ensure that the Agency maintains strict financial discipline in the future and always works within the agreed budgets;
 12. 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⁾.

⁽¹⁾ See page 206 of this Official Journal.

DECISION OF THE EUROPEAN PARLIAMENT**of 23 April 2009****on the closure of the accounts of the European Aviation Safety Agency for the financial year 2007**

(2009/648/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Aviation Safety Agency for the financial year 2007 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Aviation Safety Agency 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 the Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽³⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EC) No 216/2008 of the European Parliament and of the Council of 20 February 2008 on common rules in the field of civil aviation and establishing a European Aviation Safety Agency ⁽⁴⁾, and in particular Article 60 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A6-0163/2009),
1. Notes that the final annual accounts of the European Aviation Safety Agency are as annexed to the Court of Auditors' report;
 2. Approves the closure the accounts of the European Aviation Safety Agency for the financial year 2007;
 3. Instructs its President to forward this Decision to the Executive Director of the European Aviation Safety Agency, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 278, 31.10.2008, p. 16.

⁽²⁾ OJ C 311, 5.12.2008, p. 20.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 79, 19.3.2008, p. 1.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

DECISION OF THE EUROPEAN PARLIAMENT**of 23 April 2009****on discharge in respect of the implementation of the budget of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union for the financial year 2007**

(2009/649/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States for the financial year 2007 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States 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 its Resolution of 18 December 2008 on the evaluation and future development of the Frontex Agency and of the European Border Surveillance System (Eurosur) ⁽⁴⁾,
 - having regard to Council Regulation (EC) No 2007/2004 of 26 October 2004 establishing a European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union ⁽⁵⁾, and in particular Article 30 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002 ⁽⁶⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A6-0166/2009),
1. Grants the Executive Director of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union discharge in respect of the implementation of the Agency's budget for the financial year 2007;
 2. Sets out its observations in the Resolution below;

⁽¹⁾ OJ C 278, 31.10.2008, p. 7.

⁽²⁾ OJ C 311, 5.12.2008, p. 34.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ Texts adopted, P6_TA(2008)0633.

⁽⁵⁾ OJ L 349, 25.11.2004, p. 1.

⁽⁶⁾ OJ L 357, 31.12.2002, p. 72.

3. Instructs its President to forward this Decision and the Resolution that forms an integral part of it to the Executive Director of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Klaus WELLE

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 Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union for the financial year 2007**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States for the financial year 2007 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States 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 its Resolution of 18 December 2008 on the evaluation and future development of the Frontex Agency and of the European Border Surveillance System (Eurosur) ⁽⁴⁾,
 - having regard to Council Regulation (EC) No 2007/2004 of 26 October 2004 establishing a European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union ⁽⁵⁾, and in particular Article 30 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002 ⁽⁶⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A6-0166/2009),
- 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 Executive Director of the European Agency' for the Management of Operational Coordination at the External Borders of the Member States of the European Union discharge in respect of the implementation of the Agency's budget for the financial year 2006 ⁽⁷⁾ and, inter alia,
- noted the ECA's observation in its 2006 report that for the financial year 2006 the rate of commitment was 85 %; the rate of carry-over was more than 70 % overall and nearly 85 % for operating expenditure; transfers of appropriations between chapters or titles during the year exceeded the total ceiling of 10 % provided for in the Financial Regulation; therefore, the budgetary principle of specification was not strictly observed,
 - called on the Agency to improve its financial management, especially as regards the increase in its budget for the financial years 2007 and 2008,

⁽¹⁾ OJ C 278, 31.10.2008, p. 7.

⁽²⁾ OJ C 311, 5.12.2008, p. 34.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ Texts adopted, P6_TA(2008)0633.

⁽⁵⁾ OJ L 349, 25.11.2004, p. 1.

⁽⁶⁾ OJ L 357, 31.12.2002, p. 72.

⁽⁷⁾ OJ L 88, 31.3.2009, p. 226.

- C. whereas 2007 was the second full year of functioning of the Agency,
1. Notes that the Agency's 2007 budget (EUR 42 100 000) more than doubled compared with the 2006 budget (EUR 19 200 000);
 2. Notes the ECA's criticism that commitments carried over to 2008 pertaining to grant agreements linked to operational activities amounted to EUR 18 400 000, and that a substantial part of these commitments were based on excessive cost estimates;
 3. Acknowledges the fact, highlighted in the Agency's replies to the ECA, that in the case of the Agency cost estimates are particularly complex as the Agency relies on equipment provided by Member States for its operations;
 4. Notes that the Agency set up the centralised record for technical equipment (CRATE) concerning materials from Member States that can be used during operations; notes that CRATE is linked to a common cost calculation method, which should lead to a more efficient allocation of budgetary means;
 5. Is concerned about the ECA's finding that, as there is no treasury policy, the high amount of cash retained by the Agency stays unused on excessively low interest bearing bank accounts; notes that, according to the accounts (balance sheet) the Agency held EUR 32 600 000 in cash and cash equivalents at 31 December 2007;
 6. Notes the Agency's reply that it will try to negotiate conditions with its bank and check if other banks offer better conditions;
 7. Urges the Agency to adopt a treasury policy and to report on the action taken and the results achieved in its general report 2008;

Follow-up to the 2006 discharge exercise

8. Recalls that the 2006 financial year was the first year in which the Agency was financially autonomous and subject to the discharge procedure;
9. Regrets that the ECA, in its 2007 annual report, found several weaknesses which it had already highlighted in its 2006 annual report, in particular:
 - a high level of carry-overs and cancellations: nearly 70 % of the appropriations available in 2007 were not spent,
 - legal commitments made before budgetary commitments,
 - recruitment procedures which, according to the ECA, were not in line with the rules, in particular with the principle of equal treatment, as the minimum number of years of experience required for a given position differed from those agreed between the agencies and the Commission;
10. Notes the Agency's reply with regard to the high level of carry-overs that this was partly due to an amount of EUR 7 000 000 made available by the Commission in June 2007 for sea operations which require the availability of vessels and aircrafts from Member States and are complex and time-consuming, so that commitments could only be made late in 2007;
11. Is, however, concerned about the high level of carry-overs observed by the ECA and asks the Agency to address this problem which was already raised by the Court in its 2006 report; points out that the reserve of EUR 19 900 000 from the Agency's 2007 budget was released only in June 2007; takes note of the Agency's replies in this respect;
12. Calls on the Agency to address the recurrent problems in its commitment system as observed by the ECA;
13. Is pleased that the Agency adopted an action plan in 2008 in order to address the weaknesses in its commitment system; notes that the action plan includes among others setting deadlines to Member States for forwarding to the Agency budget estimates concerning their co-financing in order to establish the final amount for grants in order to avoid ex-post signatures;

14. Invites the Agency to report on the results achieved through the action plan in its general report 2008;
15. Considers that there is a link between the specific form of cooperation between the Agency and the Member States, whereby Member States are supposed to make available equipment to the Agency for its operations, and the weaknesses highlighted by the ECA regarding budget planning, in particular cost estimates, and budget implementation, in particular carry-overs and the problem of ex-post signatures;
16. Recalls that Parliament, in its abovementioned Resolution of 18 December 2008:
 - (a) called on the Agency to send a report to the Parliament and to the Council concerning the actual use and real availability of materials from Member States, highlighting any difficulties encountered,
 - (b) called on Member States, in the event of persistent insufficient availability of resource, to take a rapid decision to alter substantially the scale of the Agency's budget to enable it to carry out its mission and, possibly, examine the legal aspects of the future renting and/or purchase of materials for that purpose,
 - (c) recalled that Parliament, as an arm of the budgetary authority, had already increased the Agency's budget since its inception would ensure that the Agency's budget is correctly implemented and adapted to changes in its functions;
17. Calls on the Agency to improve its financial management, in line with the ECA's observations, notes that the Agency, in its answers to the ECA, highlighted the specific form of cooperation between the Agency and Member States whereby the Agency relies on equipment provided by Member States for its operations;
18. Is determined to closely monitor the impact of the Agency's cooperation with Member States on its financial management in the future;
19. Regrets that the Agency had to implement recruitment procedures which were not fully in line with the general provisions for implementing the Staff Regulations in order to attract highly qualified specialists;
20. Notes that, with regard to recruitment, the Agency does not accept the ECA's criticism that it did not respect the principle of equal treatment as the minimum years of professional experience required for a given position differed from those agreed between the Commission and the agencies; notes that the Agency considers its practice to be in line with the rules, as it had to attract highly specialised staff under difficult conditions; observes that the Staff Regulations stipulate that Community agencies have to adopt their general implementing provisions (GIP) in agreement with the Commission; notes that the Commission has drafted model decisions for the GIP; notes that the Commission has not yet agreed to the draft GIP submitted by the Agency; calls on the Agency, in agreement with the Council recommendation, to strictly respect the recruitment criteria in the Staff Regulations in order to ensure equal treatment with regard to the years of professional experience required for a given post;
21. Calls on the Agency to improve its financial management, especially as regards the increase in its 2008 and 2009 budgets;
22. 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⁾.

⁽¹⁾ See page 206 of this Official Journal.

DECISION OF THE EUROPEAN PARLIAMENT**of 23 April 2009****on the closure of the accounts of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union for the financial year 2007**

(2009/650/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States for the financial year 2007 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States 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 its Resolution of 18 December 2008 on the evaluation and future development of the Frontex Agency and of the European Border Surveillance System (Eurosur) ⁽⁴⁾,
 - having regard to Council Regulation (EC) No 2007/2004 of 26 October 2004 establishing a European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union ⁽⁵⁾, and in particular Article 30 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002 ⁽⁶⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A6-0166/2009),
1. Notes that the final annual accounts of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union are as annexed to the Court of Auditors' report;
 2. Approves the closure of the accounts of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union for the financial year 2007;

⁽¹⁾ OJ C 278, 31.10.2008, p. 7.

⁽²⁾ OJ C 311, 5.12.2008, p. 34.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ Texts adopted, P6_TA(2008)0633.

⁽⁵⁾ OJ L 349, 25.11.2004, p. 1.

⁽⁶⁾ OJ L 357, 31.12.2002, p. 72.

3. Instructs its President to forward this Decision to the Executive Director of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Klaus WELLE

DECISION OF THE EUROPEAN PARLIAMENT**of 23 April 2009****on discharge in respect of the implementation of the budget of the European Centre for Disease Prevention and Control for the financial year 2007**

(2009/651/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Centre for Disease Prevention and Control for the financial year 2007 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Centre for Disease Prevention and Control for the financial year 2007, together with the Centre'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 Regulation (EC) No 851/2004 of the European Parliament and of the Council of 21 April 2004 establishing a European Centre for Disease Prevention and Control ⁽⁴⁾, and in particular Article 23 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A6-0170/2009),
1. Grants the Director of the European Centre for Disease Prevention and Control discharge in respect of the implementation of the Centre's budget for the financial year 2007;
 2. Sets out its observations in the Resolution below;
 3. Instructs its President to forward this Decision and the Resolution that forms an integral part of it to the Director of the European Centre for Disease Prevention and Control, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 278, 31.10.2008, p. 48.

⁽²⁾ OJ C 311, 5.12.2008, p. 122.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 142, 30.4.2004, p. 1.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 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 Centre for Disease Prevention and Control for the financial year 2007**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Centre for Disease Prevention and Control for the financial year 2007 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Centre for Disease Prevention and Control for the financial year 2007, together with the Centre'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 Regulation (EC) No 851/2004 of the European Parliament and of the Council of 21 April 2004 establishing a European Centre for Disease Prevention and Control ⁽⁴⁾, and in particular Article 23 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A6-0170/2009),
- 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 Centre for Disease Prevention and Control discharge in respect of the implementation of the Centre's budget for the financial year 2006 ⁽⁶⁾, and, *inter alia*, noted the ECA's observation, in its 2006 annual report, that nearly 45 % of the commitments entered into during the year were carried over, and that during the second half of 2006 numerous transfers were made, due mainly to imprecise estimates of staffing needs, without the Centre's Management Board having been informed in due time,
1. Notes that the Centre's budget increased from EUR 17 100 000 in 2006 to EUR 28 900 000 in 2007;
 2. Considers the Centre to be an important institution for the strengthening and development of European disease surveillance and for the assessment and communication of current and emerging threats to human health posed by infectious diseases;

⁽¹⁾ OJ C 278, 31.10.2008, p. 48.

⁽²⁾ OJ C 311, 5.12.2008, p. 122.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 142, 30.4.2004, p. 1.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

⁽⁶⁾ OJ L 88, 31.3.2009, p. 126.

3. Notes with satisfaction that in 2007 the Centre was able to develop a considerable number of products and services on epidemiology, surveillance and prevention and control of communicable diseases, as well as publish a variety of scientific reports;
4. Notes that, in 2006, the carry-over rate was nearly 45 %, and that no major improvement was made in 2007, when it was close to 43 %, which shows the Centre's difficulties in implementing its budget;
5. Notes, furthermore, the ECA's observation that the level of budget amendments revealed weaknesses in the monitoring of budget implementation;
6. Is concerned by the ECA's finding that this situation is at odds with the principles of annuality and specification;
7. Notes the ECA's observation that, although the Centre's 2007 work programme was activity-based, budget amendments were not accompanied by an evaluation of their impact on the work programme and the achievement of objectives;
8. Is satisfied with the Centre's reply that it has been updating its work programme in the event of budget amendments as from 2008;
9. Notes the ECA's criticism concerning the limited reliability of the spreadsheet based inventory;
10. Is satisfied that meanwhile the Centre implemented a new asset inventory system, which will be used for the closure of the 2008 accounts;
11. Is concerned by the ECA's observation that the Centre disbursed EUR 500 000 on renovation works on the buildings rented for its premises, and that, as in 2006, these works were decided upon by direct agreement between the Centre and the owner without specifying the nature of the works and the deadlines and payment conditions; notes that, according to the ECA, this practice did not comply with the financial regulation and was at odds with the principle of economy;
12. Calls on the Centre to align its practices with the financial regulation and the principle of economy as a matter of urgency, and to report on the follow-up to the ECA's observations in its report on budgetary and financial management 2008;
13. Notes the progress made in the implementation of the Centre's recruitment plan, but underlines that further efforts have to be made to reach the full quota of employees;

Follow-up to previous discharge exercises

14. Notes that, as in 2006, the ECA detected weaknesses as regards budget implementation, in particular a high level of appropriations carried over;
15. Calls on the Centre to follow up on the ECA's recommendations, in particular as regards budget implementation, and to report on the action taken and the results achieved in its forthcoming annual report 2008;
16. 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⁾.

⁽¹⁾ See page 206 of this Official Journal.

DECISION OF THE EUROPEAN PARLIAMENT**of 23 April 2009****on the closure of the accounts of the European Centre for Disease Prevention and Control for the financial year 2007**

(2009/652/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Centre for Disease Prevention and Control for the financial year 2007 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Centre for Disease Prevention and Control for the financial year 2007, together with the Centre'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 Regulation (EC) No 851/2004 of the European Parliament and of the Council of 21 April 2004 establishing a European Centre for Disease Prevention and Control ⁽⁴⁾, and in particular Article 23 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A6-0170/2009),
1. Notes that the final annual accounts of the European Centre for Disease Prevention and Control are as annexed to the Court of Auditors' report;
 2. Approves the closure of the accounts of the European Centre for Disease Prevention and Control for the financial year 2007;
 3. Instructs its President to forward this Decision to the Director of the European Centre for Disease Prevention and Control, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 278, 31.10.2008, p. 48.

⁽²⁾ OJ C 311, 5.12.2008, p. 122.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 142, 30.4.2004, p. 1.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

DECISION OF THE EUROPEAN PARLIAMENT**of 23 April 2009****on discharge in respect of the implementation of the budget of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2007**

(2009/653/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2007 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2007, together with the Centre'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 Regulation (EC) No 1920/2006 of the European Parliament and of the Council of 12 December 2006 on the European Monitoring Centre for Drugs and Drug Addiction ⁽⁴⁾, and in particular Article 15 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A6-0175/2009),
1. Grants the Director of the European Monitoring Centre for Drugs and Drug Addiction discharge in respect of the implementation of the Centre's budget for the financial year 2007;
 2. Sets out its observations in the Resolution below;
 3. Instructs its President to forward this Decision and the Resolution that forms an integral part of it to the Director of the European Monitoring Centre for Drugs and Drug Addiction, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 278, 31.10.2008, p. 67.

⁽²⁾ OJ C 311, 5.12.2008, p. 164.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 376, 27.12.2006, p. 1.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

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 Monitoring Centre for Drugs and Drug Addiction for the financial year 2007**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2007 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2007, together with the Centre'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 Regulation (EC) No 1920/2006 of the European Parliament and of the Council of 12 December 2006 on the European Monitoring Centre for Drugs and Drug Addiction ⁽⁴⁾, and in particular Article 15 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A6-0175/2009),
- 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 Monitoring Centre for Drugs and Drug Addiction discharge in respect of the implementation of the Centre's budget for the financial year 2006 ⁽⁶⁾ and, in its resolution accompanying the discharge decision, noted, *inter alia*, from the Centre's work programmes for 2007 and the period 2007-2009 the following strategic objectives:
- developing ex-post control of financial transactions,
 - developing an internal capacity for risk assessment and internal audit,
 - developing tools and procedures for integrated resources management and promoting external synergies, particularly with the European Maritime Safety Agency (EMSA), also based in Lisbon,

⁽¹⁾ OJ C 278, 31.10.2008, p. 67.

⁽²⁾ OJ C 311, 5.12.2008, p. 164.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 376, 27.12.2006, p. 1.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

⁽⁶⁾ OJ L 88, 31.3.2009, p. 134.

- implementing a more structured and effective human resources policy,
 - successfully completing the move to its new headquarters in Lisbon,
1. Notes the ECA's observation that the budget line for IT operations increased by more than 80 % in the final budget as adopted in October 2007 compared with the initial budget for 2007 adopted in December 2006;
 2. Notes the Centre's explanation that the additional needs for IT equipment only became known in the third quarter of 2007 when the schedule for the move of the Centre into its new premises and technical needs was fixed;
 3. Notes the ECA's finding that there is a disagreement between the Centre and Norway about Norway's financial participation in the Centre's work, the reason being a difference in the formula laid down in the original signed agreement, which the Centre applies, and the agreement as published in the Official Journal, which Norway applies; notes the ECA's observation that, due to the different formulas used, the Centre's calculation of the contribution is approximately EUR 80 000 higher than Norway's calculation;
 4. Is satisfied with the information provided by the Centre to the rapporteur that a compromise has since been achieved, according to which Norway made a one-off payment of EUR 34 230 and accepted the waiving of an existing surplus of its contribution to the Centre corresponding to the remaining amount of the abovementioned difference resulting from the 2007 exercise; furthermore, the Centre's calculation method will be applied in 2008 and Norway's calculation method will be applied from 2009 onwards;
 5. Notes that the Director of the Centre took over the role of the coordinator of the agencies' network on 1 March 2008 and until 28 February 2009;

Follow-up to previous discharge exercises

6. Notes from the Centre's annual activity report for 2007 that it set up procedures and tools for regular supervisory and ex post controls and further developed human resources management, in particular by setting up a human resources portal on its intranet, which includes information on applicable rules and processes;
7. Welcomes the fact that the Centre closely cooperates with EMSA, also based in Lisbon, in order to share buildings and jointly use infrastructures and services; notes that the move into the premises is scheduled for the first quarter of 2009;
8. 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⁾.

⁽¹⁾ See page 206 of this Official Journal.

DECISION OF THE EUROPEAN PARLIAMENT**of 23 April 2009****on the closure of the accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2007**

(2009/654/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2007 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2007, together with the Centre'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 Regulation (EC) No 1920/2006 of the European Parliament and of the Council of 12 December 2006 on the European Monitoring Centre for Drugs and Drug Addiction ⁽⁴⁾, and in particular Article 15 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A6-0175/2009),
1. Notes that the final annual accounts of the European Monitoring Centre for Drugs and Drug Addiction are as annexed to the Court of Auditors' report;
 2. Approves the closure of the accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2007;
 3. Instructs its President to forward this Decision to the Director of the European Monitoring Centre for Drugs and Drug Addiction, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 278, 31.10.2008, p. 67.

⁽²⁾ OJ C 311, 5.12.2008, p. 164.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 376, 27.12.2006, p. 1.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

DECISION OF THE EUROPEAN PARLIAMENT**of 23 April 2009****on discharge in respect of the implementation of the budget of the European Centre for the Development of Vocational Training for the financial year 2007**

(2009/655/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Centre for the Development of Vocational Training for the financial year 2007 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Centre for the Development of Vocational Training for the financial year 2007, together with the Centre'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 Regulation (EEC) No 337/75 of the Council of 10 February 1975 establishing a European Centre for the Development of Vocational Training ⁽⁴⁾, and in particular Article 12a thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0177/2009),
1. Grants the Director of the European Centre for the Development of Vocational Training discharge in respect of the implementation of the Centre's budget for the financial year 2007;
 2. Sets out its observations in the Resolution below;
 3. Instructs its President to forward this Decision and the Resolution that forms an integral part of it to the Director of the European Centre for the Development of Vocational Training, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 278, 31.10.2008, p. 45.

⁽²⁾ OJ C 311, 5.12.2008, p. 130.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 39, 13.2.1975, p. 1.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

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 Centre for the Development of Vocational Training for the financial year 2007**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Centre for the Development of Vocational Training for the financial year 2007 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Centre for the Development of Vocational Training for the financial year 2007, together with the Centre'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 Regulation (EEC) No 337/75 of the Council of 10 February 1975 establishing a European Centre for the Development of Vocational Training ⁽⁴⁾, and in particular Article 12a thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0177/2009),
- 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 Centre for the Development of Vocational Training discharge in respect of the implementation of the Centre's budget for the financial year 2006 ⁽⁶⁾, and in its resolution accompanying the discharge decision, *inter alia*, drew attention to observations by the ECA concerning the high proportion carry-overs and cancellations, the absence of a suitable inventory procedure for identifying, registering and capitalising assets, incomplete documentation of internal control processes and problems in relation to one procurement procedure,
1. Congratulates the Centre on the fact that, unlike in previous years, it received a positive statement of assurance from the ECA in relation to the financial year 2007, not only with regard to the accounts, but also with regard to the underlying transactions;
 2. Notes the ECA's observation that objectives and performance indicators were often not measurable, although the Centre's 2007 work programme listed specific objectives for each activity and gave a detailed description of outputs to be delivered; agrees with the ECA that this makes it difficult to assess achievements;

⁽¹⁾ OJ C 278, 31.10.2008, p. 45.

⁽²⁾ OJ C 311, 5.12.2008, p. 130.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 39, 13.2.1975, p. 1.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

⁽⁶⁾ OJ L 88, 31.3.2009, p. 109.

3. Notes that the Centre is working on a more precise formulation of objectives and performance indicators, and that it introduced activity-based budgeting for the 2008 financial year;
4. Endorses the ECA's recommendation that the Centre define precise objectives and, in its programming, establish clear links between objectives and the budgetary resources needed to achieve them;
5. Expects the Centre to report on the specific follow-up action taken with regard to the ECA's recommendations in its activity report 2008;
6. 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⁾.

⁽¹⁾ See page 206 of this Official Journal.

DECISION OF THE EUROPEAN PARLIAMENT**of 23 April 2009****on the closure of the accounts of the European Centre for the Development of Vocational Training for the financial year 2007**

(2009/656/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Centre for the Development of Vocational Training for the financial year 2007 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Centre for the Development of Vocational Training for the financial year 2007, together with the Centre'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 Regulation (EEC) No 337/75 of the Council of 10 February 1975 establishing a European Centre for the Development of Vocational Training ⁽⁴⁾, and in particular Article 12a thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0177/2009),
1. Notes that the final annual accounts of the European Centre for the Development of Vocational Training are as annexed to the Court of Auditors' report;
 2. Approves the closure of the accounts of the European Centre for the Development of Vocational Training for the financial year 2007;
 3. Instructs its President to forward this Decision to the Director of the European Centre for the Development of Vocational Training, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 278, 31.10.2008, p. 45.

⁽²⁾ OJ C 311, 5.12.2008, p. 130.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 39, 13.2.1975, p. 1.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

DECISION OF THE EUROPEAN PARLIAMENT**of 23 April 2009****on discharge in respect of the implementation of the budget of the Translation Centre for the bodies of the European Union for the financial year 2007**

(2009/657/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Translation Centre for the bodies of the European Union for the financial year 2007 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the Translation Centre for the bodies of the European Union for the financial year 2007, together with the Centre'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 2965/94 of 28 November 1994 setting up a Translation Centre for bodies of the European Union ⁽⁴⁾, and in particular Article 14 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0178/2009),
1. Grants the Director of the Translation Centre for the bodies of the European Union discharge in respect of the implementation of the Centre's budget for the financial year 2007;
 2. Sets out its observations in the Resolution below;
 3. Instructs its President to forward this Decision and the Resolution that forms an integral part of it to the Director of the Translation Centre for the bodies of the European Union, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 278, 31.10.2008, p. 42.

⁽²⁾ OJ C 311, 5.12.2008, p. 116.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 314, 7.12.1994, p. 1.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

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 Translation Centre for the bodies of the European Union for the financial year 2007**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Translation Centre for the bodies of the European Union for the financial year 2007 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the Translation Centre for the bodies of the European Union for the financial year 2007, together with the Centre'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 2965/94 of 28 November 1994 setting up a Translation Centre for bodies of the European Union ⁽⁴⁾, and in particular Article 14 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0178/2009),
- 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 Translation Centre for the bodies of the European Union discharge in respect of the implementation of the Centre's budget for the financial year 2006 ⁽⁶⁾, and in its resolution accompanying the discharge decision, inter alia,
- noted the ECA's observation in its 2006 report that the accumulated budget surplus for 2006 was EUR 16,9 million and that, in 2007, the Centre would refund EUR 9,3 million to its clients; agreed with the ECA that such an accumulation of surpluses suggested that the method for pricing its translations was not precise enough,
 - expressed the hope that a solution would soon be found to the question of the payment of the employer's pension contributions,
1. Notes the ECA's observation that its audit of procurement procedures showed that the evaluation of award criteria was not appropriately documented, as a cost/benefit analysis of the different alternatives proposed to justify the final choices was missing;

⁽¹⁾ OJ C 278, 31.10.2008, p. 42.

⁽²⁾ OJ C 311, 5.12.2008, p. 116.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 314, 7.12.1994, p. 1.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

⁽⁶⁾ OJ L 88, 31.3.2009, p. 118.

2. Notes that the ECA considered that in one out of six recruitment procedures audited the transparency of the procedure was not ensured, as it found anomalies in the documentation of one out of six recruitment procedures audited;
3. Notes the Centre's willingness to follow up on the problems detected by the ECA with regard to procurement and recruitment procedures and to adapt its procedures accordingly;
4. Expects the Centre to report on the follow-up action taken and the results achieved in its activity report 2008;

Follow-up on previous discharge exercises

5. Notes that, in 2007, the Centre refunded EUR 9 300 000 to its clients from outturn carried over from previous financial years;
6. Cannot accept the fact that, although this issue has been highlighted in discharge resolutions over many years, a solution concerning the conflict between the Centre and the Commission as to the employer's share of pension contributions for staff has still not been found;
7. Notes that the Centre established a reserve to cover the eventuality of this payment and that for 2007 this reserve is EUR 2 228 928;
8. Insists that the Commission and the Centre strive to resolve the dispute over pension contributions for staff quickly; requests the Centre to inform the discharge authority of the outcome of the negotiations;
9. 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⁾.

⁽¹⁾ See page 206 of this Official Journal.

DECISION OF THE EUROPEAN PARLIAMENT**of 23 April 2009****on the closure of the accounts of the Translation Centre for the bodies of the European Union for the financial year 2007**

(2009/658/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Translation Centre for the bodies of the European Union for the financial year 2007 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the Translation Centre for the bodies of the European Union for the financial year 2007, together with the Centre'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 2965/94 of 28 November 1994 setting up a Translation Centre for bodies of the European Union ⁽⁴⁾, and in particular Article 14 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0178/2009),
1. Notes that the final annual accounts of the Translation Centre for the bodies of the European Union are as annexed to the Court of Auditors' report;
 2. Approves the closure of the accounts of the Translation Centre for the bodies of the European Union for the financial year 2007;
 3. Instructs its President to forward this Decision to the Director of the Translation Centre for the bodies of the European Union, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 278, 31.10.2008, p. 42.

⁽²⁾ OJ C 311, 5.12.2008, p. 116.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 314, 7.12.1994, p. 1.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

DECISION OF THE EUROPEAN PARLIAMENT**of 23 April 2009****on discharge in respect of the implementation of the budget of the European Training Foundation for the financial year 2007**

(2009/659/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Training Foundation for the financial year 2007 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Training Foundation for the financial year 2007, together with the Foundation'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 (EEC) No 1360/90 of 7 May 1990 establishing a European Training Foundation ⁽⁴⁾, and in particular Article 11 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0157/2009),
1. Grants the Director of the European Training Foundation discharge in respect of the implementation of the Foundation's budget for the financial year 2007;
 2. Sets out its observations in the Resolution below;
 3. Instructs its President to forward this Decision and the Resolution that forms an integral part of it to the Director of the European Training Foundation, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 278, 31.10.2008, p. 63.

⁽²⁾ OJ C 311, 5.12.2008, p. 149.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 131, 23.5.1990, p. 1.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

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 Training Foundation for the financial year 2007**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Training Foundation for the financial year 2007 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Training Foundation for the financial year 2007, together with the Foundation'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 (EEC) No 1360/90 of 7 May 1990 establishing a European Training Foundation ⁽⁴⁾, and in particular Article 11 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0157/2009),
- 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 Training Foundation discharge in respect of the implementation of the Foundation's budget for the financial year 2006 ⁽⁶⁾, and in its resolution accompanying the discharge decision, inter alia, expressed surprise that the ECA's report made no reference to the fact that the Director's declaration of assurance (annexed to the annual activity report) was made subject to reservations concerning political uncertainty in partner countries, the financial management of the Tempus convention and possible social, reputational, legal and financial implications of Tempus technical assistance in the Foundation,
1. Notes the ECA's finding that in the amending budget, the amount of assigned revenue was stated in an incorrect way; it should have been EUR 1 200 000 instead of the EUR 3 400 000 shown, which included assigned revenue carried over from the previous year;
 2. Notes the Foundation's promise to further align its practices with regard to budget presentation to the regulatory requirements;

⁽¹⁾ OJ C 278, 31.10.2008, p. 63.

⁽²⁾ OJ C 311, 5.12.2008, p. 149.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 131, 23.5.1990, p. 1.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

⁽⁶⁾ OJ L 88, 31.3.2009, p. 101.

3. Notes that, in the declaration of assurance (annexed to the annual activity report), the Director maintains reservations made last year concerning political uncertainty in partner countries, financial management of part of the Tempus convention and possible social, reputational, legal and financial implications of the repatriation of Tempus technical assistance from the Foundation;
4. Invites the ECA to examine and comment on the Director's reservations in the forthcoming audit report on the Foundation;
5. 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⁾.

⁽¹⁾ See page 206 of this Official Journal.

DECISION OF THE EUROPEAN PARLIAMENT**of 23 April 2009****on the closure of the accounts of the European Training Foundation for the financial year 2007**

(2009/660/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Training Foundation for the financial year 2007 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Training Foundation for the financial year 2007, together with the Foundation'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 (EEC) No 1360/90 of 7 May 1990 establishing a European Training Foundation ⁽⁴⁾, and in particular Article 11 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0157/2009),
1. Notes that the final annual accounts of the European Training Foundation are as annexed to the Court of Auditors' report;
 2. Approves the closure of the accounts of the European Training Foundation for the financial year 2007;
 3. Instructs its President to forward this Decision to the Director of the European Training Foundation, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 278, 31.10.2008, p. 63.

⁽²⁾ OJ C 311, 5.12.2008, p. 149.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 131, 23.5.1990, p. 1.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

DECISION OF THE EUROPEAN PARLIAMENT**of 23 April 2009****on discharge in respect of the implementation of the budget of the European Network and Information Security Agency for the financial year 2007**

(2009/661/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Network and Information Security Agency for the financial year 2007 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Network and Information Security Agency for the financial year 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 Regulation (EC) No 460/2004 of the European Parliament and of the Council of 10 March 2004 establishing a European Network and Information Security Agency ⁽⁴⁾, and in particular Article 17 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0158/2009),
1. Grants the Executive Director of the European Network and Information Security Agency discharge in respect of the implementation of the Agency's budget for the financial year 2007;
 2. Sets out its observations in the Resolution below;
 3. Instructs its President to forward this Decision and the Resolution that forms an integral part of it to the Executive Director of the European Network and Information Security Agency, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 278, 31.10.2008, p. 23.

⁽²⁾ OJ C 311, 5.12.2008, p. 13.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 77, 13.3.2004, p. 1.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 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 Network and Information Security Agency for the financial year 2007**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Network and Information Security Agency for the financial year 2007 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Network and Information Security Agency for the financial year 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 Regulation (EC) No 460/2004 of the European Parliament and of the Council of 10 March 2004 establishing a European Network and Information Security Agency ⁽⁴⁾, and in particular Article 17 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0158/2009),
- 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 Executive Director of the European Network and Information Security Agency discharge in respect of the implementation of the Agency's budget for the financial year 2006 ⁽⁶⁾,
1. Notes that Regulation (EC) No 1007/2008 ⁽⁷⁾ extended the Agency's original five-year mandate, which was due to expire on 13 March 2009, by three years until 13 March 2012;
 2. Notes the ECA's criticism that the implementation of operational activities was concentrated in the last quarter of 2007, with about 40 % of commitments and more than 50 % of payments concerning operational activities being executed in November and December 2007;

⁽¹⁾ OJ C 278, 31.10.2008, p. 23.

⁽²⁾ OJ C 311, 5.12.2008, p. 13.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 77, 13.3.2004, p. 1.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

⁽⁶⁾ OJ L 88, 31.3.2009, p. 217.

⁽⁷⁾ OJ L 293, 31.10.2008, p. 1.

3. Notes that, according to the ECA, this was due to the late release of funds; notes the ECA's general observation that for small agencies with limited resources, releasing funds at the end of the year jeopardises the implementation of operational activities;
4. Notes that in four cases, of a total value of EUR 121 500, appropriations carried over did not correspond to legal commitments;
5. Is not satisfied with the Agency's reply that in some cases appropriations carried over were calculated with some degree of approximation; calls on the Agency to comply with the Financial Regulation with regard to carry-overs;
6. Notes the ECA's observations with regard to the inventory, namely that fixed assets were managed using a spreadsheet, which did not guarantee the integrity of the data, and that no exhaustive physical inventory was made;
7. Notes the Agency's explanation that due to the limited number of items the administrative inventory is managed on spreadsheets and fixed assets are managed in the accounting software; notes that the Agency intends to apply accrual based accounting (ABAC) with regard to assets in 2009;
8. Is worried that the ECA found weaknesses in procurement procedures, notably that:
 - the pre-selection of bids was not justified,
 - evaluation documents were not signed by the evaluation committee,
 - files were not structured and were incomplete;
9. Notes that the Agency acknowledges the shortcomings, and has promised measures to address them, in particular the hiring of an experienced procurement officer;
10. Requests that the Agency report on the measures taken in order to remedy shortcomings in the field of procurement in its annual activity report for 2008;
11. Notes from the Agency's annual activity report and the report on budgetary and financial management that it was among the first agencies to request the Commission's support to migrate its financial IT systems to ABAC; regrets that the Commission, due to the heavy process and the simultaneous requests by many other agencies, has not been able to follow up on the Agency's request in due time;
12. Welcomes the fact that preparations for the migration to ABAC have started, and that the Agency plans to prepare its financial statements for 2009 using ABAC;
13. 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⁾.

⁽¹⁾ See page 206 of this Official Journal.

DECISION OF THE EUROPEAN PARLIAMENT**of 23 April 2009****on the closure of the accounts of the European Network and Information Security Agency for the financial year 2007**

(2009/662/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Network and Information Security Agency for the financial year 2007 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Network and Information Security Agency for the financial year 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 Regulation (EC) No 460/2004 of the European Parliament and of the Council of 10 March 2004 establishing a European Network and Information Security Agency ⁽⁴⁾, and in particular Article 17 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0158/2009),
1. Notes that the final annual accounts of the European Network and Information Security Agency are as annexed to the Court of Auditors' report;
 2. Approves the closure of the accounts of the European Network and Information Security Agency for the financial year 2007;
 3. Instructs its President to forward this Decision to the Executive Director of the European Network and Information Security Agency, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 278, 31.10.2008, p. 23.

⁽²⁾ OJ C 311, 5.12.2008, p. 13.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 77, 13.3.2004, p. 1.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

DECISION OF THE EUROPEAN PARLIAMENT**of 23 April 2009****on discharge in respect of the implementation of the budget of the European Police College for the financial year 2007**

(2009/663/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Police College for the financial year 2007 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Police College for the financial year 2007, together with the College'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 Decision 2005/681/JHA of 20 September 2005 establishing the European Police College (CEPOL) and repealing Decision 2000/820/JHA ⁽⁴⁾, and in particular Article 16 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A6-0160/2009),
1. Grants the Director of the European Police College discharge in respect of the implementation of the College's budget for the financial year 2007;
 2. Sets out its observations in the Resolution below;
 3. Instructs its President to forward this Decision and the Resolution that forms an integral part of it to the Director of the European Police College, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 278, 31.10.2008, p. 51.

⁽²⁾ OJ C 311, 5.12.2008, p. 136.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 256, 1.10.2005, p. 63.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

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 Police College for the financial year 2007**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Police College for the financial year 2007 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Police College for the financial year 2007, together with the College'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 Decision 2005/681/JHA of 20 September 2005 establishing the European Police College (CEPOL) and repealing Decision 2000/820/JHA ⁽⁴⁾, and in particular Article 16 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A6-0160/2009),
- A. whereas the College was set up in 2001 and was transformed into a Community body within the meaning of Article 185 of the general Financial Regulation, to which the framework Financial Regulation for agencies applies, with effect from 1 January 2006,
- B. whereas the European Court of Auditors (ECA), in its report on the annual accounts of the College for the financial year 2006, qualified its opinion with regard to the legality and regularity of the underlying transactions on the basis that the system of procurement did not comply with the provisions of the Financial Regulation,
- C. whereas on 22 April 2008 Parliament granted the Director of the College discharge in respect of the implementation of the College's budget for the financial year 2006 ⁽⁶⁾, and in its resolution accompanying the discharge decision, *inter alia*:
- regretted the Court's finding that in 2006 the College did not establish the necessary systems and procedures to enable it to prepare a financial report in compliance with the requirements of the framework Financial Regulation applicable to the agencies,
 - called on the College to adopt detailed implementing rules, including those ensuring the transparency of its procurement procedures, in accordance with its financial regulation,

⁽¹⁾ OJ C 278, 31.10.2008, p. 51.

⁽²⁾ OJ C 311, 5.12.2008, p. 136.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 256, 1.10.2005, p. 63.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

⁽⁶⁾ OJ L 88, 31.3.2009, p. 243.

- invited the College to ensure without delay, and by June 2008 at the latest, that its financial management fully respects the provisions of the Financial Regulation,
 - asked the Commission to closely supervise the implementation of the College's budget,
- D. whereas the ECA, in its report on the annual accounts of the College for the financial year 2007, qualified its statement of assurance with regard to the reliability of the accounts and with regard to the legality and regularity of the underlying transactions,
1. Observes that, whereas the ECA's statement of assurance for 2006 was unqualified with regard to the accounts and qualified with regard to the underlying transactions, the statement of assurance for 2007 is qualified with regard to both the accounts and the underlying transactions;
 2. Stresses the need for the College to strictly comply with the Financial Regulation and EC public procurement legislation and to improve its financial management, as it is the second consecutive year in which the ECA raises similar/identical concerns;
 3. Asks the Commission to closely supervise the implementation of the College's budget;
 4. Is deeply concerned that the ECA identified cases where appropriations were used to finance the private expenditure of the College's staff; notes the ECA's judgement that this private use of public funds is material in nature;
 5. Emphasises the ECA's recommendation that steps should be taken to ensure complete reimbursement of these funds;
 6. Is concerned by a situation where its responsible committee received incomplete information provided on the private use of public money detected by the ECA, by the College's failure to meet the deadline of June 2008 set in the 2006 discharge resolution to bring its financial management into line with the Financial Regulation, and by recurrent breaches of basic financial rules;
 7. Notes that the College violated the principle of unity and accuracy of the budget by not recording EUR 1 500 000 received from the Commission in 2007 to implement MEDA properly;
 8. Is concerned about the weaknesses in budget management detected by the ECA; notes that only EUR 5 600 000 of the commitment appropriations were used while EUR 1 700 000 were carried over; notes that 20 % of the appropriations carried over from previous years were cancelled;
 9. Notes that until November 2007 the College did not have a proper commitment accounting system which caused serious difficulties in budget management, for example the creation of new budgetary lines *ex nihilo*;
 10. Notes that a paper-based system for commitments entered into force as of 1 January 2008 and ABAC (accrual based accounting) was implemented in June 2008;
 11. Notes that the ECA was not in a position to provide detailed figures on the amounts and types of expenditure concerning the private use of public funds by the College's staff; notes that the information provided by the College at Parliament's request concerned the use of mobile phones, the use of pool cars, the provision of furniture for the accommodation of staff and free shuttle services for staff members to airports and train stations; notes that, according to the College, the amounts and state of play of recovery are as follows:
 - use of mobile phones by staff: GBP 3 405 for the period April to December 2007, all costs recovered,

- use of pool cars by staff: GBP 1 157 for the period July to December 2007, all costs recovered; the cars have since been sold,
 - furniture: GBP 6 625 for furniture purchased in 2007; the furniture has since been sold,
 - free shuttle service for staff to airports and train stations: GBP 9 508 cost identified for 2007; the recovery process has been initiated;
12. Is not prepared to accept the submission by the College of incomplete information, in particular as it does not even cover the whole year 2007 or the amounts relating to the sale of the pool cars and the furniture;
13. Stresses that, as in 2006, despite the fact that the lack of financial reporting was criticised in the ECA annual report and the discharge resolution 2006, the College once more failed to produce a report on budgetary and financial management for 2007, contrary to its own financial regulation;
14. Is concerned that, although this was already highlighted in the ECA annual report and the discharge resolution 2006, the College adopted:
- implementing rules for the Financial Regulation only in February 2008,
 - internal procurement guidelines only in September 2008 according to its replies to the ECA, and only in October 2008 according to its replies to the rapporteur;
- i.e. more than two years after it became an agency and the Financial Regulation became applicable;
15. Is concerned that the College adopted a revision of its financial regulation in 2008, which contains derogations from the framework financial regulation, notably from procurement rules, without the Commission's prior consent;
16. Observes that, contrary to its own financial regulation, the College has not sent to the discharge authority a report on internal audits for 2007;

Ongoing OLAF investigation

17. Notes that OLAF has opened an internal investigation concerning the College;
18. Calls on the College, and on the Director in particular, to fully cooperate with OLAF and to provide all necessary assistance to enable OLAF's agents to carry out their duties;
19. Calls on the College, OLAF and the Commission to inform the discharge authority of the results of the OLAF investigation without delay as soon as they are available;
20. 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⁾.

⁽¹⁾ See page 206 of this Official Journal.

DECISION OF THE EUROPEAN PARLIAMENT**of 23 April 2009****on the closure of the accounts of the European Police College for the financial year 2007**

(2009/664/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Police College for the financial year 2007 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Police College for the financial year 2007, together with the College'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 Decision 2005/681/JHA of 20 September 2005 establishing the European Police College (CEPOL) and repealing Decision 2000/820/JHA ⁽⁴⁾, and in particular Article 16 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A6-0160/2009),
1. Notes that the final annual accounts of the European Police College are as annexed to the Court of Auditors' report;
 2. Approves the closure of the accounts of the European Police College for the financial year 2007;
 3. Instructs its President to forward this Decision to the Director of the European Police College, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 278, 31.10.2008, p. 51.

⁽²⁾ OJ C 311, 5.12.2008, p. 136.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 256, 1.10.2005, p. 63.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

DECISION OF THE EUROPEAN PARLIAMENT**of 23 April 2009****on discharge in respect of the implementation of the budget of the European GNSS Supervisory Authority for the financial year 2007**

(2009/665/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European GNSS ⁽¹⁾ Supervisory Authority for the financial year 2007 ⁽²⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European GNSS Supervisory Authority for the financial year 2007, together with the Authority's replies ⁽³⁾,
 - 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 ⁽⁴⁾, and in particular Article 185 thereof,
 - having regard to Council Regulation (EC) No 1321/2004 of 12 July 2004 on the establishment of structures for the management of the European satellite radio-navigation programmes ⁽⁵⁾, and in particular Article 12 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002 ⁽⁶⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0164/2009),
1. Grants the Executive Director of the European GNSS Supervisory Authority discharge in respect of the implementation of the Authority's budget for the financial year 2007;
 2. Sets out its observations in the Resolution below;
 3. Instructs its President to forward this Decision and the Resolution that forms an integral part of it to the Executive Director of the European GNSS Supervisory Authority, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Klaus WELLE

⁽¹⁾ GNSS: global navigation satellite systems.

⁽²⁾ OJ C 278, 31.10.2008, p. 38.

⁽³⁾ OJ C 311, 5.12.2008, p. 107.

⁽⁴⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁵⁾ OJ L 246, 20.7.2004, p. 1.

⁽⁶⁾ OJ L 357, 31.12.2002, p. 72.

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 GNSS Supervisory Authority for the financial year 2007**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European GNSS ⁽¹⁾ Supervisory Authority for the financial year 2007 ⁽²⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European GNSS Supervisory Authority for the financial year 2007, together with the Authority's replies ⁽³⁾,
 - 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 ⁽⁴⁾, and in particular Article 185 thereof,
 - having regard to Council Regulation (EC) No 1321/2004 of 12 July 2004 on the establishment of structures for the management of the European satellite radio-navigation programmes ⁽⁵⁾, and in particular Article 12 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002 ⁽⁶⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0164/2009),
- A. whereas the Court of Auditors (ECA) stated it was unable to form an opinion on the accounts of the European GNSS Supervisory Authority for the financial year 2007 and pointed out that the entire architecture of the Galileo project was being revised in 2007 and that the Authority's accounts were prepared in a fragile legal environment,
- B. whereas, at the same time, the ECA stated that the underlying transactions are legal and regular,
- C. whereas the Authority became financially autonomous in 2006,
- D. whereas the ECA, in its report on the annual accounts of the Authority for 2006, issued a positive statement of assurance,
- E. whereas on 22 April 2008 Parliament granted the Executive Director of the European GNSS Supervisory Authority discharge in respect of the implementation of the Authority's budget for the financial year 2006 ⁽⁷⁾,

⁽¹⁾ GNSS: global navigation satellite systems.

⁽²⁾ OJ C 278, 31.10.2008, p. 38.

⁽³⁾ OJ C 311, 5.12.2008, p. 107.

⁽⁴⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁵⁾ OJ L 246, 20.7.2004, p. 1.

⁽⁶⁾ OJ L 357, 31.12.2002, p. 72.

⁽⁷⁾ OJ L 88, 31.3.2009, p. 262.

1. Notes from the ECA's annual report that the Authority's final budget for the financial year 2007 was EUR 436 500 000, as compared to EUR 7 000 000 in 2006; observes that the 2007 budget was mainly financed from Commission subsidies (an operating subsidy of EUR 7 600 000 and operational funds of EUR 194 500 000), transfers from the Galileo Joint Undertaking and third country contributions;
2. Notes the ECA's observation that the appropriations actually made available to the Authority (EUR 210 000 000) were substantially lower, due to delays incurred in the Galileo programme;

Incomplete statement of assurance with regard to the accounts

3. Regrets that the ECA was not in a position to form an opinion with regard to the reliability of the Authority's annual accounts for 2007; notes the ECA's explanation that the annual accounts for 2007 were established, and the ECA carried out its audit, when the Galileo project and the role of the Authority were under revision and the new legal framework still incomplete, notably as regards the management of the project's funds and the ownership of its assets;
4. Notes that, in the meantime, Regulation (EC) No 683/2008 ⁽¹⁾ entered into force; notes that under that Regulation, the Commission is the manager of the Galileo and EGNOS ⁽²⁾ programmes and the Community the owner of all tangible and intangible assets created or developed under the programmes;
5. Notes that the Authority will establish its annual accounts for 2008 under the new legal framework;
6. Invites the ECA, in its report on the annual accounts of the Authority for 2008, to assess how far the uncertainties with regard to the accounts have been remedied;

Budget implementation

7. Is concerned that the ECA found the following weaknesses with regard to budget implementation: low consumption level of commitment and payment appropriations for operational activities (63 % for commitments and 51 % for payments); absence of a clear link between the Authority's work programme and the budget; transfers neither justified nor documented; repeated late booking of recovery orders; inconsistent presentation of budget implementation;
8. Acknowledges that the Authority performed a high number of transfers due to an exceptional budgetary situation, with a 50 % reserve on the operating budget;
9. Calls on the Authority to report on the action taken following the ECA's observations with regard to budget implementation, and on the results achieved, in its report on budgetary and financial management for 2008;

Uncertainties with regard to Galileo and EGNOS project assets

10. Observes the ECA's criticism, with regard to Galileo project assets, that the Authority was unable to provide sufficient information in its accounts, as no list of the assets held by the European Space Agency (ESA) had been established by the end of 2007;
11. Notes the Authority's reply to the ECA that these assets were controlled by the ESA, not by the Authority, at 31 December 2007;
12. Observes the ECA's criticism, with regard to EGNOS project assets, that no accurate inventory of these assets was available and that there was no indication of their value in the Authority's accounts;

⁽¹⁾ Regulation (EC) No 683/2008 of the European Parliament and of the Council of 9 July 2008 on the further implementation of the European satellite navigation programmes (EGNOS and Galileo) (OJ L 196, 24.7.2008, p. 1).

⁽²⁾ European geostationary navigation overlay system.

13. Notes the Authority's reply that the EGNOS project assets were, at 31 December 2007, still under the control of the ESA; further notes from the replies of the Authority's Executive Director to the Parliament that substantial progress was made in 2008, as the EGNOS investors agreed on the conditions of the transfer of the assets;
14. Notes that, under Regulation (EC) No 683/2008, the Community is the owner of the Galileo and EGNOS project assets; notes that the process of transferring these assets from the Authority to the Commission, which exercises ownership on behalf of the Community, started in December 2008;
15. Calls on the Authority to do its utmost in order to clarify the situation with regard to Galileo and EGNOS project assets in its annual accounts for 2008;
16. Calls on the Commission, to which the Galileo and EGNOS project assets are currently being transferred, to consider the ECA's observations and ensure that these assets are properly recorded in the accounts;
17. Notes the ECA's observation that the costs of the in-orbit validation phase of the Galileo project should be equally shared between the ESA and the EU, and that, however, the EU's contribution exceeded that of ESA by some EUR 114 000 000; notes that, according to the ECA, this pre-financing should have been shown in the Authority's accounts;
18. Notes that the Authority disagreed with the ECA and only recognised advance payments of EUR 53 200 000;

The Authority's role in the winding-up of the Galileo Joint Undertaking (GJU)

19. Recalls that the Authority took over all activities and assets from the Galileo Joint Undertaking (GJU) with effect from 1 January 2007;
20. Is concerned by the ECA's critical remarks as to how certain assets were transferred from the GJU to the Authority and recorded in the Authority's accounts;
21. Notes that the Authority replied in great detail to the ECA and disagreed with many of the ECA's observations;
22. Takes the view that the winding-up of the GJU, including the role played by the Authority, must be thoroughly examined by the discharge authority, on the basis of the ECA's audit results;
23. Observes that the ECA is currently carrying out an audit of the management of the Galileo development and its in-orbit validation phase; invites the ECA to put particular emphasis on the takeover of the GJU's activities and assets by the Authority, and welcomes the ECA's intention to publish its audit results in a special report before the 2009 summer break;
24. 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⁾.

⁽¹⁾ See page 206 of this Official Journal.

DECISION OF THE EUROPEAN PARLIAMENT**of 23 April 2009****on the closure of the accounts of the European GNSS Supervisory Authority for the financial year 2007**

(2009/666/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European GNSS ⁽¹⁾ Supervisory Authority for the financial year 2007 ⁽²⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European GNSS Supervisory Authority for the financial year 2007, together with the Authority's replies ⁽³⁾,
 - 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 ⁽⁴⁾, and in particular Article 185 thereof,
 - having regard to Council Regulation (EC) No 1321/2004 of 12 July 2004 on the establishment of structures for the management of the European satellite radio-navigation programmes ⁽⁵⁾, and in particular Article 12 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002 ⁽⁶⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0164/2009),
1. Notes that the final annual accounts of the European GNSS Supervisory Authority are as annexed to the Court of Auditors' report;
 2. Approves the closure of the accounts of the European GNSS Supervisory Authority for the financial year 2007;
 3. Instructs its President to forward this Decision to the Executive Director of the European GNSS Supervisory Authority, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Klaus WELLE

⁽¹⁾ GNSS: global navigation satellite systems.

⁽²⁾ OJ C 278, 31.10.2008, p. 38.

⁽³⁾ OJ C 311, 5.12.2008, p. 107.

⁽⁴⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁵⁾ OJ L 246, 20.7.2004, p. 1.

⁽⁶⁾ OJ L 357, 31.12.2002, p. 72.

DECISION OF THE EUROPEAN PARLIAMENT**of 23 April 2009****on discharge in respect of the implementation of the budget of the European Railway Agency for the financial year 2007**

(2009/667/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Railway Agency for the financial year 2007 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Railway Agency 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 Regulation (EC) No 881/2004 of the European Parliament and of the Council of 29 April 2004 establishing a European Railway Agency ⁽⁴⁾, and in particular Article 39 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A6-0165/2009),
1. Grants the Executive Director of the European Railway Agency discharge in respect of the implementation of the Agency's budget for the financial year 2007;
 2. Sets out its observations in the Resolution below;
 3. Instructs its President to forward this Decision and the Resolution that forms an integral part of it to the Executive Director of the European Railway Agency, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 278, 31.10.2008, p. 53.

⁽²⁾ OJ C 311, 5.12.2008, p. 92.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 164, 30.4.2004, p. 1.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

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 Railway Agency for the financial year 2007**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Railway Agency for the financial year 2007 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Railway Agency 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 Regulation (EC) No 881/2004 of the European Parliament and of the Council of 29 April 2004 establishing a European Railway Agency ⁽⁴⁾, and in particular Article 39 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A6-0165/2009),
- 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 Executive Director of the European Railway Agency discharge in respect of the implementation of the Agency's budget for the financial year 2006 ⁽⁶⁾,
1. Welcomes the fact that, whereas for 2006 the ECA's statement of assurance was partly qualified with regard to the underlying transactions, the ECA's statement of assurance is positive for the financial year 2007;
 2. Notes that the Agency had EUR 16 645 000 in commitment and payment appropriations from the 2007 budget;
 3. Notes that, in its reply to the ECA's 2006 annual report, the Agency estimated the extra costs resulting from its obligation to work in two different cities — the administrative seat being in Valenciennes whereas meetings are held in Lille — at EUR 450 000, not including indirect cost such as 'wasted' working hours due to travelling or additional administrative work;

⁽¹⁾ OJ C 278, 31.10.2008, p. 53.

⁽²⁾ OJ C 311, 5.12.2008, p. 92.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 164, 30.4.2004, p. 1.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

⁽⁶⁾ OJ L 88, 31.3.2009, p. 209.

4. Regrets that the fact of having two seats hampers the Agency's work and results in extra costs for European taxpayers; notes that in the draft host state agreement, it is foreseen that additional costs are covered by the host state;
5. Welcomes the fact that the Agency followed up on the ECA's criticism that a physical inventory of its fixed assets was missing and that a physical inventory was carried out in June 2008 and all fixed assets are now labelled and will be recorded in the inventory;
6. Notes the ECA's criticism that weaknesses were found in some selection procedures and that the Agency had not yet finalised its recruitment procedures;
7. Calls on the Agency to follow up on its promise, in its replies to the ECA, to finalise a full description of procedures to be followed as regards recruitment in the first quarter of 2009;

Budget planning and implementation

8. Notes that the ECA, without qualifying its statement of assurance, draws particular attention to its observations concerning budget planning and implementation;
9. Notes from the ECA's annual report 2006 that the Agency's final budget for 2007 amounted to EUR 16 600 000, including a reserve of EUR 1 900 000; further notes that at the end of 2007 EUR 3 400 000 had to be cancelled, including the reserve, and that, in addition, EUR 2 700 000 was carried over to 2008;
10. Is concerned by the ECA's conclusion that more than 35 % of final appropriations had not been used, which, according to the ECA, showed that the Agency's programming and budgeting procedures were affected by serious weaknesses;
11. Notes that the Agency, in its replies to the ECA, refers to the fact that the 2007 budget was prepared when it had just become financially independent and had no past experience on which to base estimates, and that the uncertainty as to if and when the reserve would be released made it necessary to plan activities without taking the reserve into account;
12. Is worried by the ECA's finding that, although the Agency's budget implementation was low, the amount of cash it requested and received from the Commission greatly exceeded its actual cash needs;
13. Notes that the cash available to the Agency at the beginning of 2007 was about EUR 2 300 000, and that, in addition, it requested and received EUR 17 000 000 in cash from the Commission; notes that the payments made in 2007 amounted to about EUR 12 500 000; concludes that the cash received exceeded actual cash needs by about EUR 6 800 000;
14. Agrees with the ECA's conclusion that the Agency's cash forecasts had not been prepared rigorously, which is at odds with the principle of sound financial management;
15. Notes that the Executive Director, in its written explanation to Parliament, acknowledged that the total amount of cash requested and received was in excess of what was eventually needed, and explained that this was related to low budget execution and the lack of experience to support forecasts of cash needs;
16. Welcomes the Executive Director's statement that, in the meantime, the procedure for collecting subsidies has been updated and the forecasting of cash needs improved;

17. Calls on the Agency, on the basis of Article 15(5) of Regulation (EC) No 2343/2002, which has been in force since July 2008 and which obliges the agencies to implement rigorous cash management in order to ensure that their cash balances are limited to duly justified requirements, to pay particular attention to improving its cash management;

Follow-up to the 2006 discharge exercise

18. Recalls that the 2006 financial year was the first year the Agency was financially autonomous and subject to the discharge procedure;
19. Recalls that for 2006, the ECA's statement of assurance was qualified due to weaknesses in tendering procedures, and regrets that the ECA detected weaknesses in procurement again in 2007;
20. Notes that the Agency, in its replies to the ECA, acknowledges that some improvements are still needed and that it is working on a procurement manual in order to standardise procedures;
21. Notes that, as in 2006, the ECA criticised weaknesses in budget implementation, in particular with regard to the high level of appropriations carried over;
22. Calls on the Agency to strive to increase the level of budget implementation and to report on the measures taken and results achieved in its report on budgetary and financial management 2008;
23. Urges the Commission to ensure that the Agency maintains strict financial discipline in the future and always works within the agreed budgets;
24. 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⁾.

⁽¹⁾ See page 206 of this Official Journal.

DECISION OF THE EUROPEAN PARLIAMENT**of 23 April 2009****on the closure of the accounts of the European Railway Agency for the financial year 2007**

(2009/668/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Railway Agency for the financial year 2007 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Railway Agency 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 Regulation (EC) No 881/2004 of the European Parliament and of the Council of 29 April 2004 establishing a European Railway Agency ⁽⁴⁾, and in particular Article 39 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A6-0165/2009),
1. Notes that the final annual accounts of the European Railway Agency are as annexed to the Court of Auditors' report;
 2. Approves the closure of the accounts of the European Railway Agency for the financial year 2007;
 3. Instructs its President to forward this Decision to the Executive Director of the European Railway Agency, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 278, 31.10.2008, p. 53.

⁽²⁾ OJ C 311, 5.12.2008, p. 92.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 164, 30.4.2004, p. 1.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

DECISION OF THE EUROPEAN PARLIAMENT**of 23 April 2009****on discharge in respect of the implementation of the budget of the European Maritime Safety Agency for the financial year 2007**

(2009/669/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Maritime Safety Agency for the financial year 2007 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Maritime Safety Agency 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 Regulation (EC) No 1406/2002 of the European Parliament and of the Council of 27 June 2002 establishing a European Maritime Safety Agency ⁽⁴⁾, and in particular Article 19 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A6-0167/2009),
1. Grants the Executive Director of the European Maritime Safety Agency discharge in respect of the implementation of the Agency's budget for the financial year 2007;
 2. Sets out its observations in the Resolution below;
 3. Instructs its President to forward this Decision and the Resolution that forms an integral part of it to the Executive Director of the European Maritime Safety Agency, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 278, 31.10.2008, p. 20.

⁽²⁾ OJ C 311, 5.12.2008, p. 57.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 208, 5.8.2002, p. 1.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

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 Maritime Safety Agency for the financial year 2007**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Maritime Safety Agency for the financial year 2007 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Maritime Safety Agency 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 Regulation (EC) No 1406/2002 of the European Parliament and of the Council of 27 June 2002 establishing a European Maritime Safety Agency ⁽⁴⁾, and in particular Article 19 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A6-0167/2009),
- 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 Executive Director of the European Maritime Safety Agency discharge in respect of the implementation of the Agency's budget for the financial year 2006 ⁽⁶⁾, and in its resolution accompanying the discharge decision, inter alia,
- noted the ECA's finding that the procedures for establishing the budget and the establishment plan were not sufficiently rigorous and that this led to a high number of budgetary transfers, the inadequate planning of staff recruitment and incorrect budget presentation,
 - noted with concern the ECA's observations that some legal commitments were entered into before the corresponding budgetary commitment,
1. Notes that the Agency had EUR 48 249 000 in commitment and payment appropriations from the 2007 budget;

⁽¹⁾ OJ C 278, 31.10.2008, p. 20.

⁽²⁾ OJ C 311, 5.12.2008, p. 57.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 208, 5.8.2002, p. 1.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

⁽⁶⁾ OJ L 88, 31.3.2009, p. 192.

2. Regrets that, as in 2006, the ECA found that the Agency's procedures for establishing the budget were not sufficiently rigorous;
3. Notes that the ECA observed that 32 transfers were made in 2007; notes the ECA's criticism concerning the high number of transfers;
4. Notes the Agency's reply that transfers remained below the 10 % threshold of the Financial Regulation;
5. Further notes the ECA's criticism that between mid-June and December 2007, EUR 25 000 000 for anti-pollution measures, authorised by the Budgetary Authority as normal appropriations, were unduly moved to assigned revenue;
6. Notes the Agency's reply that it decided on 20 March 2007 to qualify anti-pollution funds as assigned revenue, following a suggestion of the Commission, and that it decided on 21 November 2007 to no longer treat these funds as such;
7. Is disappointed that, as in 2006, the ECA found again that legal commitments were entered into before the corresponding budgetary commitments were made; calls on the Agency to step up its training and communication efforts in order to avoid this situation in future; requests that action taken in this respect be reported in the Agency's annual activity report for 2008;
8. Notes that the ECA found weaknesses with regard to recruitment procedures, as follows:
 - selection criteria and threshold scores for passing to the next stage of competitions were not decided upon before the evaluation process started,
 - the staff committee was not invited to participate in recruitment procedures;
9. Notes the Agency's reply that measures have been taken so that selection criteria and threshold scores are defined at an earlier stage;
10. Calls on the Agency to see to it that its recruitment procedures are transparent and non-discriminatory, in particular by ensuring the participation of the staff committee;
11. Welcomes the fact that the Agency closely cooperates with the European Monitoring Centre for Drugs and Drug Addiction, also based in Lisbon, in order to share buildings and make joint use of infrastructure and services;
12. Urges the Commission to ensure that the Agency maintains strict financial discipline in the future and always works within the agreed budgets;
13. 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⁾.

⁽¹⁾ See page 206 of this Official Journal.

DECISION OF THE EUROPEAN PARLIAMENT**of 23 April 2009****on the closure of the accounts of the European Maritime Safety Agency for the financial year 2007**

(2009/670/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Maritime Safety Agency for the financial year 2007 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Maritime Safety Agency 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 Regulation (EC) No 1406/2002 of the European Parliament and of the Council of 27 June 2002 establishing a European Maritime Safety Agency ⁽⁴⁾, and in particular Article 19 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Transport and Tourism (A6-0167/2009),
1. Notes that the final annual accounts of the European Maritime Safety Agency are as annexed to the Court of Auditors' report;
 2. Approves the closure of the accounts of the European Maritime Safety Agency for the financial year 2007;
 3. Instructs its President to forward this Decision to the Executive Director of the European Maritime Safety Agency, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 278, 31.10.2008, p. 20.

⁽²⁾ OJ C 311, 5.12.2008, p. 57.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 208, 5.8.2002, p. 1.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

DECISION OF THE EUROPEAN PARLIAMENT**of 23 April 2009****on discharge in respect of the implementation of the budget of the European Agency
for Reconstruction for the financial year 2007**

(2009/671/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Agency for Reconstruction for the financial year 2007 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Agency for Reconstruction 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 2667/2000 of 5 December 2000 on the European Agency for Reconstruction ⁽⁴⁾, and in particular Article 8 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0169/2009),
1. Grants the Director of the European Agency for Reconstruction discharge in respect of the implementation of the Agency's budget for the financial year 2007;
 2. Sets out its observations in the Resolution below;
 3. Instructs its President to forward this Decision and the Resolution that forms an integral part of it to the Director of the European Agency for Reconstruction, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 278, 31.10.2008, p. 13.

⁽²⁾ OJ C 311, 5.12.2008, p. 42.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 306, 7.12.2000, p. 7.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

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 Agency for Reconstruction for the financial year 2007**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Agency for Reconstruction for the financial year 2007 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Agency for Reconstruction 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 2667/2000 of 5 December 2000 on the European Agency for Reconstruction ⁽⁴⁾, and in particular Article 8 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0169/2009),
- 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 Agency for Reconstruction discharge in respect of the implementation of the Agency's budget for the financial year 2006 ⁽⁶⁾,
1. Notes positively that, as in relation to the financial year 2006, the ECA considered the Agency's budget implementation to be satisfactory;
 2. Recalls that the mandate of the Agency ended on 31 December 2008;
 3. Has seen ample evidence that the Agency had not only the systems (logistics, IT systems and others) to swiftly implement large amounts of support in post-conflict situations, but that it also had the proven expertise and know-how to design and deliver high quality assistance that had a real impact;
 4. Regrets the fact that the Commission did not respect the discharge resolutions for the financial years 2005 and 2006, which asked for an extension of the Agency's activities, which ended in 2008, and is concerned at the consequent risk that the EU might lose much of the expertise the Agency has acquired over the last eight years;

⁽¹⁾ OJ C 278, 31.10.2008, p. 13.

⁽²⁾ OJ C 311, 5.12.2008, p. 42.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 306, 7.12.2000, p. 7.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

⁽⁶⁾ OJ L 88, 31.3.2009, p. 150.

Follow-up to the 2006 discharge exercise

5. Recalls that, in its resolution concerning the 2006 Commission discharge, it requested the Commission to keep it regularly informed of the transfer of activities from the Agency to delegations;
6. Notes that the Commission, at paragraphs 201 and 203 of its follow-up to the 2006 Commission discharge, promised to keep Parliament informed of the transfer of activities from the Agency to delegations and the different stages of the closure of the Agency (1);
7. Notes the Commission's statement, in its follow-up to the 2006 Commission discharge, that the Agency would stop all operational activities by the end of September 2008; that the Agency would have three months, from October to December 2008, to finalise the administrative closure; and that in 2009, a closure cell attached to the Commission would undertake the closing of residual administrative activities during a limited period of a few months;
8. Notes that the Commission sent a series of information notes concerning cooperation between the Commission and the Agency during the transition period 2007-2008 to the Chairman of the Committee on Budgetary Control (2);
9. Notes from the fourth information note of 7 October 2008 that the Commission will submit a final report on the phasing-out of the Agency once the final accounts of the Agency have been established and the closure cell has terminated its work; looks forward to receiving this report;

Potential risks relating to the transfer of activities from the Agency to the delegations

10. Notes that the ECA, in its annual report for 2007, identified three potential risks related to the transfer of activities from the Agency to the delegations:
 - (a) due to the multiannual character of the Agency's activity, there are still unused budgetary appropriations of EUR 453 000 000 which have to be implemented in years beyond 2008, which is the last year of existence of the Agency;
 - (b) the guidance note issued by the Commission on 11 June 2008 on the transfer of files does not cover all items on the Agency's balance sheet;
 - (c) the accumulated surplus of EUR 180 000 000 shown in the Agency's balance sheet at 31 December 2007 will also have to be taken over and managed by the Commission at the end of the Agency's mandate;
11. Requests the Commission to inform Parliament's competent committee of:
 - (a) how the unused budgetary appropriations will be implemented;
 - (b) whether a memorandum of understanding covering all items in the Agency's balance sheet has been concluded between the Agency and the Commission, or how the Commission has otherwise ensured the completeness of the transfer of all files and items;
 - (c) how the accumulated surplus of EUR 180 000 000 shown in the Agency's balance sheet at 31 December 2007 will be managed by the Commission;
12. 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 (3).

(1) Commission staff working document, annex to the report from the Commission to the European Parliament on the follow-up to 2006 discharge procedure (SEC(2008) 2579).

(2) The notes are available on the website of the Committee on Budgetary Control.

(3) See page 206 of this Official Journal.

DECISION OF THE EUROPEAN PARLIAMENT**of 23 April 2009****on the closure of the accounts of the European Agency for Reconstruction for the financial year 2007**

(2009/672/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Agency for Reconstruction for the financial year 2007 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Agency for Reconstruction 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 2667/2000 of 5 December 2000 on the European Agency for Reconstruction ⁽⁴⁾, and in particular Article 8 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0169/2009),
1. Notes that the final annual accounts of the European Agency for Reconstruction are as annexed to the Court of Auditors' report;
 2. Approves the closure of the accounts of the European Agency for Reconstruction for the financial year 2007;
 3. Instructs its President to forward this Decision to the Director of the European Agency for Reconstruction, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 278, 31.10.2008, p. 13.

⁽²⁾ OJ C 311, 5.12.2008, p. 42.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 306, 7.12.2000, p. 7.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

DECISION OF THE EUROPEAN PARLIAMENT**of 23 April 2009****on discharge in respect of the implementation of the budget of the European Environment Agency for the financial year 2007**

(2009/673/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Environment Agency for the financial year 2007 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Environment Agency 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 (EEC) No 1210/90 of 7 May 1990 on the establishment of the European Environment Agency and the European Environment Information and Observation Network ⁽⁴⁾, and in particular Article 13 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of, and Annex V, to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A6-0171/2009),
1. Grants the Executive Director of the European Environment Agency discharge in respect of the implementation of the Agency's budget for the financial year 2007;
 2. Sets out its observations in the Resolution below;
 3. Instructs its President to forward this Decision and the Resolution that forms an integral part of it to the Executive Director of the European Environment Agency, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 278, 31.10.2008, p. 4.

⁽²⁾ OJ C 311, 5.12.2008, p. 64.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 120, 11.5.1990, p. 1.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

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 Environment Agency for the financial year 2007**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Environment Agency for the financial year 2007 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Environment Agency 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 (EEC) No 1210/90 of 7 May 1990 on the establishment of the European Environment Agency and the European Environment Information and Observation Network ⁽⁴⁾, and in particular Article 13 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of, and Annex V, to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A6-0171/2009),
- 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 Executive Director of the European Environment Agency discharge in respect of the implementation of the Agency's budget for the financial year 2006 ⁽⁶⁾, and in its resolution accompanying the discharge decision, *inter alia*, noted from the Agency's annual report that one-third of staff were of a single nationality, as well as the Agency's goal (stated in its annual report) of improving the balance in, and diversity of, staff,
1. Considers the European Environment Agency (the Agency) as a source of important environmental legislation for all EU institutions and policymaking; notes with satisfaction that the EEA has been able to coordinate the European environment information and observation network and to help the institutions of the EU and Member States to improve knowledge of environment data and information;
 2. Encourages the Agency to continue its efforts to further develop its communication methods in order to attract more media coverage for its findings and thus feed public debate on important environmental issues, such as climate change, biodiversity and the management of natural resources;

⁽¹⁾ OJ C 278, 31.10.2008, p. 4.

⁽²⁾ OJ C 311, 5.12.2008, p. 64.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 120, 11.5.1990, p. 1.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

⁽⁶⁾ OJ L 88, 31.3.2009, p. 159.

3. Underlines the fact that the impact of environment programmes is often hampered by the lack of assessment of the environmental impacts of other Community legislation and programmes; believes that the Agency could provide support for policymaking by further developing its work in the field of environmental impact assessment;
4. Emphasises the role of the Agency in the evaluation of the implementation of EU environmental legislation both within the EU and within prospective Member States;
5. Welcomes the Agency initiative to offset the climate impacts of flights as regards Agency staff missions and participants in its activities;

Recruitment procedures

6. Notes the ECA's audit results, according to which two recruitment procedures did not meet the requirements of transparency and non-discrimination, as candidates not fulfilling the selection criteria were considered for further evaluation and criteria for inviting the best candidates for interview were not documented;
7. Notes the Agency's reply that it included those candidates which came closest to the selection criteria in order to have more candidates in the competition; urges the Agency to stick to its promise to republish a post when similar situations occur in the future;
8. Notes the Agency's promise to better document the selection of short-listed candidates;

Procurement procedures

9. Notes that the ECA found two cases, with an approximate total value of EUR 26 000, of the direct award of services which did not comply with the Financial Regulation;
10. Considers unsatisfactory the Agency's reply that these contracts were awarded due to significant benefits that would accrue to the Agency, and that the unique nature of these cases was sufficiently documented;
11. Further notes that the ECA reported a case, with an approximate value of EUR 215 000, of a specific contract for services which was not in line with the terms of the framework contract, which called into question the transparency of the procedure;
12. Notes the Agency's reply that this case concerned IT systems and that the original order was extended when an increase in storage and server capacity became necessary; notes the reply that in future substantial IT purchases will be put to tender;
13. Calls on the Agency to ensure full compliance with procurement rules;

Weaknesses in the management of grant agreements with European Topic Centres

14. Notes the ECA's remark that the Agency carried out only limited checks concerning payments made to the European Topic Centres on the basis of grant agreements;
15. Is satisfied with the Agency's reply that it introduced new control procedures in line with the ECA's observations, including verification visits and other detailed checks prior to final payments; notes that the Agency carried out four verification visits in relation to 2007 subsidies;

16. Notes the ECA's finding that the grant agreements between the Agency and the European Topic Centres provide for a flat rate of 20 % of direct expenditure for their indirect expenditure (overheads), whereas the implementing rules of the Financial Regulation limit this rate to 7 %; notes that, according to those rules, this ceiling can only be exceeded following a reasoned decision by the Agency; notes that no such reasoned decision was taken by the Agency;
17. Notes that, according to the ECA's finding, if the 7 % rate had been applied, the amount paid in 2007 would have been EUR 300 000 less;
18. Notes that the Agency acknowledges it had not taken the necessary reasoned decision, but that it had given extended consideration to the overhead rate before adoption of the agreements, and that the overhead rate was explicitly considered in preparing the terms of reference;
19. Notes the Agency's commitment to ensure that such a reasoned decision is taken by its Management Board for future calls concerning European Topic Centres, which are due in 2009/2010;

Follow-up to previous discharge exercises

20. Recalls its request, made in the resolution accompanying the discharge decision concerning the financial year 2005 ⁽¹⁾, that the Agency, before 1 January 2010 and every five years thereafter, commission an independent external evaluation of its achievements on the basis of its founding regulation and the work programme decided upon by the Management Board;
21. Notes that, according to information provided in its annual report, the Agency is awaiting the results of an independent external evaluation of the impact and effectiveness of its five-year strategy 2004-2008;
22. Invites the Agency to inform the discharge authority of the results of the external evaluation as soon as they are available;
23. Regrets that, according to the data provided in the Agency's annual report, the situation with regard to balance in, and diversity of, staff did not improve significantly in 2007, as one-third of staff are still of a single nationality;
24. Invites the Agency to step up its efforts to improve the balance in, and diversity of, staff;
25. 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 ⁽²⁾.

⁽¹⁾ OJ L 187, 15.7.2008, p. 107.

⁽²⁾ See page 206 of this Official Journal.

DECISION OF THE EUROPEAN PARLIAMENT**of 23 April 2009****on the closure of the accounts of the European Environment Agency for the financial year 2007**

(2009/674/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Environment Agency for the financial year 2007 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Environment Agency 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 (EEC) No 1210/90 of 7 May 1990 on the establishment of the European Environment Agency and the European Environment Information and Observation Network ⁽⁴⁾, and in particular Article 13 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of, and Annex V, to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A6-0171/2009),
1. Notes that the final annual accounts of the European Environment Agency are as annexed to the Court of Auditors' report;
 2. Approves the closure of the accounts of the European Environment Agency for the financial year 2007;
 3. Instructs its President to forward this Decision to the Executive Director of the European Environment Agency, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 278, 31.10.2008, p. 4.

⁽²⁾ OJ C 311, 5.12.2008, p. 64.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 120, 11.5.1990, p. 1.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

DECISION OF THE EUROPEAN PARLIAMENT**of 23 April 2009****on discharge in respect of the implementation of the budget of the European Food Safety Authority for the financial year 2007**

(2009/675/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Food Safety Authority for the financial year 2007 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Food Safety Authority for the financial year 2007, together with the Authority'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 Regulation (EC) No 178/2002 of the European Parliament and of the Council of 28 January 2002 laying down the general principles and requirements of food law, establishing the European Food Safety Authority and laying down procedures in matters of food safety ⁽⁴⁾, and in particular Article 44 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A6-0172/2009),
1. Grants the Executive Director of the European Food Safety Authority discharge in respect of the implementation of the Authority's budget for the financial year 2007;
 2. Sets out its observations in the Resolution below;
 3. Instructs its President to forward this Decision and the Resolution that forms an integral part of it to the Executive Director of the European Food Safety Authority, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 278, 31.10.2008, p. 35.

⁽²⁾ OJ C 311, 5.12.2008, p. 100.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 31, 1.2.2002, p. 1.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

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 Food Safety Authority for the financial year 2007**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Food Safety Authority for the financial year 2007 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Food Safety Authority for the financial year 2007, together with the Authority'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 Regulation (EC) No 178/2002 of the European Parliament and of the Council of 28 January 2002 laying down the general principles and requirements of food law, establishing the European Food Safety Authority and laying down procedures in matters of food safety ⁽⁴⁾, and in particular Article 44 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A6-0172/2009),
- 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 Executive Director of the European Food Safety Authority discharge in respect of the implementation of the Authority's budget for the financial year 2006 ⁽⁶⁾, and in its resolution accompanying the discharge decision, inter alia,
- noted that underspending of payments in 2006 was mainly related to the Authority's difficulties in recruiting highly-skilled scientific staff in Parma; stressed that only two-thirds of the 250 posts available under the Authority's establishment plan had been filled by the end of 2006; underlined that a lack of staff resulted in a lower level of spending of operational funds,
 - noted that in 2006 payment rates were 56 % of appropriations for administrative expenditure and 50 % for operational activities; that 20 % of appropriations carried over from 2005 were cancelled at the end of 2006; and that a large number of transfers was made, with a high concentration at the year-end,

⁽¹⁾ OJ C 278, 31.10.2008, p. 35.

⁽²⁾ OJ C 311, 5.12.2008, p. 100.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 31, 1.2.2002, p. 1.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

⁽⁶⁾ OJ L 88, 31.3.2009, p. 184.

1. Notes the ECA's finding that appropriations amounting to EUR 8 600 000 were carried over to 2008 and EUR 4 800 000 cancelled; notes that this was partly due to the delayed adoption and implementation of the 2007 annual work plan for grants; notes that appropriations carried over from the preceding year amounted to EUR 7 900 000, of which EUR 4 500 000 was for operational activities; notes that over 25 % of the appropriations carried over for operational activities had to be cancelled at the year-end;
2. Is concerned by the ECA's conclusion that this situation is at odds with the principle of annuality and shows weaknesses in the Authority's programming and budgeting;
3. Notes the Authority's reply that it took several measures in 2008 in order to improve budgetary management, such as templates, a vademecum and additional administrative support to accelerate the launch of grant calls;
4. Notes the Authority's reply with regard to appropriations carried over that the rate of carry-over (17-18 %) decreased by comparison to 2006 (22 %); notes however from the final accounts that the actual amount of carry-over increased from EUR 7 900 000 in 2006 to EUR 8 600 000 in 2007;
5. Requests that the Authority follow up on the ECA's remarks and make further efforts to improve and speed up budget implementation; requests that the follow-up measures be specified in the Authority's annual activity report for 2008;
6. Notes the ECA's finding that the Authority treated a contribution received from the Commission in order to prepare for the accession of Croatia and Turkey as a normal subsidy, although it should have been treated as assigned revenue;
7. Notes the Authority's reply that as from 2008 all specific contributions have been registered as assigned revenue;
8. Notes the ECA's findings concerning weaknesses in the management of missions and the high number and value of exceptions;
9. Notes the Authority's reply that this situation was related to a specific unit where organisational changes have since been implemented;
10. Notes that 2007 was the fifth operational year for the Authority;
11. Underlines the Authority's role in providing independent scientific advice on all matters with a direct or indirect impact on food safety, including animal health and welfare and plant protection, a role which is becoming more and more necessary in view of consumers' concerns and the need to communicate scientific advice properly;

Follow-up to previous discharge exercises

12. Congratulates the Authority on having succeeded in filling 273 of the 300 posts provided for in its establishment plan after having had difficulties in recruiting highly-skilled scientific staff in Parma for several years;
13. Observes that the personnel specific line reached 95 % of the execution rate instead of the 97 % forecast; notes, nevertheless, that the Authority still had difficulties in recruiting highly skilled scientific staff to Parma;
14. Refers in terms of personnel to the staff survey carried out at the end of 2007; encourages the Authority's management to conduct such a survey on a regular basis and to incorporate its results into its personnel management and daily work;

15. Notes that weaknesses in recruitment procedures have been highlighted repeatedly in previous discharge exercises and again in the current ECA report;
 16. Requests that the Authority align its recruitment procedures to the rules as a matter of urgency;
 17. Notes that, as in previous discharge exercises, the Authority has been criticised by the ECA for not having complied with procurement rules in several cases; requests the Authority to pay particular attention to compliance with procurement rules;
 18. Requests that the Authority give details in its annual activity report for 2008 of measures taken to remedy the shortcomings in the areas of recruitment and procurement;
 19. Notes that the Executive Director of the Authority took over the role of coordinator of the agencies network on 1 March 2009;
 20. 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.

DECISION OF THE EUROPEAN PARLIAMENT**of 23 April 2009****on the closure of the accounts of the European Food Safety Authority for the financial year 2007**

(2009/676/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Food Safety Authority for the financial year 2007 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Food Safety Authority for the financial year 2007, together with the Authority'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 Regulation (EC) No 178/2002 of the European Parliament and of the Council of 28 January 2002 laying down the general principles and requirements of food law, establishing the European Food Safety Authority and laying down procedures in matters of food safety ⁽⁴⁾, and in particular Article 44 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A6-0172/2009),
1. Notes that the final annual accounts of the European Food Safety Authority are as annexed to the Court of Auditors' report;
 2. Approves the closure of the accounts of the European Food Safety Authority for the financial year 2007;
 3. Instructs its President to forward this Decision to the Executive Director of the European Food Safety Authority, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 278, 31.10.2008, p. 35.

⁽²⁾ OJ C 311, 5.12.2008, p. 100.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 31, 1.2.2002, p. 1.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

DECISION OF THE EUROPEAN PARLIAMENT**of 23 April 2009****on discharge in respect of the implementation of the budget of the European Foundation
for the Improvement of Living and Working Conditions for the financial year 2007**

(2009/677/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2007 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2007, together with the Foundation'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 Regulation (EEC) No 1365/75 of the Council of 26 May 1975 on the creation of a European Foundation for the improvement of living and working conditions ⁽⁴⁾, and in particular Article 16 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0173/2009),
1. Grants the Director of the European Foundation for the Improvement of Living and Working Conditions discharge in respect of the implementation of the Foundation's budget for the financial year 2007;
 2. Sets out its observations in the Resolution below;
 3. Instructs its President to forward this Decision and the Resolution that forms an integral part of it to the Director of the European Foundation for the Improvement of Living and Working Conditions, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 278, 31.10.2008, p. 60.

⁽²⁾ OJ C 311, 5.12.2008, p. 156.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 139, 30.5.1975, p. 1.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

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 Foundation for the Improvement of Living and Working Conditions for the financial year 2007**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2007 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2007, together with the Foundation'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 Regulation (EEC) No 1365/75 of the Council of 26 May 1975 on the creation of a European Foundation for the improvement of living and working conditions ⁽⁴⁾, and in particular Article 16 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0173/2009),
- 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 Foundation for the Improvement of Living and Working Conditions discharge in respect of the implementation of the Foundation's budget for the financial year 2006 ⁽⁶⁾, and in its resolution accompanying the discharge decision, *inter alia*,
- noted the ECA's criticism that, in relation to recruitment procedures, the selection criteria were neither decided by selection boards at the outset nor defined in conformity with the vacancy notice, and the Foundation's reply that all vacancy notices now include a clear indication of whether success in tests is a precondition for success in the competition,

⁽¹⁾ OJ C 278, 31.10.2008, p. 60.

⁽²⁾ OJ C 311, 5.12.2008, p. 156.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 139, 30.5.1975, p. 1.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

⁽⁶⁾ OJ L 88, 31.3.2009, p. 93.

- noted further that, in 2006, the Foundation launched an ex-post evaluation of the 2001-2004 work programme, in conjunction with an interim evaluation of selected aspects of the Foundation's ongoing work, with a view to determining the organisation's impact, added value and effectiveness,
- asked to be informed of the results of the evaluation,

Weaknesses in recruitment procedures

1. Regrets that in 2007, as in 2006, the ECA found weaknesses in recruitment procedures; in particular, the ECA again found a case where the selection criteria were not defined in conformity with the vacancy notice;
2. Notes the ECA's further observations that neither the weighting of the selection criteria nor the minimal scores to be achieved were decided by the selection board from the outset;
3. Notes that the ECA considers that this situation did not ensure transparent and non-discriminatory recruitment procedures;
4. Notes the Foundation's reply that in 2008 the recruitment procedures have been adapted in order to comply with the ECA's recommendations;
5. Requests the Foundation to pay particular attention to the legality of its recruitment procedures and to specify, in its annual activity report for 2008, the action taken in follow-up to the ECA's observations;

Weaknesses in procurement procedures

6. Is concerned that in three procurement procedures the ECA found anomalies such as:
 - the financial evaluation procedure for a contract not being clearly specified in the tender documents,
 - selection criteria not allowing proper evaluation of the financial capacity of the candidates;
7. Notes the ECA's concern that this situation undermined the quality of the procedures and risked biasing the final selection;
8. Notes the Foundation's replies that, in future, price evaluations will be defined in a way that avoids discretionary powers from the outset, and criteria for the application of minimal capacity levels will be laid down;
9. Requests the Foundation to specify, in its annual activity report for 2008, the action taken in follow-up to the ECA's observations;

Introduction of accrual based accounting (ABAC)

10. Is satisfied that the Foundation introduced ABAC in 2008;
11. Notes the ECA's observation that, under the Financial Regulation, contributions the Foundation received from the Commission to prepare for the membership of Croatia and Turkey should have been treated as assigned revenue;
12. Notes the Foundation's reply that from 2008 budget lines for assigned revenue have been set up in ABAC, and that it will follow the ECA's recommendation;
13. Notes the ECA's finding that recoverable VAT of EUR 376 611 in respect of 2007 should have been claimed by the year-end in order to comply with the principle of sound financial management;

14. Acknowledges the Foundation's reply that VAT recovery was delayed due to the introduction of ABAC; notes that the outstanding VAT was fully recovered by April 2008;

Follow-up to the previous discharge exercise

15. Recalls that, in 2006, the Foundation launched an ex-post evaluation of the 2001-2004 work programme, in conjunction with an interim evaluation of selected aspects of the Foundation's ongoing work, with a view to determining the organisation's impact, added value and effectiveness;
16. Notes from the annual activity report that in 2006 the Foundation's strategic direction was reviewed and five strategic goals formulated;
17. Insists on being informed of the results of the evaluation regarding the Foundation's impact, added value and effectiveness in time for the 2008 discharge exercise;
18. 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⁾.

⁽¹⁾ See page 206 of this Official Journal.

DECISION OF THE EUROPEAN PARLIAMENT**of 23 April 2009****on the closure of the accounts of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2007**

(2009/678/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2007 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2007, together with the Foundation'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 Regulation (EEC) No 1365/75 of the Council of 26 May 1975 on the creation of a European Foundation for the improvement of living and working conditions ⁽⁴⁾, and in particular Article 16 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0173/2009),
1. Notes that the final annual accounts of the European Foundation for the Improvement of Living and Working Conditions are as annexed to the Court of Auditors' report;
 2. Approves the closure of the accounts of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2007;
 3. Instructs its President to forward this Decision to the Director of the European Foundation for the Improvement of Living and Working Conditions, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 278, 31.10.2008, p. 60.

⁽²⁾ OJ C 311, 5.12.2008, p. 156.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 139, 30.5.1975, p. 1.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

DECISION OF THE EUROPEAN PARLIAMENT**of 23 April 2009****on discharge in respect of the implementation of the budget of the European Agency for Safety and Health at Work for the financial year 2007**

(2009/679/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Agency for Safety and Health at Work for the financial year 2007 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Agency for Safety and Health at Work for the financial year 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 2062/94 of 18 July 1994 establishing a European Agency for Safety and Health at Work ⁽⁴⁾, and in particular Article 14 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0174/2009),
1. Grants the Director of the European Agency for Safety and Health at Work discharge in respect of the implementation of the Agency's budget for the financial year 2007;
 2. Sets out its observations in the Resolution below;
 3. Instructs its President to forward this Decision and the Resolution that forms an integral part of it to the Director of the European Agency for Safety and Health at Work, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 278, 31.10.2008, p. 26.

⁽²⁾ OJ C 311, 5.12.2008, p. 50.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 216, 20.8.1994, p. 1.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

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 Agency for Safety and Health at Work for the financial year 2007**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Agency for Safety and Health at Work for the financial year 2007 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Agency for Safety and Health at Work for the financial year 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 2062/94 of 18 July 1994 establishing a European Agency for Safety and Health at Work ⁽⁴⁾, and in particular Article 14 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0174/2009),
- A. whereas the Court of Auditors 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,
1. Notes that the Court issued a fully positive statement of assurance and made no observations at all;
 2. Congratulates the Agency on having significantly improved its financial management over the last two years; encourages it to continue to strive for the highest standards in budgetary planning, implementation and control;
 3. 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 ⁽⁶⁾.

⁽¹⁾ OJ C 278, 31.10.2008, p. 26.

⁽²⁾ OJ C 311, 5.12.2008, p. 50.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 216, 20.8.1994, p. 1.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

⁽⁶⁾ See page 206 of this Official Journal.

DECISION OF THE EUROPEAN PARLIAMENT**of 23 April 2009****on the closure of the accounts of the European Agency for Safety and Health at Work
for the financial year 2007**

(2009/680/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Agency for Safety and Health at Work for the financial year 2007 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the European Agency for Safety and Health at Work for the financial year 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 2062/94 of 18 July 1994 establishing a European Agency for Safety and Health at Work ⁽⁴⁾, and in particular Article 14 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0174/2009),
1. Notes that the final annual accounts of the European Agency for Safety and Health at Work are as annexed to the Court of Auditors' report;
 2. Approves the closure of the accounts of the European Agency for Safety and Health at Work for the financial year 2007;
 3. Instructs its President to forward this Decision to the Director of the European Agency for Safety and Health at Work, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 278, 31.10.2008, p. 26.

⁽²⁾ OJ C 311, 5.12.2008, p. 50.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 216, 20.8.1994, p. 1.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

DECISION OF THE EUROPEAN PARLIAMENT**of 23 April 2009****on discharge in respect of the implementation of the budget of the European Union Agency for Fundamental Rights for the financial year 2007**

(2009/681/EC)

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 Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A6-0176/2009),
1. Grants 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 2007;
 2. Sets out its observations in the Resolution below;
 3. Instructs its President to forward this Decision and the Resolution that forms an integral part of it to the Director of the European Union Agency for Fundamental Rights, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 278, 31.10.2008, p. 1.

⁽²⁾ OJ C 311, 5.12.2008, p. 7.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 53, 22.2.2007, p. 1.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

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 Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A6-0176/2009),
- 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⁾;

⁽¹⁾ OJ C 278, 31.10.2008, p. 1.

⁽²⁾ OJ C 311, 5.12.2008, p. 7.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 53, 22.2.2007, p. 1.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

⁽⁶⁾ OJ L 88, 31.3.2009, p. 142.

⁽⁷⁾ Texts adopted, P6_TA(2009)0019.

⁽⁸⁾ Regulation amended by Commission Regulation (EC, Euratom) No 652/2008 (OJ L 181, 10.7.2008, p. 23).

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⁾.

⁽¹⁾ See page 206 of this Official Journal.

DECISION OF THE EUROPEAN PARLIAMENT**of 23 April 2009****on the closure of the accounts of the European Union Agency for Fundamental Rights
for the financial year 2007**

(2009/682/EC)

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 Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A6-0176/2009),
1. Notes that the final annual accounts of the European Union Agency for Fundamental Rights are as annexed to the Court of Auditors' report;
 2. Approves the closure of the accounts of the European Union Agency for Fundamental Rights for the financial year 2007;
 3. Instructs its President to forward this Decision to the Director of the European Union Agency for Fundamental Rights, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 278, 31.10.2008, p. 1.

⁽²⁾ OJ C 311, 5.12.2008, p. 7.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 53, 22.2.2007, p. 1.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

DECISION OF THE EUROPEAN PARLIAMENT**of 23 April 2009****on discharge in respect of the implementation of the budget of the Community Fisheries Control Agency for the financial year 2007**

(2009/683/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Community Fisheries Control Agency for the financial year 2007 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the Community Fisheries Control Agency 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 768/2005 of 26 April 2005 establishing a Community Fisheries Control Agency ⁽⁴⁾, and in particular Article 36 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0179/2009),
1. Grants the Executive Director of the Community Fisheries Control Agency discharge in respect of the implementation of the Agency's budget for the financial year 2007;
 2. Sets out its observations in the Resolution below;
 3. Instructs its President to forward this Decision and the Resolution that forms an integral part of it to the Executive Director of Community Fisheries Control Agency, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 278, 31.10.2008, p. 78.

⁽²⁾ OJ C 311, 5.12.2008, p. 1.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 128, 21.5.2005, p. 1.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

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 Community Fisheries Control Agency for the financial year 2007**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Community Fisheries Control Agency for the financial year 2007 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the Community Fisheries Control Agency 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 768/2005 of 26 April 2005 establishing a Community Fisheries Control Agency ⁽⁴⁾, and in particular Article 36 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0179/2009),
- 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,
1. Notes that the Agency acquired financial independence in November 2007, and that therefore the 2007 discharge exercise covers only an extremely short period of time;
 2. Notes that the Agency received a fully positive statement of assurance from the ECA; encourages the Agency to continue to strive for high quality in its financial management;
 3. Notes that the Agency's budget was EUR 5 000 000 for 2007, more than half of which was managed by the Commission as the Agency only acquired financial independence shortly before the year-end;
 4. Notes the ECA's observation that the Agency had not established appropriate procedures in order to determine the funds to be carried over, leading to the result that at least EUR 125 000 was carried over without legal commitments; notes that the Agency is committed to avoiding similar events in 2008;
 5. Notes the Agency's reply to the ECA's criticism concerning the missing adoption of internal control standards that its Administrative Board adopted internal control standards in March 2008;

⁽¹⁾ OJ C 278, 31.10.2008, p. 78.

⁽²⁾ OJ C 311, 5.12.2008, p. 1.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 128, 21.5.2005, p. 1.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

6. Notes that the ECA considers that the Agency has not yet sufficiently documented its internal control procedures; welcomes the fact that the Agency put in place an internal audit capability and recruited staff responsible for the further development of internal control systems in 2008;
7. Notes the ECA's finding that the description of the accounting system prepared by the authorising officer has yet to be validated by the accounting officer; requests that the Agency include information, if the validation has been completed, in its report on budgetary and financial management 2008;
8. 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⁾.

⁽¹⁾ See page 206 of this Official Journal.

DECISION OF THE EUROPEAN PARLIAMENT**of 23 April 2009****on the closure of the accounts of the Community Fisheries Control Agency for the financial year 2007**

(2009/684/EC)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Community Fisheries Control Agency for the financial year 2007 ⁽¹⁾,
 - having regard to the Court of Auditors' report on the final annual accounts of the Community Fisheries Control Agency 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 768/2005 of 26 April 2005 establishing a Community Fisheries Control Agency ⁽⁴⁾, and in particular Article 36 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 71 of, and Annex V to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0179/2009),
1. Notes that the final annual accounts of the Community Fisheries Control Agency are as annexed to the Court of Auditors' report;
 2. Approves the closure of the accounts of the Community Fisheries Control Agency for the financial year 2007;
 3. Instructs its President to forward this Decision to the Executive Director of Community Fisheries Control Agency, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Hans-Gert PÖTTERING

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 278, 31.10.2008, p. 78.

⁽²⁾ OJ C 311, 5.12.2008, p. 1.

⁽³⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁴⁾ OJ L 128, 21.5.2005, p. 1.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

RESOLUTION OF THE EUROPEAN PARLIAMENT
of 23 April 2009
on financial management and control of EU agencies

THE EUROPEAN PARLIAMENT,

- having regard to the report from the Commission to the European Parliament of 15 October 2008 on the follow-up to 2006 discharge decisions (COM(2008) 629) and the accompanying Commission Staff Working Document (SEC(2008) 2579),
 - having regard to the Commission communication of 11 March 2008 entitled ‘European agencies — the way forward’ (COM(2008) 135),
 - having regard to its resolution of 21 October 2008 on a strategy for the future settlement of the institutional aspects of regulatory agencies ⁽¹⁾,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽²⁾,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽³⁾, and in particular Article 96 thereof,
 - having regard to Special Report No 5/2008 of the European Court of Auditors entitled ‘The European Union’s agencies: getting results’,
 - having regard to Rule 71 of, and Annex V to, its Rules of Procedure,
 - having regard to Rule 45 of its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Budgets (A6-0148/2009),
- A. whereas this resolution contains, for each body within the meaning of Article 185 of Regulation (EC, Euratom) No 1605/2002, the horizontal observations accompanying the discharge decision in accordance with Article 96 of Regulation (EC, Euratom) No 2343/2002 and Article 3 of Annex V to Parliament’s Rules of Procedure,
- B. whereas, following the adoption of the abovementioned Commission communication, Parliament, the Council and the Commission have relaunched the project of defining a common framework for the agencies and set up an interinstitutional working group,

Introduction

1. Observes that in 2007 the European Court of Auditors (ECA) audited 23 decentralised agencies, three executive agencies and the Euratom Supply Agency, a body set up under the Euratom Treaty; notes that the subsidies from the Community budget in 2007 for the decentralised agencies amounted to EUR 452 000 000; emphasises that more than EUR 1 000 000 000 has been allocated to agencies’ budgets through other revenues such as own revenues from fees, contributions from EFTA countries and special contributions of Community programmes;
2. Notes that the number of agencies subject to the discharge procedure has greatly increased in recent years from eight in 2000 to 21 decentralised plus three executive agencies in 2007, not including three agencies which are audited by the ECA but not subject to discharge by Parliament;

⁽¹⁾ Texts adopted, P6_TA(2008)0495.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 357, 31.12.2002, p. 72.

3. Points out that the budgetary authority has authorised 3 487,5 posts in the establishment plans of the decentralised agencies; notes that, according to the documents provided by the ECA, 2 823 posts have been filled, in addition to the 961,5 contractual agent and national expert posts;
4. Welcomes the abovementioned Commission report on the follow-up to 2006 discharge decisions;
5. Points out again that Community law does not contain a definition of an agency, and supports the definition of agencies as 'bodies set up by the Communities having legal personality' ⁽¹⁾; recalls the three categories of agency that fit this definition, namely decentralised agencies, executive agencies and other bodies;
6. Reiterates in this context the term 'decentralised agencies' as a general term for the traditional agencies; considers that the term 'regulatory agency', which is increasingly used as a generic term, is misleading, as not all decentralised agencies have regulatory tasks;
7. Recalls that decentralised agencies are set up by the European legislator for a variety of reasons such as the provision of certain services, the employment of specialist expertise and the carrying-out of regulatory and monitoring tasks;
8. Considers the establishment of the budget of decentralised bodies and assessment of the implementation of the respective budget as core responsibilities of its Committee on Budgets;
9. Urges the ECA, for the sake of transparency, to consider the three categories of agencies in its next annual report;
10. Notes that the ECA observed an improvement with regard to financial discipline compared to the financial year 2006, but that nevertheless in some of the agencies the areas of recruitment and procurement still contained weaknesses which must be addressed by the authorising officers;
11. Deplores the fact that the ECA again found serious problems as regards the implementation of procurement rules and the Staff Regulations in many agencies; is not prepared to accept that these weaknesses have persisted over many years; considers that the revision of the Regulation (EC, Euratom) No 2343/2002 will not do away with these problems and that a fundamental overhaul of the legal framework is needed;
12. Notes the Commission's statement that all necessary support was granted to those agencies wishing to migrate to ABAC (accrual based accounting); notes that the agencies in some cases considered the support as insufficient;

Budget planning and implementation

13. Notes that the issue of agencies overestimating their cash requirements was addressed in the revised Regulation (EC, Euratom) No 2343/2002, which contains provisions reinforcing the agencies' obligation to submit, in their payment requests, rigorous forecasts of their real cash requirements throughout the year, in order to avoid unnecessary cash-flows;
14. Urges the Commission to consider technical abatement in order to lower surpluses in case of low implementation rates and persistently high vacancy rates, which will also trigger a reduction of assigned revenue;
15. Notes, in this context, the difficulties of decentralised agencies in recruiting highly qualified staff and experts; invites the Commission and the European Personnel Selection Office to strengthen their supporting efforts;

⁽¹⁾ See the arguments developed in the Study on the Agencies' discharge by the Budgetary Support Unit of the European Parliament, December 2006.

16. Urges the Commission to continue scrutinising the agencies' budget implementation for 2008 and 2009 and to make the necessary adjustments to the agencies' budget proposals;
17. Welcomes the Commission's efforts, since the 2009 preliminary draft budget (PDB), to systematically take into account the last known surpluses (in the case of the 2009 PDB, those of year n-2) when calculating the Community contribution; in order to improve transparency and efficiency, calls on the Commission, as a principal rule, to provide detailed information on the procedures for calculating and accounting for all types of assigned revenue at the agencies' disposal, specifically those arising from previous years' surpluses;
18. Welcomes the Commission's decision to follow the requests of the budgetary authority to take assigned revenues into account when drawing up the PDB for the decentralised agencies for 2009; considers that this is undoubtedly a step towards greater budgetary transparency;
19. Draws attention to the fact that the current use of the assigned revenue instruments still bears risks for budgetary transparency and sound financial management of EU funds in so far as estimations of assigned revenue remain difficult and the various types, years of origin and procedures to release assigned revenue does not enable them to be integrated in the budget planning and management in a clear manner;
20. Notes that in 2007 about EUR 550 000 000 of Community programme funds were committed by three executive agencies; in addition to the operational appropriations, EUR 47 000 000 was used for administrative purposes, i.e. operating the respective executive agency; notes that 119 temporary agents and 279 contract agents were operative in these agencies;
21. Reiterates the fact that the amounts taken from operational programme envelopes are used to finance purely administrative operations; invites its Committee on Budgetary Control to monitor closely future developments in the outsourcing of the administrative tasks of the Commission;
22. Notes that the Euratom Supply Agency functions as an administrative unit of the Commission, which is reflected by the budget nomenclature and by the fact that its Director-General is a staff member of the Commission;

Compliance with financial regulations and the Staff Regulations

23. Notes that it is a serious problem that a number of agencies are repeatedly criticised for not following rules such as Regulation (EC, Euratom) No 1605/2002, in particular the procurement rules, and the Staff Regulations; notes that the principal reason is that most rules are designed for larger institutions and that most of the small agencies do not have the critical mass to be able to cope with these regulatory requirements;
24. Regrets that the Commission, despite Parliament's request in 2006 discharge resolutions on agencies, has not presented a rapid solution and therefore asks the Commission again to look for a quick solution in order to enhance effectiveness by grouping the administrative functions of various agencies together;
25. Encourages the Commission to increase its efforts in providing all necessary administrative assistance to relatively small and especially newly-created agencies; bearing in mind negative experiences from the past; calls on the Commission to issue in the shortest possible time special guidelines for the agencies concerning the application of financial rules in relation to staff recruitment, public procurement and so on;
26. Will, in this context, assess very carefully the study entitled 'Opportunity and feasibility of establishing common support services for EU agencies' commissioned by its Committee on Budgets and Committee on Budgetary Control;

Internal audit

27. Is satisfied that the Commission's internal audit service, in its annual activity report 2007, lifted its reservation from the previous year, when it declared that it was not in a position to audit each of the operational decentralised agencies once a year due to a lack of resources;

28. Welcomes the pragmatic cooperation between the internal auditor of the Commission and the internal auditors and other persons in charge of internal audit in the agencies;
29. Recalls that Parliament asked the agencies, in its 2006 discharge resolutions on agencies, if and how they comply with the obligation in Regulation (EC, Euratom) No 2343/2002 to send to the discharge authority and the Commission an annual report on internal audits; regrets the fact that, whereas 21 agencies are subject to the 2007 discharge procedure, Parliament only received such a report from two (the European Centre for the Development of Vocational Training and the European Aviation Safety Agency);

Evaluation of the agencies' performance

30. Notes the Commission's follow-up on the 2006 discharge resolutions on the agencies, and that in September 2008 it finalised the following:
 - (a) an overview of the evaluation of the decentralised agencies, which provides a list of the agencies already assessed and a summary of the major findings;
 - (b) a document on the state of play and planning with regard to evaluation of the decentralised agencies; and
 - (c) a 'Meta-study on decentralised agencies: cross-cutting analysis of evaluation findings', prepared by an external contractor;
31. Is convinced that the evaluation of decentralised agencies launched and supervised by the Commission, and to be completed by the end of 2009, will contribute to the assessment of shortfalls and shortcomings of the agencies; is satisfied by the fact that the Commission has set up a reference group to launch the study;
32. Recalls the Commission's horizontal evaluation of the decentralised agencies referred to in its abovementioned Communication, the results of which should be available by 2009-2010; calls on the Commission to ensure that evaluations of agencies become more transparent in the interests of both the agencies and stakeholders;

Disciplinary procedures

33. Recalls that Parliament, in its 2006 discharge resolutions concerning agencies, called on the agencies to consider an inter-agency disciplinary board; notes that progress has been made, but that difficulties remain, in particular due to problems in finding staff who have the appropriate career grade to be a member of the board; calls on the agencies to inform the discharge authority as to whether the inter-agency disciplinary board is feasible or not and, if applicable, to come forward with an alternative solution;

ECA Special Report No 5/2008

34. Welcomes the timely publication by the ECA of its abovementioned special report, and urges the decentralised agencies to take on board the shortcomings identified in the report as well as to take action in line with the recommendations of the ECA;
35. Points out that the basic acts of the EU agencies must contain a clear definition of their tasks and competences and highlight the results-based approach of the agencies' work;
36. Stresses that the agencies must draw up multiannual work programmes in accordance with the multiannual Community strategy in the sector; the relevant annual work programme should set clear, specific and measurable objectives, which should then form the basis of actions, resources, approaches and time-tables in order to guarantee the achievement of expected results; underlines that the work programme should respect the limits of the agency's budget as authorised by the budgetary authority;

37. Demands that the EU agencies' management boards achieve maximum convergence between the planning of tasks and of resources (both financial and human) through the introduction of activity-based budgeting and management (ABB/ABM), and underlines that the agencies are subject to the principle of sound financial management and budgetary discipline;
38. Notes that the work of each agency should be accompanied by risk assessment in order to optimise expenditure as well as human resource management;
39. Recommends that the ECA continue the periodic performance audit of the agencies, but that it focus even more on the agencies' internal efficiency and assess how far its recommendations are met;

Interinstitutional dialogue on a common framework for agencies

40. Recalls the suggestion made in its abovementioned resolution that the interinstitutional working group address, inter alia, the need for a standard approach to the presentation of the agencies' activities during the financial year in question;
 41. Welcomes the decision by the Conference of Presidents taken on 18 December 2008 to nominate five Members to Parliament's delegation to the interinstitutional working group on the role of regulatory agencies;
 42. Considers its abovementioned resolution on a strategy for the future settlement of the institutional aspects of regulatory agencies as a mandate for the Parliament's delegation working in the interinstitutional working group;
 43. Insists on the need to establish minimum common standards with regard to the setting-up of decentralised agencies in the future;
 44. Asks the Commission and the agencies, in the meantime, to make available the financial documentation produced by the agencies in a complete, comparable and up-to-date manner on the common website launched by the Commission and the decentralised agencies on the Commission's intranet;
 45. Calls on the interinstitutional working group, in the light of the 2007 discharge exercise, to consider:
 - the reasons behind budget implementation problems, in particular the lack of a top-down approach concerning the agencies' budgets and staffing,
 - the question why compliance with recruitment and procurement rules is a recurrent problem in many agencies,
 - lessons learned from the specific experience of the European Anti-Fraud Office related to agencies,
 - how the implementation of policies by agencies can be made more cost efficient, for example by grouping the administrative functions of various agencies together,
 - how the Commission's different support functions and services could be made more reactive in order to respond quicker to the agencies' needs;
 46. Instructs its President to forward this resolution to the agencies subject to this discharge procedure, the Council, the Commission and the Court of Auditors.
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2009/638/EC:

- ★ **Decision of the European Parliament of 23 April 2009 on discharge in respect of the implementation of the European Union general budget for the financial year 2007, Section VII — Committee of the Regions** 85
- Resolution of the European Parliament of 23 April 2009 with observations forming an integral part of its Decision on discharge in respect of the implementation of the European Union general budget for the financial year 2007, Section VII — Committee of the Regions 86

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- Resolution of the European Parliament of 23 April 2009 with observations forming an integral part of its Decision on discharge in respect of the implementation of the European Union general budget for the financial year 2007, Section VIII — European Ombudsman 90

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- ★ **Decision of the European Parliament of 23 April 2009 on discharge in respect of the implementation of the European Union general budget for the financial year 2007, Section IX — European Data Protection Supervisor** 93
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- ★ **Decision of the European Parliament of 23 April 2009 on the closure of the accounts of the Seventh, Eighth and Ninth European Development Funds for the financial year 2007** 110

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