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II

(Non-legislative acts)

DECISIONS

DECISION OF THE EUROPEAN PARLIAMENT

of 17 April 2013

on discharge in respect of the implementation of the general budget of the European Union for the financial year 2011, Section I — European Parliament

(2013/535/EU, Euratom)

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2011 ⁽¹⁾,
- having regard to the consolidated annual accounts of the European Union for the financial year 2011 (COM(2012) 436 – C7-0225/2012) ⁽²⁾,
- having regard to the report on budgetary and financial management — Section I — European Parliament — Financial year 2011 ⁽³⁾,
- having regard to the Internal Auditor's annual report for the financial year 2011,
- having regard to the Annual Report of the Court of Auditors on the implementation of the budget concerning the financial year 2011, together with the institutions' replies ⁽⁴⁾,
- having regard to the statement of assurance ⁽⁵⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2011 pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to Article 314(10) and Article 318 of the Treaty on the Functioning of the European Union, and Article 106a 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 Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽⁷⁾, and in particular Articles 164, 165 and 166 thereof,
- having regard to Article 13 of the Internal Rules on the implementation of the European Parliament's budget ⁽⁸⁾,

⁽¹⁾ OJ L 68, 15.3.2011.⁽²⁾ OJ C 348, 14.11.2012, p. 1.⁽³⁾ OJ C 164, 9.6.2012, p. 1.⁽⁴⁾ OJ C 344, 12.11.2012, p. 1.⁽⁵⁾ OJ C 348, 14.11.2012, p. 130.⁽⁶⁾ OJ L 248, 16.9.2002, p. 1.⁽⁷⁾ OJ L 298, 26.10.2012, p. 1.⁽⁸⁾ PE 349.540/Bur/ann/def.

- having regard to Article 166(1) of Regulation (EU, Euratom) No 966/2012, which requires each Union institution to take all appropriate steps to act on the observations accompanying the European Parliament's discharge decision,
 - having regard to its Resolution of 25 March 2010 on the guidelines for the 2011 budget procedure — Sections I, II, IV, V, VI, VII, VIII and IX ⁽¹⁾,
 - having regard to its Resolution of 18 May 2010 on the estimates of revenue and expenditure of Parliament for the financial year 2011 ⁽²⁾,
 - having regard to Rules 77 and 80(3) of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0063/2013),
- A. whereas the audit of the Court of Auditors stated that, as regards administrative expenditure in 2011, all the institutions satisfactorily operated the supervisory and control systems required by Regulation (EC, Euratom) No 1605/2002,
- B. whereas the Secretary-General certified, on 24 April 2012, 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 budget for the financial year 2011;
 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 thereof to the Council, the Commission, the Court of Justice of the European Union, 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
Martin SCHULZ

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 4 E, 7.1.2011, p. 20.

⁽²⁾ OJ C 161 E, 31.5.2011, p. 258.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****with observations forming an integral part of its Decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2011,
Section I — European Parliament**

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2011 ⁽¹⁾,
 - having regard to the consolidated annual accounts of the European Union for the financial year 2011 (COM(2012) 436 – C7-0225/2012) ⁽²⁾,
 - having regard to the report on budgetary and financial management — Section I — European Parliament — Financial year 2011 ⁽³⁾,
 - having regard to the Internal Auditor's annual report for the financial year 2011,
 - having regard to the Annual Report of the Court of Auditors on the implementation of the budget concerning the financial year 2011, together with the institutions' replies ⁽⁴⁾,
 - having regard to the statement of assurance ⁽⁵⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2011 pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to Article 314(10) and Article 318 of the Treaty on the Functioning of the European Union, and Article 106a 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 Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽⁷⁾, and in particular Articles 164, 165 and 166 thereof,
 - having regard to Article 13 of the Internal Rules on the implementation of the European Parliament's budget ⁽⁸⁾,
 - having regard to Article 166(1) of Regulation (EU, Euratom) No 966/2012, which requires each Union institution to take all appropriate steps to act on the observations accompanying the European Parliament's discharge decision,
 - having regard to its Resolution of 25 March 2010 on the guidelines for the 2011 budget procedure – Sections I, II, IV, V, VI, VII, VIII and IX ⁽⁹⁾,
 - having regard to its Resolution of 18 May 2010 on the estimates of revenue and expenditure of Parliament for the financial year 2011 ⁽¹⁰⁾,
 - having regard to Rules 77 and 80(3) of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0063/2013),
- A. whereas the President adopted Parliament's accounts for the financial year 2011 on 11 July 2012,
- B. whereas in his certification of the final accounts, Parliament's accounting officer stated his reasonable assurance that the accounts present a true and fair view of the financial position of Parliament in all material respects and that no issues requiring a reservation have been brought to his attention,

⁽¹⁾ OJ L 68, 15.3.2011.⁽²⁾ OJ C 348, 14.11.2012, p. 1.⁽³⁾ OJ C 164, 9.6.2012, p. 1.⁽⁴⁾ OJ C 344, 12.11.2012, p. 1.⁽⁵⁾ OJ C 348, 14.11.2012, p. 130.⁽⁶⁾ OJ L 248, 16.9.2002, p. 1.⁽⁷⁾ OJ L 298, 26.10.2012, p. 1.⁽⁸⁾ PE 349.540/Bur/ann/def.⁽⁹⁾ OJ C 4 E, 7.1.2011, p. 20.⁽¹⁰⁾ OJ C 161 E, 31.5.2011, p. 258.

- C. whereas the Secretary-General certified on 24 April 2012 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,
- D. whereas, through its audit, the Court of Auditors concluded that, as regards administrative expenditure in 2011, all the institutions effectively operated the supervisory and control systems required by the Financial Regulation and 93 % of the 56 payments audited (3 advances and 53 final payments) were free from material error,
- E. whereas, in accordance with the usual procedure, a questionnaire was sent to the Parliament administration and replies were received and discussed by the Committee on Budgetary Control, in the presence of the Vice-President responsible for the Budget and the Secretary-General and the Internal Auditor,

Added value of Parliament's discharge procedure

- 1. Highlights the added value of the parliamentary procedure leading up to the annual Parliament discharge; reiterates that the Parliament discharge is an additional possibility for exercising, in public, a critical scrutiny of the institution's financial management, thereby facilitating Union citizens' understanding of Parliament's particular governance structure, working methods and the costs of a democratic Europe;
- 2. Calls on the Bureau to schedule as a specific agenda item a discussion of the discharge report in May or June, shortly after its adoption by plenary;
- 3. Emphasises that scrutiny is necessary to ensure that Parliament's administration is held accountable and that given the great interest among citizens of the Union and public opinion in Parliament's discharge procedure, it is essential for Parliament to avoid any risk of opaque management and therefore, operate in a completely transparent manner to ensure that citizens of the Union are provided with a true and accurate view of the way that Parliament uses the resources placed at its disposal;
- 4. Recalls that since Parliament is the authority responsible for issuing the final decision on discharge, it is of the utmost importance that the procedure be conducted in an exemplary manner in the case of Parliament, and that it is therefore necessary to prevent even the most minor shortcomings which might tarnish the political achievements of Europe's democratic institution and its efforts to achieve increased transparency and sounder financial management;
- 5. Points out that this resolution remains principally focussed on the budget implementation and discharge for the financial year 2011 and that its main goal is to ensure that taxpayers' public money is used in the best possible way while highlighting where improvements can be made; encourages the Parliament's responsible bodies to continue to improve, at all possible levels, efficiency in Parliament's daily work aiming always to deliver an enhanced service to the citizens of the Union;
- 6. Notes with satisfaction the quality of the exchange of views between the Vice-President responsible for the Budget, the Secretary-General and the Committee on Budgetary Control on 22 January 2013 in the context of the 2011 Parliament discharge; reiterates that Parliament's administration is held accountable throughout this process and that the discharge reports on Parliament's implementation of its budget and the activities of its Committee on Budgetary Control over the last decade have played an important role and brought about very positive developments in Parliament's financial management, such as the Members' statute and the assistants' statute; is determined to continue this encouraging development towards excellence and transparency in public financial management;
- 7. Reiterates its proposal that the Bureau should circulate more 'White Papers' on policy items of general interest to all Members so they can be thoroughly discussed within political groups prior to a final decision being taken;

Parliament's management during 2011

- 8. Welcomes that, on 22 September 2011, the representatives of the Bureau and of the Committee on Budgets reached agreement on additional saving measures that were subsequently incorporated into Parliament's 2012 budget; firmly holds that those smart savings measures of almost EUR 40 000 000 do not affect either the efficiency of Parliament's activities or the resources made available to each

Member; calls on the Secretary-General to keep the Council and the Commission informed on Parliament's achievements and, to this end, to obtain information on their actions and requests to be informed of the answers received; points out, however, that savings should be made by spending less money and not by advancing or delaying payments or shifts between budgets;

9. Reminds its President and Secretary-General of its Resolution of 6 February 2013 ⁽¹⁾ where it 'recalls the decision adopted in plenary calling for the Council to present a roadmap by June 2013 on the multiple seats of the EP, and expects both the committees concerned, the Secretary-General and the Bureau to provide Members with up-to-date figures and information on the financial and environmental impact of the multiple seat arrangement; suggests that the EP's own impact assessment services examine this question, including with respect to the impact of the EP's presence or partial presence on the respective communities and regions, and present an assessment by June 2013 in order for their findings to be considered in the context of the next MFF'; points out that June 2013 is approaching rapidly;
10. Notes that the Parliament is bound by the Treaty to work from three working places and that this means added costs; notes also that a change to this situation is not in the hands of the Parliament but of the Member States; urges, therefore, the Member States to revise the issue of Parliament's seat and working places in the next revision of the Treaty by amending Protocol No 6;
11. Notes that the new Financial Regulation (Regulation (EU, Euratom) No 966/2012) and its Rules of Application came into effect on 1 January 2013 and brought about major changes in financial management, in particular by ensuring enhanced sound financial management and the protection of the Union's financial interests, introducing financial mechanisms which enable the mobilisation of third-party funds as leverage on Union funds and cutting red tape, while shifting the focus from paperwork to performance; encourages Parliament's services, as in the past revisions of the Financial Regulation, to implement those rules without delay and with the minimum possible negative impact on Parliament's administration; would like to be informed before the start of the 2012 discharge procedure if the new Financial Regulation has led to a decrease in staff needed for financial management;
12. Welcomes the new Code of Conduct for Members of the European Parliament with respect to financial interests and conflicts of interest adopted by its plenary on 1 December 2011; notes that Members are required to make full disclosure of any remunerated activities outside Parliament, of the remuneration they receive, and of any other functions that they perform which may give rise to conflicts of interest; further notes that the code expressly prohibits Members from accepting any sum of money or other gift in exchange for influencing Parliament decisions; notes with satisfaction that it lays down clear rules on accepting gifts and on former Members engaging in lobbying; expects that the implementing rules will be communicated in an adequate way to the Members, and that declarations will be checked on a sample basis;
13. Is concerned that one year after the entry into force of the Code of Conduct, the implementing measures in respect of Article 5(3) — to ensure transparency with regard to Members' travel, accommodation and subsistence expenses paid by third parties — have not yet been adopted; points out that it is imperative that the implementing measures be adopted quickly; firmly believes that all third-party-paid travel, accommodation and subsistence expenses of EUR 150 or more must be disclosed;
14. Calls on Parliament's Administration to publish all declarations of MEPs' financial interests, broken down by year, in machine-readable form in the MEP profile section of Parliament's website;
15. Notes the publication of the social report, which gives a valuable insight into Parliament's human resources; asks for the 2012 report to be published before the end of September 2013; further notes that Parliament's establishment plan increased by 4 % between 2010 and 2011, mainly as a result of the new responsibilities and extra workload under the Treaty of Lisbon and the anticipated accession of Croatia to the Union;
16. Calls for staff training courses, and intensive language courses in particular, to be tailored more effectively to the work schedule of the various types of staff working at Parliament, including accredited parliamentary assistants;

⁽¹⁾ Texts adopted, P7_TA(2013)0048.

17. Recommends to follow up the recommendation of the Court of Auditors to ensure that changes in the personal situation of staff are registered in due time and to implement a system for the timely monitoring of that information;
18. Points out that 2011 was the second full year in which the new Statute for Members and the Statute for Assistants has been in force (both effective as of 14 July 2009); notes that the Implementing Measures for the Statute for Assistants have been amended four times in those two years for the application of Title VII of the Conditions of Employment of Other Servants of the European Union (CEOS) and the Implementing Measures on the basis of proposals from the Temporary Evaluation Group and the Secretary-General; recalls that the implementation of Title VII of the CEOS created a single scheme governing the status of accredited parliamentary assistants (APAs) working in Parliament's three working places, which replaced twenty-seven different national systems of contractual relationships, taxation and social security and that currently there is no evidence that would suggest a need to adapt the rules applying to parliamentary assistants contained in Title VII of the CEOS; suggests a full evaluation of the Statute of Assistants including possible adaptations of the rules before the next European elections;

Report on budgetary and financial management ⁽¹⁾

19. Notes that in 2011, Parliament received revenue amounting to EUR 173 293 432 (EUR 243 094 204 in 2010) which included EUR 23 815 077 in assigned revenue;

Presentation of Parliament's accounts

20. Takes note of the figures on the basis of which Parliament's accounts for the financial year 2011 were closed, namely:

(EUR)

(a) Available appropriations	
appropriations for 2011:	1 685 829 393
non-automatic carry-overs from financial year 2010:	9 240 000
automatic carry-overs from financial year 2010:	231 028 630
appropriations corresponding to assigned revenue for 2011:	23 815 077
carry-overs corresponding to assigned revenue from 2010:	110 017 852
Total:	2 059 930 952
(b) Utilisation of appropriations in the financial year 2011	
commitments:	1 843 611 385
payments made:	1 580 302 842
appropriations carried forward automatically including those arising from assigned revenue:	330 492 631
appropriations carried forward non-automatically:	21 700 000
appropriations cancelled:	126 481 634
(c) Budgetary receipts	
received in 2011:	173 293 432
(d) Total balance sheet at 31 December 2011	
	1 565 534 440

21. Notes that authorised appropriations in Parliament's initial budget for 2011 totalled EUR 1 685 829 393, representing a 5 % increase over the 2010 budget (EUR 1 607 363 235), and that no amending budget was introduced in 2011, contrary to 2010;

⁽¹⁾ Report on budgetary and financial management — Section I — European Parliament — Financial year 2011 (OJ C 164, 9.6.2012, p. 1).

22. Notes that in 2011, 93 % (96 % in 2010) of the final appropriations were committed, with a cancellation rate of 6 % (3 % in 2010), and that, as in previous years, a high level of budget implementation was achieved; further notes the rapid increase in the appropriations cancelled, originating, in large measure, from the non-payment, in 2011, of the staff annual salary adjustment of 1,7 %, following the relevant Council decision;
23. Is concerned about the significant increase of carry-overs into 2011 (EUR 240 268 630 ⁽¹⁾) and calls for improved planning of expenditure; calls on the administration to reverse this trend in the run up to future European elections;
24. Notes that the Union's budget for 2011 totalled EUR 141,9 billion in commitment appropriations, of which Parliament's budget accounted for EUR 1 686 million; further notes that this figure represents just over 1 % of the Union's budget and amounts to 20 % of the amount of EUR 8 454 million set aside for the 2011 administrative expenditure of the Union institutions as a whole, in line with the Interinstitutional Agreement between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management;
25. Welcomes the fact that no mopping-up transfers took place between 2011 and 2012; calls again on its administration to pursue the objective of better and clearer budget planning and discipline and that, in the interests of budgetary clarity, buildings expenditure, or any other expenditure of similar size, be entered individually in the budget rather than being financed through underspends;
26. Notes that, in 2011, the four chief headings of the Parliament's budget were 'officials and temporary staff', 'buildings and associated costs', 'Members and expenditure relating to parliamentary assistance', accounting for 70 % of the total commitments;
27. Recalls that the amount of EUR 85,9 million repaid by Belgium to Parliament at the beginning of 2010 and earmarked for building projects is to be considered as external assigned revenue under Article 21 of the Financial Regulation;

Parliament's accounts

28. 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 statement that no issues requiring a reservation have been brought to his attention;
29. Recalls the decision by its President concerning the adoption of the accounts for the financial year 2011 on 11 July 2012;

Statement of assurance by the Secretary-General

30. Welcomes the Secretary-General's statement, dated 24 April 2012, in his capacity as Principal Authorising Officer by Delegation, concerning the authorising officers' annual activity reports for 2011, 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;

Court of Auditors Annual Reports concerning the financial year 2011

Court of Auditors' opinions

31. Welcomes the fact that the audit of the Court of Auditors found that the supervisory and control systems of administrative expenditure as a whole, that are required by the Financial Regulation, were effective and that the payments of administrative expenditure in 2011 were not affected by material errors;

Payment of social allowances and benefits to staff members

32. Takes note of the specific finding concerning Parliament contained in the annual reports of the Court of Auditors for 2011, as well as Parliament's replies, concerning the information available to the Parliament's services on the personal and family situation of staff members was either not up-to-date or not properly processed and that in a single case, it led to overpayments; takes note that the recovery of overpayments began in that case in November 2011, and deductions were made from the pay of the staff member concerned; encourages, however, stricter controls to avoid overpayments in future;

⁽¹⁾ Automatic carry-overs: EUR 231 028 630, non-automatic carry-overs: EUR 9 240 000.

Employment of accredited parliamentary assistants (APAs) rules

33. Takes note, furthermore, that under the Internal Rules for the employment of APAs, the latter are allowed to submit the medical certificate and other documents required for the conclusion of contracts within three months after the date on which the contract for their initial recruitment takes effect, and that since this derogation contradicts the provisions set out in Articles 128 and 129 of the CEOS, those articles should be brought into line with the rules applicable to accredited assistants; also notes that, as regards compliance with the requirement concerning the knowledge of languages, in none of the 10 cases audited were there documents on file proving that checks had been performed;
34. Endorses the responses given by Parliament in the contradictory procedure with the Court of Auditors;

Performance of the ex-ante verification of recruitment procedures

35. Notes the Court of Auditors' finding that, in those file procedures for the recruitment of APAs that were audited, there were no documents on file proving that the *ex-ante* checks of recruitment documents had been performed; notes the answer of Parliament's relevant services that, after revision of checklists and the introduction of cross-checking, the underlying documentation for those verifications is now being kept;

Procurement

36. Regrets that the Court of Auditors found weaknesses in the application of selection and award criteria for 2 out of 10 procurement procedures of Parliament that it audited relating to the maintenance of buildings and to printing services; calls again on the Bureau to reconsider all control mechanisms for public procurement in order to guarantee the most competitive prices for the goods and services that are offered;
37. Regrets that due to a reduction in administrative burden for low value contracts, aimed at increasing SME participation in tenders for these contracts, the administration does not dispose of the number of SMEs that secured low value contracts; therefore the Secretariat-General is not able to show whether or not the reduction in administrative burden actually led to an increased SME participation and thus the effectiveness of the measures taken; requests to monitor the number of SMEs that secured low value contracts;

Hearing of the Internal Auditor and the Internal Auditor's annual report

38. Notes that at the competent committee's meeting with the Internal Auditor held on 22 January 2013, the Internal Auditor presented his annual report signed 26 July 2012, stating that, in 2011, he performed the following audit work on Parliament's administration:
- a specific review of the internal control framework,
 - a follow-up to the audit of the public procurement process in Directorate-General for the Presidency (DG Presidency),
 - a follow-up to the audit of the parliamentary assistance allowance,
 - a follow-up to the audit of the processing of payment requests,
 - an audit of the public procurement process and of contract implementation in Directorate-General for Innovation and Technological Support (DG ITEC),
 - an audit of the Establishment of the Payroll,
 - a follow-up to the audit of building policy: planning, assessment & management of accommodation needs,
 - an audit of the public procurement process in Directorate-General for Communication (DG Communication);
39. Points out that among the more significant conclusions set out in the Internal Auditor's annual report were the following:
- that the audit of Parliamentary Assistance Allowance revealed the need to strengthen the framework for the remuneration of privately employed local assistants, the number of which vary widely from Member to Member, and to obtain more assurance concerning the services rendered by service providers,

- that for certain directorates-generals' procurement processes there is a need to better substantiate recourse to exceptional negotiated procedures and to ensure that the outcome of negotiation is based on documented analyses that are measurable against relevant value-for-money benchmarks,
- that in several occurrences the evaluation methodology applied for public procurement process was not sufficiently documented in the evaluation reports and minutes or it differed from that announced in the tender specifications and that the evaluation method defined in the specifications must give sufficient weighting to the price criterion in relation to other criteria and must ensure the use of the best 'price-quality' ratio;

40. Notes and supports the views expressed by the Internal Auditor as to:

- the importance, for certain departments, of implementing the new central guidelines on sensitive posts and risk management, of developing performance indicators, of completing the documentation of internal control and management procedures and of reducing delays in the regularisation of budgetary expenditure,
- the importance of ensuring that, during a public procurement process, the evaluation committee fully, clearly and comprehensively substantiates its conclusions in its report and that the evaluation process is free from any indication of unequal treatment of the tenderers;

Audit of the internal control framework

41. Recalls that the original review of the internal control framework in 2003 and 2004 resulted in 14 audit reports covering all departments and the central services and containing 452 agreed actions aimed to improve the overall levels of:

- compliance with the institution's minimum standards of internal control,
- the achievement of the institution's key control objectives (compliance with applicable laws, regulations and policies; reliability of management information and recording; and the economy, effectiveness and efficiency of operations);

Remaining 'open actions'

42. Recalls that successive follow-up audits of the implementation of 452 actions took place in 2005/2006 and 2007/2008 and, in one department with a high proportion of open actions, also in 2009; emphasises that the outcome of this series of audits was that 68 actions of the original review of the internal control framework remained open at the end of 2010;
43. Notes with satisfaction that the Internal Audit Service continues to give priority to the review of the internal control framework initiated in 2003; takes note of the fact that, as of 30 September 2011, after successive follow-up audits, 38 actions remained uncompleted out of the 452 actions initially agreed; welcomes that fact that none of those actions is classified as critical by Internal Audit service; calls on the departmental and central management to implement the remaining 38 overdue 'open actions' before the end of the current legislative term;
44. Welcomes the fact that in June 2011, a firm of external assessors certified that the Internal Audit Service of the Parliament complies with the definition of Internal Auditing, with the Code of Ethics and with the Standards and that this represents the highest level of compliance; encourages the Internal Audit Service to build on the good foundation already in place and align the Internal Audit Service further with leading practices; acknowledges that during the second half of 2011, the Internal Audit Service already implemented several important elements of the suggestions for improvement received and that the remaining action plan was to be executed over the period through to the end of 2012;

45. Stresses that in line with transparency policies towards the citizens of the Union a summary of the number and type of internal audits carried out, the recommendations made and the action taken on those recommendations, should be made available after some time on the website of the Parliament; would like to be informed which of those documents are not yet available to the public and the reasons why;

Follow-up by the Secretary-General to the 2010 discharge resolution

46. Welcomes the written answers to the 2010 discharge resolution provided to the Committee on Budgetary Control on 16 November 2012; regrets however that it was not possible to receive those answers before the start of the 2011 discharge exercise; expects that, for the 2012 discharge exercise, it will be possible for an exchange of views between the Secretary-General and the Committee on Budgetary Control to take place before the end of October 2013;
47. Welcomes the formal decision to discontinue the Prize for Journalism that in 2011 represented an expenditure of EUR 154 205 as proposed by the Committee on Budgetary Control and voted in Plenary in the 2010 discharge report; acknowledges that contacts with journalists were reinforced in the Member States by organising thematic seminars in the capital cities, thereby using the Parliament's existing administrative capacity, while providing journalists with an opportunity to exchange views with Members and to acquire a complete understanding of Parliament's structure and role in the legislative process;
48. Requests for the second time, after the first request relating to the discharge procedure was made in 2010, a full report on how Parliament's Free Software projects have developed with regard to use and users in Parliament, citizen interaction and procurement activities; invites for the second time to investigate, in a full study, Parliament's obligations under Rule 103 of its Rules of Procedure with regard to Free Software and Open Standards; regrets that Free Software and Open Source solutions are not more widely used in the Parliament's IT infrastructure;
49. Notes the Secretary-General's reply indicating that Parliament allowances covered 1 599 accredited assistants' contracts and 2 868 local assistants' contracts in 2011;

Management of Parliament's administration

50. Points to the excellent quality of Parliament's Interpretation and Translation services; notes that they continue to constitute a considerable part of Parliament's budget; notes that the decision on the 'Resource efficient full multilingualism in interpretation' taken by the Bureau in 2011 increases the efficiency of interpretation services and reduces their structural costs; calls on Parliament to bring forward a detailed document on the structure of translation and interpretation costs and measures to decrease further these costs and improve the efficiency of the services, without compromising overall quality;
51. Notes that 192 members of staff report to the Directors-General without going through a Director; asks the Secretary-General to review this situation to ensure that 'cabinets' for Directors-General are not being created unofficially; asks the Secretary-General to include in the review an assessment of the grades, powers and responsibilities of those members of staff;

Activity reports by the Directors-General

52. Notes that Directors-General report annually on the performance of their duties in activity reports that constitute an internal management tool the primary purpose of which is to give the Secretary-General a clear overview of the workings of the administration, and in particular of any weaknesses; observes that, for the annual activity reports in respect of the financial year 2011, no authorising officer has included reservations in their declarations concerning the identification, by Directors-General, of significant problems in the way resources have been used or the failure of control procedures to ensure the legality and regularity of transactions;

53. Points out that each directorate-general's activity report includes, as an annex, a list of exceptions, itemising derogations from applicable regulations and standard procedures; expresses concern that, for some directorates, the number of such exceptions remains elevated and suggests that further effort should be made to avoid recourse to this expedient in order to correct anomalous situations;

DG Presidency

54. 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 procurement procedures and budgetary operations;
55. Reiterates that the area of security is a very sensitive sector in any parliament, but even more so in a multinational one, with high visibility and constant visits from Heads of State and government; notes that the average daily presence in the Parliament's premises in Brussels is 12 000;
56. Takes note of the Bureau's adoption, by unanimity, of the 'New global security concept' on 6 July 2011 which includes the idea of reserving the various entrances to Parliament for different categories of users; requests to be informed of the implementation of the 'New global security concept' by the end of 2013;
57. Notes that Parliament expects that the internalisation of security services will reduce costs in Brussels and Strasbourg by EUR 11 250 000 in the period 2013 to 2016 and by EUR 5 640 000 for each year thereafter; seeks assurances that the highest standards will be established and maintained for targeted security through a continuous training programme; demands a yearly report with detailed information on the development of the costs of the security service, including the accrued costs for pensions of staff employed in these services, and the measures taken to ensure the scope and quality of the service;
58. Reiterates its wish that Members will be subject to electronic control when entering or leaving the Parliament's premises to increase security;
59. Requests to receive information from the Secretariat-General on the procedure to be followed on the evaluation of the joint transparency register, which is due to take place in 2013, according to the inter-institutional agreement reached in 2011;
60. Notes that more than 1 500 staff have their children enrolled in the European Schools, and is therefore surprised to learn that Parliament does not play any role in the Governance of the European School system;
61. Calls on the Secretary-General to investigate which role Parliament could play in the governance of the European School system, given the high number of staff who rely on them for educating their children, and report back to the competent committee before the end of the year;

Directorate-General for Finance (DG Finance)

Travel Agency

62. Takes note of the fact that the contract with the current travel agency expires on 31 December 2013 and that the preparations of a new call for tenders have started; regrets that, while the possibility of a financial audit was provided for in the contract, this is not the case for an audit of the structure and performance of the travel agency; insists that a future contract should include the possibility of intermediary and final financial and performance audits; as requested by the Committee on Budgetary

Control, welcomes the fact that the administration will also have recourse to external expertise when establishing tender documentation and throughout the selection procedure, thereby ensuring that Parliament chooses the best solution, resulting in major simplifications and cost-savings; stresses that the new contract should take into account the best quality/price ratio and the best value for money with competitive prices;

DG Communication

Parliaments' Communication Policy

63. Welcomes the finalisation by the Bureau on 23 March 2011 of an Action Plan for the period 2011-2014 which aims at implementing the Parliament's updated Communication Strategy; notes that the Action Plan focuses on the 2014 parliamentary elections and that it defines a set of 21 specific activities in order to raise the citizens' awareness of and encourage their participation in Parliament's legislative work;
64. Welcomes the fact that the new visitors' centre has been a success judged in terms of the number of visitors (253 000) it received in its first year of activity;
65. Insists that the communication budget must be used only to provide citizens with factual information on Union policies; stresses that this also applies to social media activities;
66. Regrets that the audience of Europarl TV, although greater in 2011 as compared with 2010 ⁽¹⁾, continues to be very low in the case of direct individual users (excluding viewers through partnership agreements with regional TVs) despite the considerable financing that it still received in 2011, amounting to some EUR 8 000 000 (item 3 2 4 6); regrets further that no cost-benefit evaluation of Europarl TV has been made, despite the fact that this was requested by plenary in its resolution on discharge 2010; notes the decision of the Bureau of 12 December 2012 to implement a set of reforms in order to achieve significant savings; expects that such a cost- benefit evaluation is presented before the 2012 discharge procedure;
67. Expresses concern over the increased cost of the Lux Prize in 2011 ⁽²⁾; calls for a more cost-efficient management of this prize and therefore suggests the Internal Auditor might consider reviewing its administration to achieve this goal; strongly suggests that a clear maximum ceiling should be set for the costs of the event;
68. Notes that a business plan for the House of European History in Brussels was approved by the Bureau on 26 September 2011 and that the Commission has declared its willingness to make an unspecified contribution to the running costs of the project and will communicate to Parliament before the end of the summer 2013 the terms of such contribution; regrets that no contribution is expected from the Commission towards the set-up costs of the project;
69. Welcomes the new procedure enabling the recovery of overpayments following payments for hosting visitor groups; considers it a pity that the option of payment by bank transfer should be available only for transfers to personal accounts, with no provision for transfers to the accounts of organisations; is concerned about the significant security risk entailed in making cash payments to visitor groups, the sums in question being as much as EUR 30 000 plus, with Parliament distributing up to EUR 388 000 in a day; points out that Directive 2005/60/EC of the European Parliament and of the Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing ⁽³⁾ requires particular care to be taken with transactions involving sums of more than EUR 15 000, an amount that is regularly exceeded in Parliament's payments to visitors;

⁽¹⁾ Direct visits per month on the website: 2010: 30 000; 2011: 39 559.

⁽²⁾ The figures in 2011: EUR 573 722; the figures in 2010: EUR 380 666.

⁽³⁾ OJ L 309, 25.11.2005, p. 15.

Directorate-General for Internal Policies (DG IPOL)

70. Points out that a new Directorate for Impact Assessment has been set up within DG IPOL in July 2011 by decision of the Bureau; notes that the Directorate's main objective is to provide the Parliament with independent impact assessments in order to support its legislative work; welcomes that the Directorate's creation has been budgetary neutral;

DG ITEC*Parliament's Information technology policy*

71. Calls for an overall analysis by an independent body of the sound financial management, effectiveness and efficiency of contracts with external service providers in the IT area with particular regard to:

- needs assessment,
- the method of selection,
- the most suitable type of contract,
- the possible loss of management control through excessive externalisation, and
- transparency of fee/billing mechanisms;

72. Regrets the overdependence on external (technical) expertise, especially in IT sectors, resulting from structural imbalances between internal and external resources; points out that externalisation of IT activities should always ensure that the management and control of that function remains within Parliament and that threats to the security and confidentiality of data are properly assessed and mitigated;

Directorate-General for Infrastructure and Logistics (DG INLO)

73. Calls on the Secretary-General to present a plan to the Bureau to address and improve the catering service due to the increased numbers of customers in Parliament's canteens, restaurants and bars (overall activities increased by around 150 % from 2002 to 2011, from 1,472 million customers in 2002 compared to 3,711 million customers in 2011);

Parliaments' Buildings policy

74. Notes the following decisions taken by Bureau in 2011, in the context of the medium-term buildings strategy adopted in 2010, to carry out a number of important projects with a view to bringing the buildings into use from the start of the next parliamentary term:

- in Brussels: the purchase of the Trebel Building and the signing of a long-term rental contract with an option to purchase in respect of Montoyer 70,
- in Strasbourg: the purchase of the Vaclav Havel Building so that it can house the Ombudsman and his staff, freeing up office space for Members in the central buildings,
- in Luxembourg: continuing renovation and extension of the Konrad Adenauer Building in accordance with the terms of the Bureau decision of 12 January 2012, with enhanced partnership arrangements involving the Luxembourg Government,

- in Sofia: the preliminary agreement for purchase of the new building for the Europe House, Sofia, for EUR 9 million, was signed on 7 July 2011,
 - the implementation of an enhanced maintenance policy in Brussels and Strasbourg so as to guarantee maximum safety and optimum use of facilities,
 - the launching of a systematic renovation policy, based on a set timetable, given the age of Parliament's oldest buildings;
75. Acknowledges that a new methodology, similar to provisions adopted by the Commission, was established in 2011 for the survey and procurement of property; notes that under the new methodology transparency and competition will be further strengthened through the publication of procurement-related documents in the Official Journal; observes that the new methodology has already been implemented by the Buildings Committee to examine the applications and bids received for the property market survey in Brussels, i.e. the replacement of the Eastman and Montoyer 63 buildings and the search for new premises;
76. Points out that any property and buildings strategy must also take account of the rising costs of maintaining the buildings purchased;
77. Notes the failure to select candidates in connection with the invitation to tender for the Konrad Adenauer Building project because the proposed prices submitted in response to the invitation to tender were very much higher than the estimates; supports the decision by the authorising officer by delegation not to award the contract; expects the global price of the project not to exceed the EUR 482,7 million anticipated in October 2011;
78. Notes in this respect that all contracts promoted by Parliament related to construction of buildings and fitting out works should be put to tender on the broadest possible base, and always at European level; recommends that, if, by way of exception, the negotiated procedure is used, prices should be based on construction costs, including strict reasonable margins for the economic operators;
79. Regrets that, for the second time, structural defects have been discovered in Parliament's buildings, this time in the wooden ceiling beams of Parliament's Brussels Chamber; calls on DG INLO to make a full review of the structural situation of all of Parliament's buildings starting with those ones which still are guaranteed by the project developer against hidden faults, if possible with the support of a few selected experts from the national building offices of different Members States, making full use of in-house accumulated knowledge; calls on the Secretary-General to present a plan to the Bureau soon with all the technical details for these works plus the costs involved;

Public procurement

80. Emphasises that it is essential that public procurement processes are consistent with and help to meet Parliament's needs; stresses that they should comply with the regulatory requirements and the fundamental principles governing public procurement, with the contract provisions and with the criteria used in the tender evaluation procedure, and be subject to adequate control systems to monitor the execution of orders issued using the framework contracts;
81. Draws attention to the fact that, during public procurement procedures, different interest are involved, but not always aligned between the public and the private sector and that public procurement is a high-risk area which requires continuous close attention and where constant advanced planning of the needs is critical;

82. Stresses that, as a result of a complex legal environment and highly complex factual necessities, there are, at each stage of the procurement process (initially assessing needs, preparing the call for tender, drawing up the calls for tender and the specifications, contacting tenderers, opening of tenders, evaluating tenders, taking the award decision, concluding contracts) significant risks to the achievement of objectives;
83. Recalls that during public procurement the likelihood of potential conflicts of interest should not be dismissed but addressed properly and that Parliament should reinforce and maintain in place its verification mechanisms to enable a proper management and prevention of potential conflicts of interest;
84. Notes that, in 2011 and 2012, the Internal Audit Service carried out a comprehensive audit of the public procurement process and of contract implementation in DG ITEC and that the final report adopted on June 2012 comprised a six-point action plan to address the issues raised; notes further that it was agreed with DG ITEC's management that that action plan would be implemented by 31 December 2012; points out that that tender specifications are by nature highly complex in that they combined multiple lots, technical profiles and contract implementation methods;
85. Welcomes the fact that the abovementioned audit concluded that DG ITEC has succeeded in remedying many of the procedural deficiencies observed during the first transversal audit of procurement in 2005 and 2006; notes with regret, however, that the following shortcomings were identified:
- that there were inefficiencies in the complex approach to the ITS 08 procurement procedure,
 - that there is significant scope for increasing the proportion of IT services provided off-site, and
 - that the recourse to exceptional negotiated procedures needs to be better substantiated and that the outcome of negotiation is based on documented analyses that are measurable against relevant value-for-money benchmarks;

Annual report on contracts awarded

86. Notes that central services established, on the basis of information provided by authorising departments, the annual report to the budgetary authority on contracts awarded in 2011 and further notes the following breakdown of all contracts awarded in 2011 and 2010:

Type of contract	2011		2010	
	Number	Percentage	Number	Percentage
Services	162	68 %	145	67 %
Supplies	42	18 %	40	19 %
Works	29	12 %	27	12 %
Building	5	2 %	4	2 %
Total	238	100 %	216	100 %

Type of contract	2011		2010	
	Value (EUR)	Percentage	Value (EUR)	Percentage
Services	367 969 100	64 %	171 589 038	67 %
Supplies	158 467 814	27 %	45 467 211	17 %
Works	33 142 238	6 %	22 128 146	8 %
Building	15 881 213	3 %	22 269 303	9 %
Total	575 460 365	100 %	261 453 698	100 %

(Annual report on the contracts awarded by the European Parliament, 2011, p. 5)

87. Notes the breakdown of contracts awarded in 2011 and 2010 by type of procedure used as follows:

Type of procedure	2011		2010	
	Number	Percentage	Number	Percentage
Open	89	37 %	72	33 %
Restricted	11	5 %	6	3 %
Negotiated	133	56 %	138	64 %
Competition	2	1 %		
Exception	3	1 %		
Total	238	100 %	216	100 %

Type of procedure	2011		2010	
	Value (EUR)	Percentage	Value (EUR)	Percentage
Open	408 913 061	71 %	143 603 024	55 %
Restricted	126 310 563	22 %	10 456 576	4 %
Negotiated	30 974 647	5 %	107 394 098	41 %
Competition	4 668 600	1 %		
Exception	4 593 494	1 %		
Total	575 460 365	100 %	261 453 698	100 %

(Annual report on the contracts awarded by the European Parliament, 2011, pp. 6-7)

88. Notes that of a total of 238 contracts awarded in 2011, 100, with a value of EUR 535 million, were based on open or restricted procedures, and 133, with a value of EUR 31 million, were based on negotiated procedures;

Political Groups (budget item 4 0 0)

89. Notes that, in 2011, the appropriations entered under budget item 4 0 0 were used as follows:

Group	2011					2010				
	Annual appropriations (*)	Own resources and carried-over appropriations	Expenditure	Rate of use of annual appropriations	Amounts carried over to next period	Annual appropriations	Own resources and carried-over appropriations	Expenditure	Rate of use of annual appropriations	Amounts carried over to next period (2011)
EPP (formerly EPP-ED)	20 336	1 918	20 442	100,42 %	1 832	19 990	2 392	20 662	103,36 %	1 720
S&D (formerly PSE)	14 302	5 499	13 696	95,76 %	6 105	14 011	4 629	13 359	95,35 %	5 281
ALDE	6 477	2 416	6 676	103,07 %	2 217	6 262	2 240	6 160	98,37 %	2 342
Greens/EFA	4 025	1 242	3 820	94,91 %	1 447	3 896	1 188	3 893	99,92 %	1 191
GUE/NGL	2 535	1 088	2 553	100,71 %	1 070	2 531	1 065	2 525	99,76 %	1 071
UEN	—						—			
IND/DEM	—						—			
ECR	3 831	720	3 375	88,09 %	1 176	3 648	398	3 362	92,16 %	684
EFD	2 088	835	2 046	98,03 %	876	2 201	419	1 799	81,74 %	821
Non-attached Members	1 270	409	924	72,72 %	413	1 234	248	828	67,10 %	409
Total	54 866	14 126	53 514	97,53 %	15 137	53 773	12 579	52 588	97,80 %	13 519

(*) All amounts in thousand EUR.

After the European elections in 2009 the UEN and IND/DEM groups ceased to exist and two new groups ECR and EFD were created.

European Political Parties and European Political Foundations

90. Notes that, in 2011, the appropriations entered under budget item 4 0 2 were used as follows ⁽¹⁾:

Party	Abbreviation	Own resources (*)	EP grant	Total revenue	EP grant as % of eligible expenditure (max. 85 %)	Revenue surplus (transfer to reserves) or loss
European People's Party	EPP	1 801	6 184	7 985	85 %	269
Party of European Socialists	PES	939	4 118	5 057	85 %	51
European Liberal Democrat and Reform Party	ELDR	672	1 816	2 488	85 %	52
European Green Party	EGP	686	1 299	1 985	84 %	204
Alliance of European Conservatives and Reformists	AECR	204	633	837	85 %	0
Party of the European Left	EL	241	847	1 088	85 %	64
European Democratic Party	EDP/PDE	73	371	444	85 %	0
European Free Alliance	EFA	128	392	520	85 %	8
EUDemocrats	EUD	20	167	187	85 %	- 19
European Christian Political Movement	ECPM	72	260	332	84 %	4
European Alliance for Freedom	EAF	71	368	439	85 %	6
Total		4 907	16 455	21 362	85 %	639

(*) All amounts in thousand EUR.

91. Notes that, in 2011, the appropriations entered under budget item 4 0 3 were used as follows ⁽²⁾:

Foundation	Abbreviation	Affiliated to party	Own resources (*)	EP grant	Total revenue	EP grant as % of eligible expenditure (max. 85 %)
Centre for European Studies	CES	EPP	711	3 865	4 575	85 %
Foundation for European Progressive Studies	FEPS	PES	514	2 709	3 223	85 %
European Liberal Forum	ELF	ELDR	146	805	951	85 %

⁽¹⁾ Source: Bureau minutes (i) of 26 June 2012, point 34 (SG note D(2012)31558, PE469.487/BUR) and (ii) of 30 August 2012, point 26 (SG note D(2012)42643).

⁽²⁾ Source: Bureau minutes (i) of 26 June 2012, point 34 (SG note D(2012)31558, PE469.487/BUR) and (ii) of 30 August 2012, point 26 (SG note D(2012)42643).

Foundation	Abbreviation	Affiliated to party	Own resources (*)	EP grant	Total revenue	EP grant as % of eligible expenditure (max. 85 %)
Green European Foundation	GEF	EGP	152	851	1 002	85 %
Transform Europe	TE	EL	134	549	683	85 %
Institute of European Democrats	IED	PDE	35	191	226	85 %
Organisation For European Interstate Cooperation	OEIC	EUD	7	108	116	85 %
Centre Maurits Coppieters	CMC	EFA	44	250	294	85 %
New Direction	ND	AECR	114	566	680	85 %
European Christian Political Foundation	ECPF	ECPM	25	115	140	82 %
European Foundation for Freedom	EFF	EAF	51	236	287	82 %
Total			1 933	10 244	12 177	85 %

(*) All amounts in thousand EUR.

Environment-friendly Parliament

92. Takes note that that the Parliament has 10 service bicycles available for Members and staff during the Strasbourg sessions, in addition to the 40 bicycles made available by the city of Strasbourg; reiterates it's request that these figures should experience a reasonable increase in view of the limited costs involved and strong demand;
93. Takes the view that the possibility should be considered of making both environmental improvements and smart savings in Parliament's budget by means of different working methods and modern technologies which are greener and cheaper but which do not detract from Parliament's work, including the use of teleconferences;
94. Would like to be informed about the total kWh produced by Parliament's solar panels;
95. Reiterates its support for the pilot project on E-committee; strongly suggests that Members should be given the option in this context to choose whether or not to receive paper documentation in Committee meetings in order to significantly reduce the use of paper in Parliament.

DECISION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****on discharge in respect of the implementation of the European Union general budget for the financial year 2011, Section II — European Council and Council**

(2013/536/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2011 ⁽¹⁾,
- having regard to the consolidated annual accounts of the European Union for the financial year 2011 (COM(2012) 436 – C7-0226/2012) ⁽²⁾,
- having regard to the Annual Report of the Court of Auditors on implementation of the budget for the financial year 2011, together with the institutions' replies ⁽³⁾,
- having regard to the statement of assurance ⁽⁴⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2011 pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to Article 314(10) and Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
- 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 Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽⁶⁾, and in particular Articles 164, 165 and 166 thereof,
- having regard to Decision No 31/2008 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 ⁽⁷⁾,
- 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 ⁽⁸⁾,
- having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
- having regard to the report of the Committee on Budgetary Control (A7-0061/2013),

⁽¹⁾ OJ L 68, 15.3.2011.⁽²⁾ OJ C 348, 14.11.2012, p. 1.⁽³⁾ OJ C 344, 12.11.2012, p. 1.⁽⁴⁾ OJ C 348, 14.11.2012, p. 130.⁽⁵⁾ OJ L 248, 16.9.2002, p. 1.⁽⁶⁾ OJ L 298, 26.10.2012, p. 1.⁽⁷⁾ Decision stemming from the Rules of Procedure of the Council of 22 July 2002 (OJ L 230, 28.8.2002, p. 7).⁽⁸⁾ OJ C 139, 14.6.2006, p. 1.

1. Postpones its decision on granting the Secretary-General of the Council discharge in respect of the implementation of the European Council's and the Council's budget for the financial year 2011;
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 European Council, the Council, the Commission, the Court of Justice of the European Union, 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

Martin SCHULZ

The Secretary-General

Klaus WELLE

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****with observations forming an integral part of the Decision on discharge for implementation of the European Union general budget for the financial year 2011, Section II — European Council and Council**

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2011 ⁽¹⁾,
 - having regard to the consolidated annual accounts of the European Union for the financial year 2011 (COM(2012) 436 – C7-0226/2012) ⁽²⁾,
 - having regard to the Annual Report of the Court of Auditors on implementation of the budget for the financial year 2011, together with the institutions' replies ⁽³⁾,
 - having regard to the statement of assurance ⁽⁴⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2011 pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to Article 314(10) and Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
 - 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 Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽⁶⁾, and in particular Articles 164, 165 and 166 thereof,
 - having regard to Decision No 31/2008 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 ⁽⁷⁾,
 - 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 ⁽⁸⁾,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0061/2013),
- A. whereas the conclusions of the European Council of 18 and 19 October 2012 pointed out that 'democratic legitimacy and accountability should be further explored',
- B. whereas Parliament's Committee on Budgetary Control is for the first time analysing the European Council's implementation and management of its administrative budget,
- C. whereas all Union institutions ought to be transparent and fully accountable to the citizens of the Union for the funds entrusted to them as Union institutions,

⁽¹⁾ OJ L 68, 15.3.2011.⁽²⁾ OJ C 348, 14.11.2012, p. 1.⁽³⁾ OJ C 344, 12.11.2012, p. 1.⁽⁴⁾ OJ C 348, 14.11.2012, p. 130.⁽⁵⁾ OJ L 248, 16.9.2002, p. 1.⁽⁶⁾ OJ L 298, 26.10.2012, p. 1.⁽⁷⁾ Decision stemming from the Rules of Procedure of the Council of 22 July 2002 (OJ L 230, 28.8.2002, p. 7).⁽⁸⁾ OJ C 139, 14.6.2006, p. 1.

1. Notes with satisfaction that, on the basis of its audit work, the Court of Auditors concluded that the payments as a whole for the year ended on 31 December 2011 for administrative and other expenditure of the institutions and bodies were free from material error;
2. Points out that in the 2011 annual report, the Court of Auditors included observations on the European Council and the Council concerning procurement procedures relating to cleaning services and the purchase of service clothing and shoes, in which certain weaknesses in the application of selection and award criteria were identified;
3. Takes note of the replies given to the Court of Auditors' observations and concurs with the Court of Auditors' recommendations that authorising officers should improve the design, coordination and performance of procurement procedures through appropriate checks and better guidance; also recommends stricter application of the procurement rules, with which all the Union institutions are bound to comply;
4. Notes that in 2011, the European Council and the Council had commitment appropriations of EUR 506 842 003,08 (EUR 642 000 000 in 2010) available, with a utilisation rate of 90 %, lower than in 2010; is concerned that the underspend rate has risen and continues to be high; calls for the budget underspend rate to be improved and for the changes made to be monitored, and suggests the development of key performance indicators within the most critical areas, such as delegations' travel envelopes, logistics and interpretation;
5. Emphasises the role that the Treaty on the Functioning of the European Union gives Parliament in respect of the budget discharge;
6. Considers that the budget of the European Council and the Council should be separated in order to contribute to the transparency of their financial management and to better accountability of both institutions;
7. Notes that, contrary to what the Council has claimed, there is no Parliament-Council 'gentlemen's agreement' concerning discharge for the Council;
8. Reiterates its hope that Parliament will receive the complete annual activity report, including a comprehensive overview of all the human resources broken down by category, grade, gender, nationality and vocational training; points out that Parliament's legal service, as well as independent legal experts, agree that Parliament has a right to that information;
9. Hopes that Parliament will receive the internal budget decisions of the Council;
10. Takes special note of and voices concern at the Internal Audit recommendations for the year 2011 in relation to IT consultant contracts and security contracts, where weaknesses continue to exist in the financial management and the procurement procedures;
11. Is concerned about the follow-up applied to financial auditing carried out before 2010, in the context of which some recommendations relating to the 2007, 2008 and 2009 working programmes remain unimplemented; urges the Council to take concrete measures to improve the implementation of those recommendations;
12. Takes note of the fact that the Council has taken measures to improve the performance of the 'Europa building' project, and in particular on having set up a permanent team to follow the carrying-out of the project together with the reporting plan and the creation of a document platform;
13. Calls on the Council to provide a thorough written explanation detailing the total amount of appropriations used in the purchase of the Résidence Palace building, the budget items from which those appropriations were drawn, the instalments that have been paid thus far, the instalments that remain to be paid, and the purpose that the building will serve no later than 1 July 2013;

14. Takes note of the fundamental changes for the budget of the year 2011, with the creation of the European External Action Service (EEAS) and the reduction of expenditure envisaged for the functioning of the European Council and the Council;
15. Is dismayed that the creation of the EEAS was not anticipated in the draft budget 2011; takes note that an increase of appropriations was necessary in order to prepare for the accession of Croatia and to reinforce the office of the President of the European Council;
16. Calls on the Council to submit detailed information on the Service Level Agreements established with the EEAS and the concrete administrative modernisation measures taken to promote administrative modernisation; is of the opinion that the Council's human resources management has not been efficient enough;
17. Regrets that the Council continues to refuse to answer Parliament's questions and considers that effective supervision of the Union's budget implementation requires that the Council be willing to have an open and formal dialogue with Parliament's Committee on Budgetary Control; stresses the need for both institutions to have a satisfactory cooperation;
18. Reiterates that Parliament is still waiting for the reply of the Council on the actions and request for documents set out in its resolution of 10 May 2012 ⁽¹⁾; calls on the Secretary-General of the Council to provide Parliament's committee responsible for the discharge procedure with comprehensive written answers to these questions;
19. Reiterates that the expenditure of the Council must be scrutinised in the same way as that of other institutions; is of the opinion that the fundamental elements of such scrutiny are laid down in its resolution of 23 October 2012 ⁽²⁾;
20. Regrets the difficulties encountered in discharge procedures for the 2007, 2008, 2009 and 2010 financial years, which were due to lack of cooperation from the Council; points out that the Parliament refused to grant discharge to the Secretary-General of the Council in respect of the implementation of the Council's budget for the financial years 2009 and 2010 for the reasons set out in its resolutions of 10 May 2011 ⁽³⁾, 25 October 2011 ⁽⁴⁾, 10 May 2012 ⁽⁵⁾ and 23 October 2012 ⁽⁶⁾;
21. Recalls that during negotiations on a revised Financial Regulation, no agreement could be reached on ways in which the discharge procedure could be improved; believes that if the Council continues to refuse to cooperate with Parliament, Parliament's Committee on Budgetary Control is forced to introduce to the Commission its questions and request for information about the budget of the Council;
22. Reiterates that the Commission, in its reply of 25 November 2011 to the letter from the Chair of the Committee on Budgetary Control, says that it is desirable for Parliament to continue to give, postpone or refuse discharge to the other institutions – including the Council – as has been the case up until now;
23. Considers it desirable for Parliament to exercise its power to grant discharge pursuant to Articles 316, 317 and 319 of the Treaty on the Functioning of the European Union in line with current interpretation and practice, namely to grant discharge to each heading of the budget individually in order to maintain transparency and democratic accountability towards Union taxpayers;
24. Deplores the fact that the Council is not sufficiently transparent and stresses that all the Union institutions have a duty to respect the same standards in relation to transparency; is convinced that Parliament and the Council, as joint legislators, should apply the same standards of transparency and calls on the Council to improve its performance in this area without delay.

⁽¹⁾ OJ L 286, 17.10.2012, p. 23.

⁽²⁾ OJ L 350, 20.12.2012, p. 71.

⁽³⁾ OJ L 250, 27.9.2011, p. 25.

⁽⁴⁾ OJ L 313, 26.11.2011, p. 13.

⁽⁵⁾ OJ L 286, 17.10.2012, p. 23.

⁽⁶⁾ OJ L 350, 20.12.2012, p. 71.

DECISION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****on discharge in respect of the implementation of the general budget of the European Union for the financial year 2011, Section III — Commission and executive agencies**

(2013/537/EU, Euratom)

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2011 ⁽¹⁾,
- having regard to the consolidated annual accounts of the European Union for the financial year 2011 (COM(2012) 436 – C7-0224/2012) ⁽²⁾,
- having regard to the Commission's report on the follow-up to the discharge for the 2010 financial year (COM(2012) 585), and to the Commission staff working documents accompanying that report (SWD(2012) 340 and SWD(2012) 330),
- having regard to the Commission communication of 6 June 2012 entitled 'Synthesis of the Commission's management achievements in 2011' (COM(2012) 281),
- having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2011 (COM(2012) 563), and to the Commission staff working document accompanying that report (SWD(2012) 283),
- having regard to the Annual Report of the Court of Auditors on the implementation of the budget concerning the financial year 2011, together with the institutions' replies ⁽³⁾, and to the Court of Auditors' special reports,
- having regard to the statement of assurance ⁽⁴⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2011 pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 12 February 2013 on discharge to be given to the Commission in respect of the implementation of the budget for the financial year 2011 (05752/2013 – C7-0038/2013),
- having regard to Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union and Article 106a 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 ⁽⁵⁾, and in particular Articles 55, 145, 146 and 147 thereof,
- having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽⁶⁾, and in particular Articles 62, 164, 165 and 166 thereof,

⁽¹⁾ OJ L 68, 15.3.2011.⁽²⁾ OJ C 348, 14.11.2012, p. 1.⁽³⁾ OJ C 344, 12.11.2012, p. 1.⁽⁴⁾ OJ C 348, 14.11.2012, p. 130.⁽⁵⁾ OJ L 248, 16.9.2002, p. 1.⁽⁶⁾ OJ L 298, 26.10.2012, p. 1.

- having regard to Rule 76 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinions of the other committees concerned (A7-0116/2013),
- A. whereas under Article 17(1) of the Treaty on European Union the Commission shall execute the budget and manage programmes and shall do so, under Article 317 of the Treaty on the Functioning of the European Union in cooperation with the Member States on its own responsibility, having regard to the principle of sound financial management,
1. Grants the Commission discharge in respect of the implementation of the general budget of the European Union for the financial year 2011;
 2. Sets out its observations in the resolution that forms an integral part of its Decisions on discharge in respect of the implementation of the general budget of the European Union for the financial year 2011, Section III – Commission and executive agencies, and in its Resolution of 17 April 2013 on the Court of Auditors' special reports in the context of the 2011 Commission discharge ⁽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 of the European Union, the Court of Auditors, and the European Investment Bank, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

⁽¹⁾ Texts adopted, P7_TA(2013)0123 (see page 68 of this Official Journal).

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 17 April 2013**

with observations forming an integral part of its Decisions on discharge in respect of the implementation of the general budget of the European Union for the financial year 2011, Section III — Commission and executive agencies

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2011 ⁽¹⁾,
- having regard to the consolidated annual accounts of the European Union for the financial year 2011 (COM(2012) 436 – C7-0224/2012) ⁽²⁾,
- having regard to the Commission's report on the follow-up to the discharge for the 2010 financial year (COM(2012) 585), and to the Commission staff working documents accompanying that report (SWD(2012) 340 and SWD(2012) 330),
- having regard to the Commission communication of 6 June 2012 entitled 'Synthesis of the Commission's management achievements in 2011' (COM(2012) 281),
- having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2011 (COM(2012) 563), and to the Commission staff working document accompanying that report (SWD(2012) 283),
- having regard to the Annual Report of the Court of Auditors on the implementation of the budget concerning the financial year 2011, together with the institutions' replies ⁽³⁾ (Annual Report), and to the Court of Auditors' special reports,
- having regard to the statement of assurance ⁽⁴⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2011 pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 12 February 2013 on discharge to be given to the Commission in respect of the implementation of the budget for the financial year 2011 (05752/2013 – C7-0038/2013),
- having regard to the Council's recommendation of 12 February 2013 on discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2011 (05754/2013 – C7-0039/2013),
- having regard to Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union and Article 106a 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 ⁽⁵⁾, and in particular Articles 55, 145, 146 and 147 thereof,
- having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽⁶⁾, and in particular Articles 62, 164, 165 and 166 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 ⁽⁷⁾, and in particular Article 14(2) and (3) thereof,
- having regard to Rule 76 of, and Annex VI to, its Rules of Procedure,

⁽¹⁾ OJ L 68, 15.3.2011.

⁽²⁾ OJ C 348, 14.11.2012, p. 1.

⁽³⁾ OJ C 344, 12.11.2012, p. 1.

⁽⁴⁾ OJ C 348, 14.11.2012, p. 130.

⁽⁵⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁶⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁷⁾ OJ L 11, 16.1.2003, p. 1.

- having regard to the report of the Committee on Budgetary Control and the opinions of the other committees concerned (A7-0116/2013),
- A. whereas Europe is facing an economic and financial crisis in addition to a crisis of confidence in its institutions, a situation which requires Parliament to be particularly rigorous when scrutinising the accounts of the Commission,
- B. whereas the Court of Auditors was, for the 18th time in a row, unable to grant a positive statement of assurance regarding the legality and regularity of the payments,
- C. whereas Member States are currently negotiating the new Multiannual Financial Framework (MFF) 2014-2020,
- D. whereas in a situation of limitation of resources, caused by the economic and financial crisis, considers the need for the so-called 'Intelligent solidarity' - the use of Union funds to implement reforms, observe financial discipline and ensure political and economic stability,
- E. whereas, according to the Treaty on the Functioning of the European Union (TFEU), the Commission bears the ultimate responsibility for the implementation of the Union budget, while Member States are required to sincerely cooperate with the Commission to ensure that the appropriations are used in accordance with the principles of sound financial management,
- F. whereas Article 287 TFEU provides that '[t]he Court of Auditors shall provide the European Parliament and the Council with a statement of assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions ...',
- G. whereas performance audits measuring the extent to which spending has achieved the objectives pursued become ever more important,
- H. whereas the deficiencies in the customs system call for a better balance between reduced controls and an increase in *ex post* controls,
- I. whereas the Commission's management should be presented fairly with a view to reinforcing public trust in the institutions,
- J. whereas the Europe 2020 strategy for growth and jobs is an overarching strategy covering the activities of almost all the Commission services in charge of the internal policies, and whereas 2011 was the first full year during which the strategy was implemented,
- K. whereas the interinstitutional dialogue provided for in Article 318 TFEU should be the opportunity to stimulate a new culture of performance inside the Commission,
- L. whereas the Committee on Budgetary Control should be more closely involved in monitoring Commission spending in future; looks forward to closer cooperation with the Court of Auditors in order to produce wide-ranging proposals on improving efficiency in audit procedures,
- M. whereas the powers and resources of the Committee on Budgetary Control in the discharge procedure should be examined and set out in detail in an own-initiative report,

Priority actions for the Commission

1. Calls on the Commission, with a view to granting of the discharge, to present to Parliament an action plan for the achievement of the following priority actions:

Communication of the Commission on the protection of the Union budget

- (a) The Commission should adopt annually, and for the first time in September 2013, a communication to Parliament, the Council and the Court of Auditors with a view to making the impact of its preventive and corrective actions as regards the protection of the Union budget public; notes that it should, in particular, disclose in due time all suspensions, interruptions and retentions which aimed to prevent errors and all the amounts (in nominal terms) recovered per Member State, international organisation or third country in the course of the preceding year through financial corrections and recoveries for all management modes at the level of the Union and broken down by Member States; the Commission should demonstrate as far as possible that the financial corrections adequately compensated for errors made, and that they contributed to lasting improvements of the management and control systems;

- (b) Financial corrections should be made by the Commission for the total amount of the Union's contribution of a programme if, due to errors or mismanagement of funds by national or regional authorities, the programme fails largely to achieve its aims, even when a part of the programme has been financed and funds have already been dispersed;
- (c) The Commission should provide the relevant data covering all the policies managed by the Commission in Note 6 'Financial corrections and recoveries', attached to the accounts of the Union;
- (d) As regards the policies managed by multiannual programmes, the Commission should specify, upon the closure of the programming period, the impact of the recoveries and financial corrections made during that period on the error rate; notes, moreover, that the Commission should demonstrate that the financial corrections adequately compensated for errors made, and that they contributed to lasting improvements of the management and control systems;
- (e) The Commission should shoulder greater responsibility for national audit authorities and for control systems in those Member States in which most errors were detected; is of the opinion that the Commission should draw up a proposal in how far the certification and work of audit authorities in those Member States could be further improved; believes that the Commission should publish its findings, and integrate them into the midterm-review of relevant regulations and the MFF;

Error rate in shared management

Calls on the Commission to:

- (f) harmonise the practice of its services concerning the interruption/suspension of payments when significant deficiencies are detected at the level of the supervisory and control systems of Member States;
- (g) urge Member States to communicate to its services the draft eligibility rules in order to adapt national eligibility rules which are not compatible with the relevant Union rules and to intensify the controls on the declaration of costs and the effectiveness of the first-level checks;
- (h) collect information from Member States concerning the degree to which national rules render Union legislation on budget management terms unnecessarily complicated ('gold-plating') and report to Parliament by October 2013; recalls that an infringement of those national rules represents an error in budget management and that the Commission is ultimately responsible for errors in implementing the Union budget (Article 317 TFEU); requests that this information is sent to the national parliaments once a year and that Parliament's Committee on Budgetary Control is duly informed;
- (i) support the management and control authorities of the Member States in identifying the systemic sources of errors and in particular in ensuring compliant implementation of public procurement rules and give guidance in the form of motivated opinions to those authorities in their simplification efforts; those opinions will be made public;
- (j) apply the principle of proportionality, without underestimating the rules to reduce administrative burdens and facilitate streamlining of procedures; notes that an additional step towards simplification is the obligatory use of the electronic project application and reporting, as well as the unification and standardisation of documents and procedures for management and implementation of the operational programmes;
- (k) harmonise the criteria used by its services for making reservations in its annual activity report and the different methodologies used to quantify public procurement errors in the two policy areas of agriculture and cohesion policy;
- (l) speed up the audit and financial correction procedures followed by its own services and in particular, consider merging the different stages of the 'contradictory' procedure leading to a financial correction;
- (m) evaluate the progress made in the financial management under the policy groups of the budget of the Union with a view to arriving at a positive statement of assurance and to report about this evaluation by March 2014 in the context of the annual activity reports drafted by the Directors-General and the Synthesis report on the Commission's management achievements for 2013;

DG AGRI

- (n) DG AGRI should align its practices for the interruption of payments with the best practices of other directorates-general or services as well as put forward proposals for enhanced application and use of suspensions in the policy area of agriculture and rural development;
- (o) Taking into account the legal framework, DG AGRI should systematically interrupt and suspend payments when the prime level controls reveal that they are materially affected by error; the payments should be resumed only if sufficient appropriate evidence gathered on the spot proves that the weaknesses have been remedied;
- (p) The Commission should report by the end of June 2013 on the progress made by the working group set up by DG AGRI to assess the root causes of Rural Development errors and develop corrective action for the current and future programming periods; that report should be sent to the Member States, national parliaments and Parliament's Committee on Agriculture and Rural Development so that they can analyse the causes of errors, deliver non-binding opinions and submit proposals for countering those errors;
- (q) DG AGRI should take all necessary measures to support the Member States' efforts to eliminate from their programmes those conditions that are intrinsically prone to creating implementation and control difficulties;

DG REGIO

- (r) The Commission should maintain its original proposals for the general provisions of the 2014-2020 programming period in cohesion policy and should insist, vis-à-vis the Member States, on the absolute need to introduce in the new legislation the principles of net financial corrections ⁽¹⁾ as well as streamlined procedures and conditions under which payments can be interrupted or suspended;
- (s) The Commission should also use, as far as possible, net financial corrections to correct serious errors in the current programming period pursuant to Article 99 et seq. of Council Regulation (EC) No 1083/2006 ⁽²⁾; in particular net financial corrections should be applied at the closure of the programming period;
- (t) In addition, the Commission should defend its initial position not to allow the secondary selection of projects physically completed or fully implemented before the funding application (so-called 'retrospective projects') for the funding period 2014-2020 ⁽³⁾;
- (u) DG REGIO should fully align its payment practices with the best practices of other directorates-general or services, and continue making direct and full use of the legal instruments provided for by the regulations, especially the interruption of payments or whenever necessary by the suspension of operational programmes;
- (v) Calls for more stringent monitoring and conditions in the case of Member States which manifestly breach Union provisions on budgetary and competition law (particularly with regard to the award of public contracts); calls for systematic suspension of payments for the relevant Structural Fund programmes where Union law is breached until rules are complied with, so that use of the funds in accordance with Union rules is guaranteed;

⁽¹⁾ Proposal for a Regulation of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund covered by the Common Strategic Framework and laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Council Regulation (EC) No 1083/2006 (COM(2011) 615/2), Article 136 et seq.

⁽²⁾ Council Regulation (EC) No 1083/2006 of 11 July 2006 laying down general provisions on the European Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) No 1260/1999 (OJ L 210, 31.7.2006, p. 25).

⁽³⁾ COM(2011) 615/2, Article 55(4).

- (w) Calls for a tougher suspension policy for the European Regional Development Fund (ERDF) and Cohesion Fund (CF), like that already successfully applied to European Social Fund payments, thus enabling early action to prevent any improper use of Structural Fund monies and underpinning, from the outset, the zero-tolerance approach by the Commission;
- (x) In particular, DG REGIO should systematically interrupt the payments and suspend the programmes when the prime level controls reveal that they are materially affected by error; the payments should be resumed only if there is sufficient and reliable evidence that weaknesses have been remedied;

Error rate in centralised management

DG Research

- (y) By the end of June 2013, the Commission should present a report to Parliament assessing the impact of the simplification measures introduced in 2011;
- (z) That report should also assess the improvements announced by the Commission in respect of the *ex ante* control and the *ex post* audit strategies and of the improvement in the guidance on the most common errors given to participants in the seventh framework research programme and to auditors;
- (aa) In that report, the Commission should explain whether the measures taken to reduce the audit burden, generated by the fact that seven Authorising Officers by Delegation are responsible for the Research budget, have been effective and, if not, propose other solutions;

Evaluation report (Article 318 TFEU) and enhanced use of performance audits

- (ab) The Commission services should develop a new culture of performance, defining in their management plan a number of targets and indicators meeting the requirements of the Court of Auditors in terms of relevance, comparability and reliability; furthermore performance indicators and targets should be fully integrated in all proposals for new policies and programmes;
- (ac) Asks the Commission to take full account of the remarks and requests formulated in the 'Response of the European Court of Auditors to the Commission's second Article 318 evaluation report';
- (ad) Calls on the Commission, until the midterm review in the various areas of policy and programmes, to propose a clear definition of European added value; calls for a review of the programmes with the aim of avoiding national and regional displacement effects and genuinely only financing measures which could not be carried out without impetus from the Union;
- (ae) In their annual activity reports, the services should measure their performance in summarising the results achieved when contributing to the main policies pursued by the Commission; this 'departmental' performance will be complemented by a global evaluation of the performance of the Commission in the evaluation report provided for by Article 318 TFEU;
- (af) The Commission should modify the structure of the abovementioned evaluation report, distinguishing the internal policies from the external ones and focussing, within the section relating to internal policies, on the Europe 2020 strategy as being the economic and social policy of the Union; the Commission should place the emphasis on the progress made in the achievement of the flagship initiatives;
- (ag) Expects that in the framework of a new and enhanced policy on performance, all evaluation reports done or paid for by the Commission will be made available in full to Parliament, which may decide to make them available on its website for consultation;

Revenues and traditional own resources

In order to ensure proper protection of the Union's financial interests, and with a view to equipping the Union with sufficient own resources for growth, the Commission should:

- (ah) provide Parliament, in time for the 2012 discharge procedure with an evaluation of the cost of postponing the full application of the Modernised Customs Code (MCC), which would quantify the budgetary consequences of such postponement;
 - (ai) collect reliable data on the customs and VAT gap in the Member States and report every six months to Parliament in this regard;
 - (aj) identify and implement actions which would increase the effectiveness and efficiency of the collection of customs duties and VAT in the Member States; the Commission and the Member States should implement the Court of Auditors' recommendation in the Special Report No 13/2011 ⁽¹⁾;
 - (ak) identify the channels and schemes allowing for tax evasion and tax avoidance, in particular by multinationals and through post box companies, and promote appropriate countermeasures; welcomes in this context the OECD report on tax base erosion and profit shifting and calls on the Commission to cooperate with the OECD who will establish an action plan on how to address this problem by July 2013;
 - (al) raise the Member States' and public awareness, in the context of the negotiations on the Multi-annual Financial Framework, that effective revenue collection remains an essential feature of sound management of public finances, including the fact that uncollected revenue aspects have an impact on the availability of the Union's own resources, the economic situation of the Member States and the internal market and commission a study which would calculate the potential financial benefits for the Member States in tax revenue terms if an equal level playing field against tax evasion and tax avoidance throughout the Union should be created;
2. Is alarmed by the magnitude of offshore financial activities, as revealed in the recent offshore leaks; calls on the Commission to take urgent measures to eliminate these possibilities of diverting thousands of billions of euro away from the normal financial circuit in order primarily to avoid tax and to hide illegal funds from the tax authorities in the Member States;
 3. Strongly suggests that the Commission should take measures to ensure that all banking activities related to advising on, and setting up, offshore structures are made illegal and that no bank within the European Union involved in such activities will or can receive European funding under any scheme or benefit from national support measures;
 4. Expects to receive, within two months, draft legislative proposals from the Commission to end the practice of the use of tax havens by individuals, companies and even public institutions;

Follow-up to the 2010 discharge resolution ⁽²⁾

Monitoring of financial engineering instruments

5. Welcomes the follow-up given by the Commission to Parliament's request for greater transparency as regards the Financial Engineering Instruments (FEIs), in particular by making the reporting by Member States on financial and implementation issues in the relevant legislation a compulsory procedure ⁽³⁾, and notes that the Summary report on the progress made in financing and implementing FEIs announced by the Commission in its report on the follow-up to the discharge for the 2010 financial year (COM(2012) 585) was transmitted in due time to Parliament; further notes that the latter provides data on the description of the FEIs and their implementation arrangements, identification of the implementing entities and amounts of assistance paid to and by the FEIs;

⁽¹⁾ Special Report No 13/2011 of the Court of Auditors entitled 'Does the control of customs procedure 42 prevent and detect VAT evasion?'

⁽²⁾ Resolution of the European Parliament of 10 May 2012 with observations forming an integral part of its Decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2010, Section III — Commission and executive agencies (OJ L 286, 17.10.2012, p. 31).

⁽³⁾ Revision of Council Regulation (EC) No 1083/2006, Commission Regulation (EC) No 1974/2006 as to rural development; see also Commission proposal COM(2011) 615/2 concerning Common provisions of the structural instruments for 2014-2020.

6. Notes that the amount of structural funds implemented through FEIs has continued to increase over the period 2007-2013, in particular for instruments targeting enterprises; points out that more than 90 % of the amounts actually disbursed to final recipients went to enterprises; asks the Commission to clarify what percentage of the amounts actually dispersed went to truly private enterprises, as opposed to majority publicly owned enterprises;
7. Notes with concern that FEIs for urban development and energy efficiency/renewable energies account for only 17 % of the amount paid to all FEIs at the end of 2011 and, moreover, that the flow into concrete urban projects remained slow;
8. Endorses the lessons learned by the Commission pursuant to the abovementioned summary report as to the Member States' reporting, as follows:
 - the process of the collection of data by managing authorities and their transmission to the Commission should start as early as possible,
 - Member States should be encouraged to provide input covering more than just the amounts committed to the funds and the number and type of final recipients,
 - the Commission should provide more guidance to the Member States;
9. Notes that the Commission has charged a group of experts ⁽¹⁾ to draft a report on the use of the ERDF in support of FEIs; considers this to be a first step and is worried that the expert evaluation network's analysis reveals a number of serious problems, for example, the lack of evidence to determine whether the scale of support matches the size of the gaps in the market for loans and equity finance; the lack of evidence from which to assess whether the size of venture capital funds set up with ERDF support is large enough to be viable; the paucity of data on the costs of setting up and operating FEIs relative to non-repayable grants; and the complexity of the regulations and uncertainty surrounding their interpretation;
10. Calls on the Commission to take concrete steps to significantly improve the use of the FEIs with a view to better protecting the Union's financial interests;
11. Reiterates that Parliament invited the Commission to evaluate objectively and critically the experiences with FEIs in the Cohesion policy for the programming period 2007-2013, to provide a risk assessment considering different FEIs separately, as well as taking into account the risk structure of beneficiaries of the FEIs, and to report annually to Parliament, in time for the respective discharge procedure, on the use of FEIs in Member States, including comparable indicators on the effectiveness, efficiency and economy of FEIs, and also on how the Commission coordinates, ensures consistency and mitigates the risk of overlapping across the policy areas;

Accountability chain/cascade

12. Regrets that the Commission constantly ignores Parliament's long standing request to add the responsible Commissioner's signature to the annual activity reports of his/her related Directorate-General; notes, however, that the Synthesis report is adopted by the College of Commissioners and contains a specific statement emphasising the Commission's final responsibility for the management of its authorising officers on the basis of assurances and reservations made by them in their annual activity reports; is therefore of the opinion that the College, when adopting the Synthesis report, took note of the problems in the respective directorates-general and can be held responsible;
13. Calls on the Commission to further improve the quality and comparability of the annual activity reports;

⁽¹⁾ See the synthesis report made by Terry Ward and Applica sprl on the Use of the ERDF to support financial engineering instruments with the contribution of the expert evaluation network delivering policy analysis on the performance of Cohesion policy 2007-2013.

14. Welcomes the fact that the Commission has given Parliament access to Member States' annual summaries; deplores the fact, however, that only 17 Member States gave the Commission permission to do so; asks the Commission to communicate which steps and measures it will take to ensure that the remaining 10 Member States will also grant their permission;

The use of pre-financing

15. Welcomes the new rules introduced in Financial Regulation (EU, Euratom) No 966/2012 about the regular clearing of pre-financing and encourages the Commission to continue its efforts to follow the recommendations of the Court of Auditors as regards the relevant accounting data and methods;

The imposition of effective sanctions in the big spending areas

16. Recognises that the Commission's proposals for the 2014-2020 programming period largely met Parliament's concerns expressed in its resolution accompanying the discharge decision for the budget execution in 2008 ⁽¹⁾, with the proposed introduction of net financial corrections to Member States as well as streamlined procedures and conditions under which payments can be interrupted or suspended; notes that those proposals also clarify certain eligibility rules and clearly prohibit the possibility for managing authorities to select projects physically completed or fully implemented before the funding application (so-called 'retrospective projects');
17. Calls on the Commission to investigate the possibilities of setting up a correctional system for error prone spending areas, in which the total material value of errors in year n will be partially or entirely deducted from the yearly reimbursement requests made by accrediting organisations depending on the severity of the irregularities;

The audit work of the Court of Auditors

18. Recalls that Article 287 TFEU provides: 'The Court of Auditors shall provide the European Parliament and the Council with a statement of assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions (...)';
19. Points out that in addition to delivering one opinion on the reliability of the accounts, the Court of Auditors delivers three on the legality and regularity of the underlying operations; takes the view that this plethora of opinions makes it more difficult for Members of the European Parliament to assess the Commission's implementation of the budget;
20. Points out that the Court of Auditors establishes, on the basis of its audits, the most likely error rate, which in 2011 stood at 3,9 % for payments; points out that on the basis of international auditing standards, the Court of Auditors takes 2 % as the materiality threshold as regards the generally acceptable rate of errors and that, if the most likely error rate is above this threshold, the Court of Auditors will give an adverse opinion;
21. Points out that in accordance with international audit standards, the external auditor should set the materiality threshold for errors independently;
22. Emphasises that a distinction must be drawn between errors and fraud and considers that in the vast majority of cases, errors stem from administrative mistakes, many of which are linked to the complexity of the Union and national rules, which can be corrected; reminds the Commission, however, that the current error rate is still unacceptably high and that Parliament has a zero-tolerance approach to errors;
23. Highlights the fact that an error rate as such does not give a comprehensive view of the effectiveness of Union policies; is of the opinion, therefore, that compliance audits should be supplemented by performance audits evaluating the economy, efficiency and effectiveness of Union policy instruments; points to the fact that the U.S. Government Accountability Office concentrates more on performance than on compliance audits;

⁽¹⁾ Resolution of the European Parliament of 5 May 2010 with observations forming an integral part of its Decisions on discharge in respect of the implementation of the European Union general budget for the financial year 2008, Section III – Commission and executive agencies (OJ L 252, 25.9.2010, p. 39).

24. Observes that there are some differences of views between the Court of Auditors and the Commission with regard to the way in which errors should be calculated, in particular as to whether pre-financing should be included or excluded, as to the handling of quantifiable and non-quantifiable errors and as to the way in which recoveries and financial corrections should be considered in the overall assessment of the financial impact of errors and the corrective capacity of systems; is of the opinion that the different approaches mirror the different roles respectively played by the institutions, namely the role of auditor on the one hand and manager on the other; requests that the Court of Auditors consider the possibility of separating these contested different categories of error rates in its next annual report and to qualify the recovery and financial corrections policies/results per sector;
25. Understands that in the course of time, expertise and methodology can change; insists, however, that audit results need to remain comparable in order to enable Parliament to make a political assessment over a longer period of time;
26. Calls, therefore, for closer cooperation between national audit institutions and the European Court of Auditors in connection with the auditing of shared-management arrangements, pursuant to Article 287(3) TFEU;
27. Proposes that consideration should be given to having the national audit institutions deliver, in a capacity as independent external auditors and in accordance with international audit standards, national audit certificates in respect of the management of Union funds; these certificates would be submitted to the Member State governments with a view to their being produced as part of the discharge process, on the basis of an appropriate interinstitutional procedure to be established;

The Court of Auditors' statement of assurance

Accounts – clean opinion

28. Welcomes the fact that the annual accounts of the Union for the financial year 2011 present fairly, and in all material respects, the position of the Union as at 31 December 2011, and the results of its operations and its cash flows for the then completed year;

Legality and regularity of revenue – clean opinion

29. Notes with satisfaction that revenue underlying the accounts for the year ended 31 December 2011 is legal and regular in all material respects;

Legality and regularity of commitments – clean opinion

30. Notes with satisfaction that commitments underlying the accounts for the year ended 31 December 2011 are legal and regular in all material respects;

Legality and regularity of payments – adverse opinion

31. Deeply regrets that payments remain materially affected by error;
32. Understands that the basis for the adverse opinion of the Court of Auditors is the observation that the supervisory and control systems are only partially effective and that, as a result, payments are affected by a most likely error rate of 3,9 %;
33. Notes with concern that the policy groups agriculture; market and direct support; rural development, environment, fisheries and health; regional policy, energy and transport; employment and social affairs, as well as research and other internal policies, are materially affected by error;
34. Recalls that the most likely error rate for payments in the financial year 2010 was estimated at 3,7 % and in the financial year 2009 at 3,3 %; is dismayed about this increase because it reverses the positive trend observed in the years 2007, 2008 and 2009; calls on the Commission, therefore, to take the necessary steps to achieve a trend that shows a consistent decrease in the error rate; emphasises that Parliament is of the opinion that [r]eaching this target is an essential part of getting full value for EU expenditure in the future and progressing towards a positive DAS' ⁽¹⁾;

⁽¹⁾ Paragraph 4 of Parliament's abovementioned Resolution of 5 May 2010.

35. Attributes this development mainly to the increase of the most likely error rate in the area of agriculture, and is concerned in particular about the high level of error in the rural development where the most likely error rate reported was 7,7 %;
36. Calls on the Court of Auditors to adapt its special reports on specific fields of policy more than previously to facilitating comparisons with past periods;

Council recommendation

37. Regrets that the Council continues to refuse to cooperate with Parliament with regards to the Council discharge; believes that this leaves the Committee on Budgetary Control with very few instruments and that eventually, the Committee is forced to introduce its questions and requests for information about the budget of the Council to the Commission;
38. Notes that the Council recommends to give discharge to the Commission in respect of the implementation of the general budget of the Union for the financial year 2011; notes that the Netherlands, Sweden and the United Kingdom have voted against granting discharge to the Commission for the execution of the Union's budget for the financial year 2011; takes notice of these countries' observations:
- for the 18th consecutive time, the Court of Auditors was unable to grant a positive unqualified statement of assurance,
 - emphasising the fact that the credibility of Union spending depends on sound financial management at all levels, orderly accounting and transparent accountability of all relevant actors,
 - pointing out that 80 % of the Union budget is spent under the system of shared management by Member States,
 - regretting that only four out of seven Member States' audit authorities, assessed by the Court of Auditors, were considered effective,
 - calling on all Member States to provide full, transparent and accurate data as part of their annual summaries,
 - encouraging the Commission to continue driving better financial management by all Member States, including strict application of sanctions such as suspensions and interruptions;
39. Notes in this context the high number of the Commission's reservations concerning the ERDF/CF management and control systems for the period 2007-2013 amongst others in the Netherlands and the United Kingdom; encourages the Council to draw conclusions from the observations by the Netherlands, Sweden and the United Kingdom by conducting a peer review of each of the Member States' financial management and quality of performance;

Horizontal issues

Responsibilities of the Commission and the Member States in shared management

40. Emphasises that in accordance with Article 317 TFEU, the Commission is ultimately responsible for the implementation of the Union's budget; points out that where the Commission implements the budget under shared management, implementation tasks are delegated to Member States pursuant to Article 53b of the Financial Regulation (EC, Euratom) No 1605/2002;

41. Stresses that in this respect, the responsibility of the Directors-General is a cornerstone of the Commission's present system for managing Union funds and emphasises the importance of fairly representing the management performances in their annual activity report;
42. Recalls Parliament's proposal, contained in its 2010 discharge resolution, for a full-time Commissioner for Budgetary Control in the 2014-2019 Commission;
43. Expects that Member States are fully aware of their obligations, pursuant to Article 4(3) of the Treaty on European Union and pursuant to the principle of sincere cooperation, to assist in an active and effective way the Union in carrying out tasks which flow from the Treaties;
44. Insists in this context on the importance of Article 53b of the Financial Regulation (EC, Euratom) No 1605/2002, which provides that, when implementing the budget, the Member States are to take all necessary measures, including legislative, regulatory and administrative measures, to protect the Union's financial interests; stresses in this respect that Article 59(2) of the new Financial Regulation (EU, Euratom) No 966/2012 even specifies that these measures should include the following: (a) ensuring that actions financed from the budget are implemented correctly and effectively and in accordance with the applicable sector-specific rules for that purpose and (b) preventing, detecting and correcting irregularities and fraud;
45. Notes that the current system does not ensure a full transparency of the beneficiaries of ERDF/CF support; in the current framework, the Commission provides a portal with access to lists of beneficiaries available on national websites, which are only in the respective national language and without following common criteria; expects the future regulation covering the structural instruments to ensure that Member States provide the data on the final beneficiaries of ERDF/CF funds to be published on the Commission's official website in one of the three working languages of the Union and based on a set of common criteria to allow comparison and detection of errors;
46. Points to the existence of significant differences in Member States' administrative performance in the field of revenue and expenditure in shared management, especially related to detecting irregularities, fraud and errors and financial follow-up in both the customs field and spending of Union funds; notes that the Commission so far monitors administrative performance in a reactive way and on case level and thus, does not perform sufficient trend analysis to identify fields of risk; calls on the Commission to apply the method of trend analysis to identify financial risks and to take measures to improve Member States' administrative performance;
47. Welcomes the fact that, in accordance with Article 59(3), (4) and (5) of the new Financial Regulation (EU, Euratom) No 966/2012, Member States management authorities are in future to be required annually to provide the Commission with their accounts accompanied by a management declaration, an annual summary of their final audit report and of controls and an opinion from an independent audit body;
48. Is convinced that the above mentioned declarations, in combination with the introduction of self-critical deliberation in the Council, which is lacking until now, and an even-handed and honest and open peer review among Member States would result in better and more effective budget execution, increase the performance of policies, programmes and projects and which will help to reinforce the solidarity between Member States and replace mutual distrust, a result which is preferable to budget cuts to the detriment of economic recovery and the trust of the Union citizens in a common Europe;

49. Welcomes the fact that Member States may, at the appropriate level, publish the above information, and – in addition – provide declarations signed at an appropriate level based on that information; calls on the Commission to assist the Member States in providing those voluntary management declarations as referred to in Article 59(5) of the new Financial Regulation (EU, Euratom) No 966/2012 by promoting best practices; insists that Parliament should receive both the management declarations and the voluntary declarations;
50. Notes that the Commission should give guidance to Member States to draft meaningful annual summaries; notes that for this purpose, information given on operational programmes under shared management should be standardised as regards form and content; annual summaries should be put at the disposal of Parliament and should not only be made available in the language of the Member State, thus increasing transparency and accountability;
51. Notes, however, that neither the Court of Auditors nor the Commission considers the annual summaries to be a valuable source of information at this stage for the purposes of assessing compliance by, or the performance of, beneficiaries; reiterates its request that the Commission should analyse the strengths and weaknesses of national control systems on the basis of the annual summaries received; considers that this situation is unacceptable and demands that the Commission take immediate action to ensure that the next annual summaries are useful for assessing the performance of beneficiaries;
52. Points out that the annual summaries provided by the Member States 'in [their] current form [have] been seen to provide little added value' and that 'the compliance elements of the current annual summary simply duplicate information readily available from other sources' ⁽¹⁾; urges, therefore, all Member States to increase the usefulness of their annual summaries by including an overall analysis of the results and an overall level of assurance statement to demonstrate their commitment to the sound financial management of Union funds and transparency; urges Austria, Belgium, Germany, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland and Spain in particular to follow without delay the example of the 15 Member States that have included an 'overall level of assurance statement' in their annual summaries for structural actions in the European Social Fund (ESF) and the ERDF ⁽²⁾ in order for the Committee on Budgetary Control to benefit from this information during the 2012 discharge procedure; expects that those Member-States who will not submit such a statement in time will submit a comprehensive statement explaining the reasons why;
53. Calls on the Member States to issue national management declarations at the appropriate political level and asks the Commission to establish a template for such a declaration;
54. Calls on the Commission to establish in the short term, in cooperation with Member States, a model for national management declarations which will make them meaningful and comparable; calls on the Commission to openly provide its opinion on those declarations; takes the view that such declarations should, inter alia, certify criteria (such as true and fair accounts, the effectiveness of management and control systems and the legality and regularity of underlying transactions) and specify the scope of assurance reservations and disclaimers; asks the Commission to present proposals for decreasing the burden of controls for those Member States or regions that perform consistently well, according to the annual reports of the Court of Auditors and to their own national management declarations; is of the opinion that the Court of Auditors and the Commission should be able to take account of the substance of national management declarations in their audit work;
55. Notes the details set out on the following scoreboard regarding the two initiatives relating to the contributions of Member States in improving the effectiveness of shared management:

⁽¹⁾ See the reply given by Commissioner Andor to the written question 18 in preparation of the hearing in the Committee on Budgetary Control on 26 November 2012 together with the 2011 Annual Activity Report — Directorate-General Regional Policy, page 84.

⁽²⁾ See the Commission's Synthesis report, point 3.3, in footnote 9 on page 11 of COM(2012) 281.

Scoreboard

	National management Declarations	'Overall level of assurance statement' in the Annual Summaries for structural actions
Austria	No	No
Belgium	No	No
Bulgaria	No	Yes
Cyprus	No	Yes
Czech Republic	No	Yes
Denmark	Yes	Yes
Estonia	No	Yes
Finland	No	Yes
France	No	Yes
Germany	No	No
Greece	No	Yes
Hungary	No	Yes
Ireland	No	No
Italy	No	No
Latvia	No	No
Lithuania	No	No
Luxembourg	No	No
Malta	No	No
Netherlands	Yes	No
Poland	No	No
Portugal	No	Yes
Romania	No	Yes
Slovakia	No	Yes
Slovenia	No	Yes
Spain	No	No
Sweden	Yes	Yes
United Kingdom	Yes	Yes

Reliability of Commission management representations

56. Notes that the total number of reservations included by the Directors-General of the Commission in their annual activity reports increased to 27 in 2011 from 17 in 2010 and that the estimated total financial impact of reservations increased to EUR 1 959 million or 1,5 % of the payments made in 2011 (2010: EUR 423 million, corresponding to 0,3 %);

57. Is concerned that those developments reflect a high risk of errors in some areas, such as rural development, cohesion or the seventh framework programme as recognised by the Directors-General of the Commission, and corroborated by the audit results of the Court of Auditors;
58. Takes note of the guidance given by the Secretary-General of the Commission and the Director-General of DG Budget to the Directors-General and heads of services of the Commission on how to calculate the residual error rate, which led to an improvement in some annual activity reports as pointed out by the Court of Auditors;
59. Regrets, nevertheless, that the Court of Auditors found weaknesses in those instructions and their implementation, in particular as regards the residual error rate; urges the Commission, as a result of this, to adapt its guidance as an immediate priority;
60. Recognises the progress made by the Commission in determining the extent to which transactions remain affected by error, but notes with disappointment that the Court of Auditors concluded that the residual error rate is not yet a reliable indicator;
61. Encourages the Commission to make progress in disclosing more precise and reliable data concerning recoveries and financial corrections and to present information reconciling as far as possible the year in which payment is made, the year in which the related error is detected and the year in which recoveries or financial corrections are disclosed in the notes to the accounts ⁽¹⁾;
62. Welcomes the report by the Commission on financial corrections, including the amount actually recovered which was returned to the budget at closure 2000-2006 in regional policy which shows the impact of the financial corrections made during the programming period and at closure on the overall error rate of the 2000-2006 programming period;
63. Calls on the Commission to extend this practice of reporting to the other policies managed by multiannual programmes;
64. Recommends, in accordance with the view expressed by the Court of Auditors, that a clear link be established between amounts included in annual activity reports, in particular for establishing the residual error rate, and information on recoveries/financial corrections presented in the accounts;
65. Notes that the Commission is able to provide an overview of the corrections of errors and irregularities made in 2011, in particular in that part of the budget that is implemented under the shared management mode ⁽²⁾;
66. Suggests to the Commission that it should request its Directors-General to systematically gather those data and publish them in their annual activity reports;
67. Calls on the Commission to issue in time for the respective discharge procedure annual communications to Parliament, the Council and the Court of Auditors listing, by country and programme, financial corrections and recoveries collected, in order to demonstrate its performance in the protection of the Union's budget; calls on the Commission, on this basis, to draw up a performance ranking;

⁽¹⁾ See the Court of Auditors' Annual report 2011, Annex 1.2, point 2.

⁽²⁾ See Note 6 in the consolidated annual accounts of the European Union 2011.

68. Notes with concern that the abovementioned Note 6 attached to the consolidated accounts covers only financial corrections and recoveries performed at Union level, and that information on withdrawals, recoveries and pending recoveries of structural funds made by the Member States is not disclosed for reliability reasons 'since doubts remain as to the quality and completeness of data submitted by some Member States and/or for some programmes'; calls on the Commission to make annually public in a communication all the amounts corrected the preceding year through financial corrections and recoveries for all management modes at the level of the Union and by the Member States;
69. Is worried that the Commission itself confirms in the said Note 6 the assessment made by the Court of Auditors on the lack of reliability of supervisory and control systems of the Member States, and deeply regrets that this could affect the reliability of Commission management representations; calls on the Commission to ensure that data communicated by Member States are complete and fully reliable;
70. Recalls in this context that, by adopting the Synthesis report on the basis of the assurances and reservations made by its Directors-General and heads of services in their annual activity reports, the Commission takes overall political responsibility for management of the Union budget ⁽¹⁾;
71. Welcomes the improvements brought to the overall opinion issued by the Commission's Internal Auditor, which also underpin the Synthesis report, but notes that the positive opinion given by the Internal Auditor is based in particular on the assurance given in the annual activity reports by senior management of the Commission;
72. Consequently, reiterates its previous demand that the Commission establish reliable and objective annual activity reports;

Responsibility of Member States

73. Notes that the two policy areas prone to the highest error rates (rural development, environment, fisheries and health as well as regional policy, energy and transport) are mainly implemented under shared management, and regrets that the estimated most likely error rates amount to 7,7 % and 6 % respectively;
74. Emphasises that the President of the Court of Auditors observed that 'national authorities operate the first – and most important – line of defence in protecting the financial interests of EU citizens and that there needs to be a greater degree of commitment on the part of national authorities to the management and control of EU money' ⁽²⁾; underlines in this context the co-responsibility of the Member States for better spending; considers, in addition, that the active involvement of the national parliaments, through respective committees for oversight the use of Union taxpayer's money in the Member States (following the example of the Parliament's Committee on Budgetary Control), not only at the level of the political and expert monitoring but also in the programming process of the new cohesion policy, would lead to a lower error rate level, better transparency and democratic legitimacy of the process of Union funds absorption;
75. Deplores the fact that in 62 % of the audited regional policy transactions affected by error and in 76 % of the ESF audited transactions, sufficient information was available for the Member State authorities to have detected and corrected at least some of these errors before claiming reimbursement from the Commission and that in rural development, the Court of Auditors found that on-the-spot checks had not always been carried out properly; therefore calls on the Member States and the Commission to urgently reinforce first-level checks to address this unacceptably high level of mismanagement;
76. Calls on the Council and the Coreper to see to it that on a regular basis, national control systems, in particular, and the co-responsibility of the Member States for better spending, in general, are put as specific points on the agenda of the competent Council meetings of ministers and discussed in the presence of the Commission;

⁽¹⁾ COM(2012) 281, point 1, page 2.

⁽²⁾ Introductory remarks made by Mr Caldeira on 6 November 2012 when presenting the Annual report of the European Court of Auditors concerning the financial year 2011 to the European Parliament's Committee on Budgetary Control.

77. Calls, pursuant to the second subparagraph of Article 287(4) TFEU, for the Court of Auditors to deliver an opinion on the independence of the national audit authorities in the context of shared management;

Public procurement, eligibility criteria

78. Notes that numerous errors derive from the incorrect application of national rules (in particular, as regards the ESF errors in 2011, breaches of national rules have contributed 86 % of the error rate), and that eligibility error (especially for grant beneficiaries) and breaches of public procurement rules (in particular for shared and indirectly managed funds) are the two main sources of errors;
79. Welcomes, for this reason, the proposal for a directive of the European Parliament and of the Council on public procurement adopted by the Commission on 20 December 2011 (COM(2011) 896), as it aims at simplifying the rules and making them more flexible in order to increase the efficiency of public spending; notes nevertheless that the national rules on public procurement should also be simplified in accordance with Union legislation;
80. Deplores the fact that errors can also derive from the addition to Union rules of national rules which are unnecessarily complex and therefore difficult to implement and verify by the Member States themselves, while creating an additional and artificial burden for the beneficiaries ('gold plating');
81. Points out that such rules not only increase error rates unnecessarily, as all infringements will be considered an error in Union budget management even though it is the Member States that are responsible for these pointlessly complex rules, but could also lead to the Commission issuing recovery claims;
82. Urges the Member States to identify and report to Parliament, in coordination with the Commission and in consultation with the Court of Auditors, those unnecessarily complex national rules in order to simplify them; notes that in this regard, the potential for elaboration of standard tender documentation on the public procurement procedures should be further explored;
83. Calls on the Commission, where breaches of budgetary and competition law are known to have occurred in the Member States (particularly in the award of public contracts), to apply more stringent monitoring and conditions and, in case of doubt, to suspend financing from the Structural Funds immediately until compliance with the rules and hence a use of the funds which accords with Union law are guaranteed;
84. Encourages the services of the Commission to launch a pilot action plan, as DG Employment did in policy sectors with a high error risk, aiming at identifying key areas where simplification could help to reduce the error rate at beneficiary level;
85. Urges the Commission to develop additional instruments to facilitate the process of consultation with beneficiaries and to strengthen their direct feedback to the national authorities, in line with the efforts to simplify the national rules and to reduce the error rate;
86. Once again requires the Commission to name the Member States responsible for the cumulative quantifiable errors identified; rejects the argument that the constraints imposed on the Court of Auditors by its statistical sample method, which effectively prevents the Court of Auditors from naming Member States with the highest error rate; calls on the Court of Auditors to compare its audit findings with those of the Commission in order to identify those Member States or regions most affected by the level and/or occurrence of errors;

European Stability Mechanism

87. Notes the entry into force of the European Stability Mechanism but regrets that this mechanism was set up outside the Union's institutional framework, as this precludes any democratic, political and budgetary control by the Union institutions and in particular by Parliament; emphasises the fact that the creation outside the institutions of the Union represents a setback in the evolution of the Union, essentially at the expense of Parliament, the Court of Auditors and the Court of Justice of the European Union; deems it essential that the ESM will be discussed at least once a year in a plenary debate in the presence of the Council and the Commission on the basis on the annual report from the ESM Board of Auditors;

Anti-fraud Strategy

88. Calls on the Commission to report on and evaluate the anti-fraud strategies established within each directorate-general following the adoption of the Commission's new Anti-Fraud Strategy (COM(2011) 376) and the Internal Action Plan (SEC(2011) 787) for its implementation in June 2011;

Tobacco Industry

89. Calls on the Commission to report how it intends to improve as soon as possible its provision to introduce a pro-active management of potential conflict of interests and 'revolving doors';
90. Calls on the Commission to report how it has implemented Article 5(3) of the WHO Framework Convention on Tobacco Control and how it intends to improve and clarify existing rules;
91. Calls on the Commission to provide Parliament as soon as possible with an overview about all (public and non-public) documents and all persons involved in the negotiations of the four cooperation agreements with the tobacco industry;
92. Notes that the Union is a under signatory to the WHO Framework Convention on Tobacco Control (FCTC); deems the implementation of Article 5(3) as a legally binding obligation to the Union; calls on the Commission to report on how the provisions of Article 5(3) have been implemented in the Union and its institutions, especially considering the following question: how far does implementation follow guidelines set by the WHO to Article 5(3); questions how and why the Commission has deviated from those guidelines;

Budgetary management*Implementation rates, budgetary surplus, outstanding budgetary commitments*

93. Welcomes the high level of budget implementation, namely 99,3 % of commitment appropriations (the same as in 2010) and 98,6 % of payment appropriations (2010: 96,6 %) and the reduction of the overall surplus from EUR 4,5 billion in 2010 to EUR 1,5 billion in 2011;
94. Is concerned by the acceleration in the rate of payment requests by the Member States towards the end of the year as regards the ESF, the ERDF and the Cohesion fund, because this prevents the Commission from requesting an amending budget from the budgetary authority in due time in order to increase the payment appropriations with a view to honouring the claims received; therefore asks the Commission to urge the Member States to transmit most of the claims as early as possible;
95. Warns against the concentration of a significant proportion of payments in the month of December, which could affect the effectiveness of supervisory and control systems and increase the risk of error;
96. Expresses concern about the significant increase in outstanding budgetary commitments from EUR 13 billion in 2010 to EUR 207 billion, mostly in cohesion policy, for the programming period 2007-2013;
97. Insists that sufficient payment appropriations need to be made available in future years from the outset;

Revenue*Traditional own resources and VAT*

98. Notes that the Court of Auditors, in its annual report, found that the revenue calculation was free from material error; is concerned, however, that as far as traditional own resources (TOR) are concerned, the Court of Auditors' audit cannot cover undeclared imports or those that have escaped customs surveillance and that the annual report does not, therefore, provide an estimation of losses to the Union budget in that respect; suggests that the Court of Auditors issue a special report on undeclared imports based on a survey in at least 10 Member States and to adjust its working programme for 2013 accordingly;
99. Is of the opinion that the Court of Auditors' performance audit in the area of revenue is of particular value and encourages the Court of Auditors to concentrate more of its resources in this area; regrets that the annual report, around which much of the Court of Auditors' work is centred, nevertheless provides little information as to the real situation as far as efficient collection of revenue is concerned; calls on the Court of Auditors to place greater emphasis in its annual report on the revenue audit, in order to present a comprehensive picture of the effectiveness of the revenue collection system in the Member States, and of the consequences of its inadequate functioning;
100. Recalls that Parliament monitors the situation with regard to the collection of own resources in its own-initiative report on the protection of the Union's financial interests, which is drafted annually on the basis of a Commission report;
101. Is deeply concerned by the Court of Auditors' conclusion that there are continuing weaknesses in national customs supervision and that it cannot, therefore, be ensured that the TOR recorded are complete and correct; finds it unacceptable that the control of customs procedures in Member States is not functioning properly; recalls that the correct operation of customs procedures has direct consequences in terms of the calculation of the value added tax; is deeply worried by the Court of Auditors' finding in Special Report No 13/2011 that the application of customs procedure 42 ⁽¹⁾ alone accounted for extrapolated losses of approximately EUR 2 200 million ⁽²⁾ in 2009 with regard to the seven Member States which were audited, representing 29 % of the VAT theoretically applicable on the taxable amount of all the imports made under customs procedure 42 in 2009 in those seven Member States;
102. Stresses the Court of Auditors' conclusion in Special Report No 13/2011 that 'VAT evasion affects the financial interests of Member States; notes that it has an impact on the Union budget as it leads to lower VAT-based own resources. notes that this loss is compensated by the GNI-based own resource, distorting individual Member States' contributions to the EU budget and that tax fraud undermines the functioning of the internal market and prevents fair competition' ⁽³⁾;
103. Emphasises that the Court of Auditors' findings in Special Report No 13/2011 were corroborated by the conclusions of the fact-finding mission of Parliament's Committee on Budgetary Control to the ports of Rotterdam and Antwerp, which took place on 19 and 20 September 2012; points out that the Union is a major trading block and that large European ports handle many ships; notes that as a result of logistical pressures, those ports rely on the procedures provided for in the customs regulation and that authorised economic operators gain in importance; notes, however, that Rotterdam, for example, the largest European port granted a high-level of simplified custom procedures to importers compared with other major ports in the Union; stresses that the simplification of customs procedures must include a proper and effective risk based policy approach leading to effective control systems avoiding the distortion of competition and that simplified procedures should be effectively monitored regularly by the Commission and Member States; notes that reduced controls could translate into major economic advantages for a port; stresses that any unjustified reduced control may seriously harm the Union's financial interests and that of the Member States;

⁽¹⁾ Regime used by an importer in order to obtain a VAT exemption when the imported goods will be transported to another Member State and where the VAT is due in the Member State of destination.

⁽²⁾ Of which EUR 1 800 million were incurred in the seven selected Member States and EUR 400 million in the 21 Member States of destination of the imported goods in the sample.

⁽³⁾ Special Report No 13/2011, p. 11, point 5.

104. Takes note of the initiatives taken by the Commission by way of follow-up to the Court of Auditors' Special Report No 13/2011; regrets, however, that according to the First Eurofisc Activity Report for 2011 issued in May 2012, the main findings and observations of that Special Report are still outstanding; requests information before September 2013 on progress made;
105. Is seriously concerned, in particular, by the finding of the Working Field 3 that in most Member States, tax administrations have no direct access to customs data and that automated cross-checking with tax data is, therefore, not possible;
106. Regrets that Recommendation No 6 of Special Report No 13/2011, calling for the amendment of the VAT Directive in order to identify separately the intra-community supplies following imports under the procedure in question in the trader's VAT recapitulative statement, has not been implemented by the Commission; notes that this would allow an effective reconciliation between the customs and tax data in the Member State of importation; requests information as to the reasons why this was not done;
107. Deplores the fact that the Council has not acted upon the Court of Auditors' recommendation to amend the VAT Directive in order to hold the importer (or his tax representative) jointly and severally liable for the VAT loss in the Member State of destination in cases where a complete and timely VAT recapitulative statement is not submitted by him;
108. Calls on the Commission to intensify its efforts to remedy the situation with regard to the state of implementation of the Court of Auditors' recommendations contained in its Special Report No 13/2011;
109. Deplores the fact that the Commission and the Member States have been unable to ensure timely implementation of the Modernised Customs Code (MCC), which was supposed to become applicable on 24 June 2013 at the latest; stresses that any further delays will impede adequate protection of the Member States' financial interests and, consequently, those of the Union itself; emphasises the fact that according to the Commission, this situation is due, to a considerable extent, to the fact that the Member States cannot agree on the most appropriate IT development methodology and that they are facing limitations in human and financial resources; is concerned that the Commission and the Member States are lagging behind this very important reform in the situation where the collection of own resources is less than satisfactory;
110. Calls on the Commission to make an evaluation of the cost of postponing full application of the MCC, quantifying the budgetary consequences of such postponement;
111. Points to a study commissioned by Parliament on the 'Implementation of the Modernised Customs Code' ⁽¹⁾, from which it results that, in the best-case scenario, the entry into force of the MCC (which will be called the Union's Customs Code if the recast proposal by the Commission is adopted) could take place in December 2017; reminds the Commission that the Union has exclusive competence in the area of the customs union and that it should, therefore, ensure compliance by the Member States; calls on the Commission, as a consequence, to step up its efforts to ensure that the MCC is implemented at the earliest possible date, and in any event to avoid the worst-case scenario indicated in the study for March 2033;
112. Deplores the fact that two important initiatives aimed at combating VAT fraud, namely the proposal for a Council Directive amending Directive 2006/112/EC on the common system of value added tax as regards a quick reaction mechanism against VAT fraud (COM(2012) 428) and the proposal for a Council Directive amending Directive 2006/112/EC as regards an optional and temporary application of the reverse charge mechanism in relation to supplies of certain goods and services susceptible to fraud (COM(2009) 511), are blocked in the Council;
113. Welcomes the fact that EUROFISC, a common operational structure allowing Member States to react rapidly to cross-border VAT fraud, became fully operational; notes that a specific working field was created in February 2011 in order to exchange targeted information on fraudulent transactions using the customs procedure 42;

⁽¹⁾ PE 475.094.

114. Calls on the Commission to strengthen its coordination with the Member States in order to collect reliable data on the customs and VAT gap in the respective countries and to report on a regular basis to Parliament in that regard;

GNI-based revenue – the volume of tax evasion and avoidance and its impact on the Union budget and the economies of the Member States

115. Welcomes the Commission's Action Plan to strengthen the fight against tax fraud and tax evasion (COM(2012) 722); commends, in particular, the Commission's proposal to set up a Quick Reaction Mechanism and insists that this would enable Member States to respond more swiftly and efficiently to VAT fraud; stresses that the potential cost of tax evasion and avoidance for Member States is estimated to amount to EUR 1 trillion every year while in comparison, the Union budget for 2011 in terms of appropriations for commitments amounted only to EUR 142,5 billion;

Agriculture

116. Deplores the increase of the error rate to 4,0 % in the policy area 'Agriculture and rural development' covering the expenditures of the European Agricultural Guarantee Fund (EAGF) and the European Agricultural Fund for Rural Development (EAFRD) and of the policy groups environment, fisheries and health;
117. Recalls that the deterioration of the state of play in agriculture and, in particular, in rural development, is the main cause of the increase of the most likely error rate for all payments in the financial year 2011;
118. Notes that even though 0,2 % of this error rate has been generated by a change in the Court of Auditors' methodology concerning the cross compliance infringements the error rate for the entire agriculture policy area increased between 2010 and 2011 in real terms by 1,5 %: from 2,3 % in 2010 to 3,8 % in 2011 ⁽¹⁾;
119. Takes note of the Court of Auditors' approach which for the first time included cross compliance infringements in the calculation of the error rate as 'cross- compliance obligations are substantive legal requirements that must be met by all recipients of direct aid and are the basic and in many cases the only conditions to be respected in order to justify the payments of full amount of direct payments' ⁽²⁾; asks the Court of Auditors in this context to further explain and justify its changes of methodology; calls on the Commission and the Court of Auditors to agree on a consistent methodology with a view to rendering the yearly budget implementation figures more comparable;
120. Takes note that the Court of Auditors restricts its audit only to certain Statutory Management Requirements and to the Good Agricultural and Environmental Condition requirements and that 'the error rate must be used with great care and not be treated as an overall assessment of the respect of the cross compliance obligations by farmers' ⁽³⁾;
121. Notes that it is up to the Member States to define 'good agricultural and ecological condition' and to which acreage it will be applied; criticises strongly the fact that beneficiaries who very often are not farmers will receive direct payments; considers this to be an incorrect allocation of funds which could be saved;
122. Takes note that Member States recovered EUR 172,7 million from the beneficiaries during the 2011 financial year and that the overall outstanding amount still to be recovered from the beneficiaries at year-end was EUR 1 206,9 million, of which EUR 458 million has been charged to the Member States for EAGF expenditure in line with the 50/50 rule; acknowledges that around EUR 25,7 million will be borne by the Union budget for cases reported irrecoverable during financial year 2011; points out that DG AGRI cleared all pending non-recovered cases dating from 2006 or 2002 by Decision 2011/272/EU ⁽⁴⁾ of 29 April 2011 and that following the application of the 50/50 rule, EUR 27,8 million was charged to the Member States while EUR 29,2 million was borne by the Union budget for reasons of irrecoverability;

⁽¹⁾ Data communicated by Mr Kubyk on behalf of the Court of Auditors on 6 December 2012 during the hearing with Dacian Ciolos in the Parliament's Committee on Budgetary Control.

⁽²⁾ The Court of Auditors' Annual report 2011, point 3.9, footnote 11.

⁽³⁾ Data communicated by Mr Kubyk on behalf of the Court of Auditors on 6 December 2012 during the hearing with Dacian Ciolos in the Parliament's Committee on Budgetary Control.

⁽⁴⁾ Commission Implementing Decision 2011/272/EU of 29 April 2011 on the clearance of the accounts of the paying agencies of Member States concerning expenditure financed by the European Agricultural Guarantee Fund (EAGF) for the 2010 financial year (OJ L 119, 7.5.2011, p. 70).

123. Welcomes the fact that for the first time, the Court of Auditors provides two specific assessments: on the market and direct support on the one hand, and on rural development on the other hand and considers that it provides a better insight into each policy area; calls on the Court of Auditors, however, to present the error rate for rural development separately from environment, fisheries and health and not on an aggregate basis;
124. Welcomes the register providing information on beneficiaries of the Common Agricultural Policy payments in the Member States; considers this tool to be an important step towards more transparency in the agricultural sector; recalls, nevertheless, that in accordance with the ruling of the European Court of Justice of 9 November 2010 invalidating the legislation as regards natural persons ⁽¹⁾, Commission Regulation (EC) No 259/2008 ⁽²⁾ has been modified limiting the obligation to publish information on the beneficiaries of CAP payments to legal persons; notes the Commission's proposal for new transparency rules, adopted on 25 September 2012, to make it obligatory for Member States to disclose data of all beneficiaries including natural persons, except for beneficiaries whose annual aid does not exceed a certain *de minimis* threshold, taking into consideration the objections made in the judgment of the Court of Justice, in particular on data protection concerns;
125. Takes note of the current practice in the management of Sapard funds, namely that funds are only exceptionally recovered in full if the fraudulent behaviour for a part of the project has artificially created the conditions without which the beneficiary would not have obtained support for the project at all; expresses concern about the current practice, recommended by the Commission to the Sapard agency, that a project of which a part has been affected by fraudulent behaviour can be deemed eligible for funding if the project is not deemed to be of an artificial nature, i.e. the percentage of the costs of all the affected elements does not exceed 50 % of the total costs of the entire project; is especially concerned about the lack of deterrence from fraudulent behaviour this practice exhibits;

Market and direct support

126. Regrets that the EAGF payments are not free from material error in 2011, the most likely error rate being estimated by the Court of Auditors at 2,9 %, and that the control systems audited by the Court of Auditors in Austria, Finland, Hungary, Italy and Spain were found to be only partially effective in assuring the legality and regularity of payments;
127. Notes that the most frequent accuracy error relates to area over-declarations, most of which amount individually to less than 5 % and deplores that the larger error rates relate to cases where eligibility of permanent pasture was incorrectly assessed and recorded by Member States' authorities in the Land and Parcel Identification System (LPIS);
128. Endorses the recommendation of the Court of Auditors that the correct assessment of eligibility of permanent pasture should be ensured ⁽³⁾;
129. Notes with disappointment that the Court of Auditors found that the effectiveness of the Integrated Administration and Control System (IACS) is adversely affected by inaccurate data in the various databases and also by an incorrect administrative treatment of claims by the paying agencies in certain Member States; reminds the Commission that the introduction of IACS led to a decrease in errors and calls on the Commission to remedy the situation without any delays using suspensions and interruptions of funding when necessary;
130. Is concerned that the Commission, in its annual activity report, maintained its reservations concerning the IACS systems in Bulgaria and Portugal due to serious deficiencies; emphasises the fact that, given the importance of IACS for the management and control of agricultural expenditure, serious deficiencies in its set-up and operation exposes the Commission to reputational risk, even if the financial impact does not exceed the materiality threshold;

⁽¹⁾ Joined cases C-92/09 and C-93/09, ECR 2010, p. I-11063.

⁽²⁾ Commission Regulation (EC) No 259/2008 of 18 March 2008 laying down detailed rules for the application of Council Regulation (EC) No 1290/2005 as regards the publication of information on the beneficiaries of fund deriving from the European Agricultural Guarantee Fund (EAGF) and the European Agricultural Fund for Rural Development (EAFRD) (OJ L 76, 19.3.2008, p. 28).

⁽³⁾ The Court of Auditors' Annual report 2011, point 3.45.

131. Regrets that some systematic failures in the management and controls systems observed and reported already in previous years have not been remedied; incorrect classification of land use, overstatement of eligible land in LPIS or incorrect application of the obvious error concept;
132. Deplores the fact that deficiencies were found by the Court of Auditors in on-the-spot measurements; insists that on-the-spot inspections should be of the quality necessary to identify the eligible area in a reliable manner ⁽¹⁾.
133. Regrets that the quality of the work performed by the certifying bodies audited by the Court of Auditors under the new voluntary procedure for the reinforcement of assurance is insufficient;
134. Calls on the Commission to take all necessary actions so that paying agencies remedy weaknesses detected in their administration and control system; insists that the design and quality of the work to be performed by certifying bodies must be improved in order to provide reliable assessment of legality and regularity of operations in the paying agencies; asks the Commission to investigate if it is possible to cooperate with private individuals to verify cross compliance standards and reduce administrative burden;

Rural development

135. Regrets that payments in the policy sector 'rural development, environment, fisheries and health' are not free from material error in 2011, the most likely error being estimated by the Court of Auditors at 7,7 %, and that the examined supervisory and control systems were partially effective;
136. Notes that the major part of the most likely error rate concern the eligibility of non-area-related measures such as modernisation of agricultural holdings and the setting up of basic services for the economy and rural population, partly due to the often complex rules and eligibility conditions;
137. Expresses concern about the fact that many errors were detected when beneficiaries were public bodies, such as municipalities or the paying agency itself ⁽²⁾ and that those errors concerned issues such as declaring ineligible VAT or not complying with public procurement; calls, therefore, on the Commission and the Member States to ensure that the existing rules are better enforced;
138. Reiterates its regrets that the Commission follows different methodologies to quantify public procurement errors in the two policy areas agriculture and cohesion both of which being furthermore not in line with the Court of Auditors' methodology and calls on the Commission and the Court of Auditors to harmonise the treatment of public procurement errors in these two policy areas urgently ⁽³⁾;
139. Notes that the Court of Auditors identifies significant problems concerning the implementation of cross-compliance requirements for the identification and registration of animals ⁽⁴⁾; calls on the Member States to improve the quality of checks throughout the year without imposing an additional administrative load on the beneficiaries;
140. Regrets that weaknesses were identified by the Court of Auditors in the supervisory and control systems of the Member States for rural development and that the three elements audited were affected by deficiencies: i.e. the administrative and controls systems to ensure correct payment, the control systems based on physical on-the-spot checks and systems to ensure implementation and control of cross compliance;
141. Calls on the Commission to take account of findings identified by the Court of Auditors when establishing the audit strategy of DG AGRI's clearance of accounts;

⁽¹⁾ The Court of Auditors' Annual report 2011, point 3.23.

⁽²⁾ The Court of Auditors' Annual report 2011, point 4.12.

⁽³⁾ See paragraph 86 of the abovementioned Parliament's Resolution of 10 May 2012.

⁽⁴⁾ The Court of Auditors' Annual report 2011, point 4.18.

142. Is particularly worried about DG AGRI management representation as the Annual Activity report does not provide for an explanation of why the residual error rate for rural development had 'increased significantly compared to the previous year' ⁽¹⁾;
143. Notes that according to the Court of Auditors the DG AGRI residual error rate is much lower than the Court of Auditors' finding because it is 'based on figures reported by the Member States for 2010, and as identified in the Courts audit, Member States do not detect or report all ineligible expenditure due to weaknesses in their checks of paying agencies' ⁽²⁾;
144. Is particularly concerned by the fact that DG AGRI considers that 'in general Member States are improving their management and control systems for rural expenditure' ⁽³⁾ while the audit of the Court of Auditors shows that the supervisory and control systems in Denmark, Finland, Hungary, Italy and Spain were not effective or only partially effective ⁽⁴⁾; is of the opinion that such a big divergence between the assessments of the Commission and the Court of Auditors makes it difficult for the discharge authority to reach objective conclusions; insists on data exchange between the Court of Auditors and the Commission to facilitate coordinated back casting for past periods in order to ensure a reliable database for future comparisons; is convinced of the usefulness of tripartite meetings between the Court of Auditors, the Commission and representatives from Member States concerned when looking for common analysis;
145. Calls, therefore, on the Commission to take the necessary measures in order to reduce the error rate in rural development and welcomes the fact that DG AGRI has set up a working group to assess the root causes of rural development errors and develop corrective actions for the current and future programming periods;
146. Calls on the Commission, nevertheless, to set up an action plan to reduce the error rate not only by providing guidance and assistance to the Member States by means of best practice examples but also by increasing monitoring on the implementation of programmes and using sanctions such as interruptions and suspensions of payments in particular in rural development more effectively where needed;
147. Calls on the Commission to further improve the quality control of accreditation criteria for paying agencies and certifying bodies;
148. Fully supports the Court of Auditors' recommendations that the rules and conditions for rural development should be further simplified and that Member States should ensure that existing rules are better enforced;

Environment, public health and food safety

149. Is concerned, in this context, about the presentation of environment and health policy areas together with rural development and fisheries in the annual report of the Court of Auditors on the implementation of the Union budget, as it is stated that the payments by year-end were affected by material errors; takes careful note that this conclusion concerns solely the area of rural development; requests that the Court of Auditors explore a different presentation in the future, which takes into account the good performance of the policy areas in the remit of the Parliament's Committee on the Environment, Public Health and Food Safety;
150. Considers the overall implementation rates of the budgetary headings for environment, climate action, public health and food safety as satisfactory; emphasises the fact that 2011 is the first budget year under the complete budget procedure laid down in TFEU; recalls, again, that only 0,76 % of the Union budget is dedicated to those policy instruments falling under the responsibility of the Committee on the Environment, Public Health and Food Safety, bearing in mind the clear Union added value in these fields and the support from Union citizens for the environmental and climate policies of the Union;

⁽¹⁾ DG AGRI annual activity report, point 3.1.1.1.6, p. 58.

⁽²⁾ Intervention of Ms Budbergte on behalf of the Court of Auditors on 6 December 2012 during the hearing of Commissioner Dacian Cioloş in the Parliament's Committee on Budgetary Control.

⁽³⁾ DG AGRI, annual activity report, p. 79.

⁽⁴⁾ The Court of Auditors' Annual report 2011, Annex 4.2.

151. Emphasises the fact that the overall rate of execution amounted to 99,92 % in the field of environment and climate action; notes, furthermore, that the implementation of payments was at a level of 88,05 %; takes note that for the first year, the implementation of budget lines for environment and climate action has been done by the Directorate-General ENV and the newly created Directorate-General CLIMA, becoming budgetary self-responsible in 2011;
152. Is satisfied with the achievement of 99,82 % of the implementation of the LIFE+ operational budget showing the necessity and acceptance as single instrument promoting solely environmental protection; notes that in 2011, EUR 267 179 828 was dedicated to projects in Member States, EUR 8 997 284 supported the operational activities of NGOs, EUR 46 817 919 was used for measures intended to support the Commission's role of initiating and monitoring policy and legislation development and EUR 17 589 277 was used for administrative support; intends further monitor the allocation of the LIFE+ funds among the three strands of its effective use;
153. Is aware that the payment rate of LIFE+ actions under the responsibility of DG CLIMA in the first year reached only 58,23 %; takes note that this low consumption is due to the fact that the preparation of the 2011 budget was too optimistic and the requested amounts were too high; notes, furthermore, that final payment settlements were only requested in 2012; emphasises the fact that unused payment appropriations have been transferred to other budget lines in the context of the global transfer exercise taking place each year in November; is aware that in 2011, those payment appropriations have been used for the shortfalls for Cohesion budget lines;
154. Considers the progress in the implementation of five Pilot Projects (PPs) and two Preparatory Actions (PAs), amounting all together to EUR 11 765 508, as satisfactory; is aware that the execution of those actions can be burdensome for the Commission, due to the small amounts available in relation to the necessary procedures for execution (e.g. action plan, call for proposals); encourages the Commission to focus in the future on PPs and PAs with true added value for the Union;
155. Takes note of the implementation level of 95,1 % for budget chapter 17 04 — Food and feed safety, animal health, animal welfare and plant health; is aware that full implementation was not necessary due to lower costs for bluetongue vaccination compared to the forecasts by Member States, due to the shift of some Member States to voluntary, farmer financed programmes and due to a decrease in BSE cases; observes the increase in payment execution to 98,1 % compared to 90,5 % in 2010; encourages the Commission to strengthen the cooperation with Member States in order to receive the best and most accurate data for the forecasts in this policy area;

Fisheries

156. Takes note of the communication from the Commission to Parliament, the Council and the Court of Auditors on the annual accounts of the European Union for the financial year 2011; takes note of the Annual Report of the Court of Auditors concerning the financial year 2011; believes that the area of maritime affairs and fisheries does not figure prominently in those documents;
157. Expresses its satisfaction that the implementation for Title 11 of the budget was globally satisfactory with an implementation rate of 97 % for commitment appropriations and 95 % for payment appropriations; notes, furthermore, that the Court of Auditors had no major observations on DG MARE's Annual Activity Report;
158. Calls on the Court of Auditors to present the error rate for fisheries separately from environment, rural development and health, and not on an aggregate basis;
159. Recalls that in 2010, there was insufficient monitoring of catches under fisheries partnership agreements which resulted in additional payments to cover catches in excess of the negotiated quota; welcomes, therefore, the action taken by DG MARE to improve the monitoring of catches under fisheries partnership agreements, which will hopefully prevent a recurrence of this issue highlighted by the Court of Auditors; notes that the overfished amounts in 2010 were deducted from the 2011 quota;

160. Urges the Court of Auditors once again to include an audit on the external dimension of the common fisheries policy in its work programme;
161. Notes the reservations made in DG MARE's Annual Activity Report in respect of the European Fisheries Fund (EFF) following the Court of Auditors' special report 12/2011 regarding investments on board funded under Article 25(2) of Regulation (EC) No 1198/2006 ⁽¹⁾ which increased the ability of vessels to catch fish; understands that DG MARE has been working with Member States to address the identified problems by reviewing the projects funded under this provision of the EFF with the aim of eliminating ineligible expenditure;
162. Questions the technical assessment methods that led to certain expenditure under Article 25(2) of Regulation (EC) No 1198/2006 being declared ineligible on the grounds that it would increase capacity when the expenditure concerned were, in fact, designed to modernise fishing activity; calls on the Commission to propose a fresh definition of capacity, in particular in order to avoid this kind of re-interpretation in the future;
163. Expresses its deep concern that public aid has been used to increase the vessels' ability to catch fish and thus increased overcapacity in the Union fisheries sector;
164. Notes the second reservation in DG MARE's Annual Activity Report regarding the management and control of the implementation of the EFF in the Czech Republic, Finland, Italy, the Netherlands, Romania, Slovakia, Spain and in Sweden;
165. Considers that in the future, the Annual Report of the Court of Auditors should have a separate breakdown for the figures relating to DG MARE in order to increase transparency and that the number of tests should be increased in order to ensure higher general accuracy from the sample;
166. Urges the Member States to take all necessary action to address the identified problems and thereby, make it possible to lift the existing reservations;

Regional policy; energy and transport

Error rate compared to effectiveness

167. Deplores the fact that the Court of Auditors estimated the most likely error rate in this spending area at 6 %, which is unacceptably high; notes that this error rate remains below those reported by the Court of Auditors for the period 2006-2008 due to reinforced control provisions and a strict policy of interruptions and suspensions when deficiencies were detected, in line with the Commission's 2008 Action Plan;
168. Is concerned about the fact that for 62 % of the regional policy transactions affected by error, sufficient information was available to Member States' authorities to have detected and corrected at least some of the errors prior to certifying the expenditure to the Commission; calls, therefore, on the Commission to urge the Member States to improve their management and control systems in order to detect and correct errors at national level; considers this to be a command imposed by the principle of sound financial management ('better spending'); emphasises that deficient national management and control systems must have net corrections as a consequence;
169. Notes that the Court of Auditors assessed the work of seven national and regional audit authorities, each from different Member States, and concluded that the audit authorities in Greece, Hungary, Latvia and Portugal were effective, that the audit authorities in Italy-Sicily and Romania were partially effective and that the audit authority in the Czech Republic was ineffective;
170. Calls on the Commission to use all available instruments over the next programming period 2014-2020, as outlined in the Commission proposal (COM(2011) 615/2), in particular by means of delegated acts and implementing acts, with a view to setting out conditions which the national audit authorities shall fulfil and to adopting models for the audit strategy, the audit opinion and the annual control report, as well as the methodology for the sampling method;

⁽¹⁾ Council Regulation (EC) No 1198/2006 of 27 July 2006 on the European Fisheries Fund (OJ L 223, 15.8.2006, p. 1).

171. Regrets the fact that according to the 2011 Annual Activity Report of DG REGIO, the countries with the highest risk of incorrect payments for the 2007-2013 programming period are the Czech Republic (11,4 %), Romania (11,2 %) and Italy (8,6 %);
172. Takes note that in 2011, the DG REGIO found serious deficiencies in five Member States: France, Austria, Italy, Romania and the Czech Republic; notes that whereas the difficulties in France and Austria have been identified by the national audit authorities themselves, the deficiencies in Italy, Romania and the Czech Republic were primarily linked to the architecture of the management and control systems;
173. Welcomes the initiative taken by its responsible committee to invite the responsible ministers from the Member States with the weakest control system to Parliament with the view to explaining which measures the respective country has taken to remedy the situation; in this context, expresses its appreciation for the contribution made by the Czech Deputy Finance Minister in discussions with the responsible committee; considers his presence in the committee to be a first step towards the Member States assuming a more responsible role in managing Union funds; welcomes in this context first contacts with the Romanian authorities and the Italian Parliament;
174. Takes note of the number of reservations (121 programmes) made by the Commission's directorates-general and amounts at risk representing, according to the Commissioner, EUR 1 600 million; welcomes, at the same time, the fact that the increase is mainly due to a stricter approach followed by the Commission, including a general rule that an accumulated residual risk of 2 % would lead to a reservation for the programme concerned;
175. Notes the high number of the Commission's reservations concerning the ERDF/CF management and control systems for identified operational programmes for the period 2007-2013 in the following Member States: Austria, Bulgaria, the Czech Republic, Estonia, France, Germany, Greece, Hungary, Italy, Latvia, Lithuania, the Netherlands, Poland, Romania, Slovenia, Slovakia, Spain and United Kingdom due to significant issues regarding the effective functioning of management and control systems;
176. Notes the Commission's reservations for the 2000-2006 period concerning the CF management and control systems in Hungary and Spain, and concerning the ERDF linked to outstanding issues at closure stage in Spain, Germany, Ireland, Italy and Cross-Border programmes, all due to reputational reasons;
177. Notes with concern that SMEs are underrepresented in receiving funds compared to large companies; invites the Commission and Member States to ensure that the eligibility rules, accounting obligations and their practical implementation do not prohibitively rule out the participation of SMEs;
178. Is of the opinion that a swift implementation of workable FOI (Freedom of Information) laws across the Union is imperative, as is the systematic, proactive and centralised disclosure of data and documents, especially in relation to regional policy;

Sources of errors

179. Emphasises the fact that public procurement procedures and eligibility rules are particularly prone to error;
180. Acknowledges the importance of managing authorities being adequately staffed; calls on Member States to pay attention to this requirement; in order to comply with their obligations pursuant to Article 53b(2) of the Financial Regulation (EC, Euratom) No 1605/2002 to take all necessary measures to protect the Union's financial interests when implementing the budget;
181. Points to the fact that the quantification of errors could give rise to a difference of treatment; notes that whereas the Court of Auditors looks at compliance, according to which rules were either adhered to or not, the Commission takes into consideration the financial impact of an error and financial corrections may vary accordingly;

182. Emphasises the fact that a complex body of rules is often at the origin of errors; shares, therefore, the Commission's approach to strive for simplification; warns against the risk which could stem from additional national regulations increasing the administrative burden (i.e. 'gold plating', complicated eligibility rules);

Reporting and financial corrections

183. Welcomes the Commission's correction mechanisms which appropriately address errors and deficiencies detected over a multiannual period and at closure; notes that one third of ERDF programmes had payments blocked in the course of 2012 and following 121 reservations pronounced in 2011, DG REGIO has interrupted payment deadlines for 63 programmes, issued 115 warning letters and initiated suspension procedures for 60 of those programmes;
184. Recalls that the financial corrections should not merely serve as a fine and that their application should have a positive impact on the long-term improvements of the management and control systems as well as on the recurrence of errors;
185. Is concerned about the findings of the Court of Auditors that there is no assurance that financial correction mechanisms compensate for all operational programmes in an adequate manner and that all material issues are resolved; moreover the Court of Auditors found no evidence that financial correction mechanisms translate into lasting improvements to systems which would prevent recurrence of the errors uncovered; refers in this respect specifically to the Special Report No 3/2012⁽¹⁾ (points 83 and 84); calls, therefore, on the Commission to provide a comprehensive assessment of the financial corrections made and their impact on the systems in respect of preventing the recurrence of the same errors (specifically of a systemic nature) in the future; calls on the Commission to inform Parliament about its conclusions by the end of 2013; invites the Commission to use all relevant findings during the next programming period 2014-2020 and to put forward proposals for amending regulations, as appropriate;
186. Observes with satisfaction the continuous efforts of the Commission to reinforce and, at the same time, simplify the control provisions for cohesion policy; is of the opinion that the proposed measures for the 2014-2020 programming period such as specific *ex-ante* conditionalities, annual management declarations, certification of annual accounts, audit opinions or stricter rules for the substitution of ineligible expenditure should further contribute to the reduction of the level of error; supports the growing result orientation and the thematic concentration of cohesion policy that should assure high added value of the co-financed operations;
187. Calls for payments from the Structural Funds to be subject to increased conditionality monitoring so as to ensure that the rules on the proper use of Structural Funds are complied with in all Member States;

Recommendations

188. Calls on the Commission to assist Member States in drafting comprehensive, meaningful and comparable audit control reports, including a chapter on the contributions Union funds have made in the respective countries to attain the Europe 2020 objectives, both at national and regional level, considering each region's individual potential for development and its possible transformation in an economic growth centre;
189. In this context, draws the attention of the Commission and the Member States to the fact that under the Europe 2020 objectives operational programmes should increasingly be designed in such a way that its sub-objectives are specific, measurable, attainable, relevant and timely and, consequently, the programme lends itself to performance audits; notes that the establishment of a common system of result and impact indicators would contribute to the evaluation of the progress achieved under the different programmes in the context of their effectiveness and efficiency and not only in terms of their financial implementation;
190. Reminds the Member States that due to the strict time limits for project execution, a mature project pipeline is required, especially for major infrastructure projects, in order to start their implementation at the beginning of the next programming period 2014-2020;

⁽¹⁾ Special Report No 3/2012 of the court of Auditors – Structural Funds: Did the Commission successfully deal with deficiencies identified in the Member States' management and control systems?

191. Shares the Court of Auditors' view that the Commission should further reinforce the present sanction system (interruption, suspension, financial corrections) by reducing the possibility of replacing ineligible expenditure with other expenditure during the next programming period thereby creating an additional incentive for Member States to detect and correct errors at an early stage;
192. Calls on the Commission, in consultation with the Court of Auditors, to establish a transparent system which allows, on the one hand, taking into consideration annual financial corrections but also, on the other, financial corrections during the life span of a programming period;
193. Calls on the Commission to assist Member States in rendering first-level controls and national audit authorities more effective by exchange of best practice and closer cooperation between the Commission, the Court of Auditors and national authorities ('tripartite meetings'); considers, in addition, that the national audit authorities could put extra emphasis on the follow-up of the achieved results and effectiveness of Union funds absorption, rather than applying only a quantitative approach, regardless of the final project goals;
194. Calls on the Commission to start the preparation of a 'best practices' manual from the current programming period, incorporating practical results, achieved effect and lessons learnt in order to optimise the absorption process and to decrease the level of error rates; notes that in this regard, the potential future beneficiaries for the next programming period 2014-2020, including Croatia, as well as potential candidate countries, would profit;

Transport and tourism

195. Notes that in considering the implementation of the budget for the 2011 financial year, as in the previous year, the Court of Auditors focused mainly on cohesion and energy policies rather than on transport policy; stresses that transport policies are concerned with the development of the internal market, increased competition, innovation and the integration of transport networks;
196. Notes that the EUR 51 million decrease in appropriations made in 2011 to the cooperation in Transport to the Clean Sky Joint Undertaking was due to the review of industrial policy approach and the decrease in payment appropriations of EUR 60 million for projects of common interests in the trans-European transport networks was made for timing reasons and to allow full use of the carryover from 2010; acknowledges that the reduction in cash-flow for Sesar Joint Undertaking was in line with the recommendation of the Court of Auditors;
197. Is disappointed that following the low uptake of payment appropriations for transport safety in 2010 and the request to receive an explanation of this underspending from the Commission, no detailed information about the level of appropriations and their uptake in 2011 was provided;
198. Notes that the characteristics of transport-related projects often leads to the concentration of a significant proportion of payments in a limited period, especially towards the end of the year and is concerned by the negative impact this can possibly have on the auditing exercise;

Employment and social affairs

Error rate compared to effectiveness

199. Notes that the Court of Auditors estimated that the most likely error rate in this spending area was 2,2 % and that the Court of Auditors' audit indicate weaknesses in particular in the 'first level checks' of the expenditures, which are the responsibility of the managing authorities and intermediate bodies in the Member States;
200. Notes that in 2011, the Director-General issued reservations in his annual activity report with regard to operational programmes in Belgium, the Czech Republic, Germany, Italy, Spain, Latvia, Lithuania, Romania, Slovakia and the United Kingdom;
201. Notes with satisfaction that the most likely error rate is close to the materiality threshold demonstrating that a consistent application of interruption, suspension and financial corrections has had a positive effect on the overall error rate;

202. Is concerned about the fact that for 76 % of the regional policy transactions affected by error sufficient information was available to the Member States' authorities to have detected and corrected at least some of the errors prior to certifying the expenditure to the Commission;
203. Emphasises that it is the task of the national audit authorities to develop the necessary 'internal self-control' of rules and measures in order to detect and correct errors committed at the 'first level';
204. Takes note of the number of reservations (24 programmes) made by the Commission's DG 'Employment' (EMPL) in 2011 corresponding to EUR 57,7 million; notes, furthermore, that payments for 21 programmes were temporarily interrupted, valued at EUR 911 million; welcomes the strict approach followed by the Commission, including a general rule that an accumulated residual risk of 2 % would lead to a reservation for the programme concerned;
205. Welcomes the fact that for the first time in 2011, the area of Employment and Social Affairs has been sampled and appraised separately from the Cohesion Policy chapter; welcomes the decreased error rate for this policy field, which stands at 2,2 %, compared to 3,9 % average for all policy fields; notes, however, that ineligible costs were reimbursed;
206. Recalls the need to monitor and measure the performance of financial instruments against policy goals — Europe 2020 objectives — in order to be able to identify shortcomings and to make progress; calls for performance information and data be available on annual basis; is of the opinion that in context of the current economic and financial crisis the need for multi-criteria performance data on ESF interventions is crucial;
207. Regrets that despite reinforcements of ESF budget lines by means of transfers between budget lines and via the Amending Budget, EUR 2,7 billion of outstanding payments to the beneficiaries could not be paid due to insufficient payments appropriations; calls on the Commission to propose, and on the Council to agree on, accurate payment appropriations in annual budgetary procedure in order to avoid uncertainty and unnecessary procedural burden on the budgetary authority and provide beneficiaries with timely payments;
208. Welcomes the fact that for the ESF, an amount of EUR 3,25 million was added to the Operational Technical Assistance line in order to mobilise specific expertise and directly support the implementation of a Greek ESF Operational Programme;
209. Stresses that the effectiveness and quality of work of ESF audit institutions needs to be improved;
210. Notes that the share of spending on employment strand within the Progress programme is slightly lower than the share it has in the programme; following the conclusions of the evaluation report ⁽¹⁾ considers that spending on policy advice, research and analysis and policy debate on employment should be increased;
211. Reiterates its call to ensure, in the light of implementation, an orderly progression of the total appropriations for payments in relation to the appropriations for commitments, so as to avoid any abnormal evolution of outstanding commitments (RAL) (65 % of the total volume of the Cohesion Funds at the end of 2011);

Sources of errors

212. Notes that the Court of Auditors detected the reimbursement of ineligible costs in 13 % of the 180 transactions audited in the ESF and that such errors account for 77 % of all quantifiable errors and make up approximately 73 % of the estimated error rate for this policy group;

⁽¹⁾ The Mid-term Evaluation of Progress — Final Report, Ecorys, 22 December 2011.

213. Is deeply worried that 86 % of the error rate calculated by the Court of Auditors at Union level for the ESF derives from the incorrect application of national rules, varying from clerical mistakes to unnecessarily complex rules ('gold plating') to insufficient first level controls;

Reporting and financial corrections

214. Is of the opinion that the Commission's correction mechanisms addresses appropriately errors and deficiencies detected over a multi-annual period and at closure; notes that up to November 2012, the Commission adopted, in addition to measures taken in 2011, two suspension decisions and 34 interruptions; the latter represent a value of EUR 153 million; notes, furthermore, that the Commission imposed EUR 153 million of financial corrections until November 2012;

Progress on the closure of the 2000-2006 programming period

215. Recognises that Member States have to submit three closure documents: a certified statement of final expenditure, including final payment application, a final report on implementation, and a declaration on winding-up of the assistance; for the programming period 239 operational programmes are concerned;
216. Takes note that 149 programmes (62 %) have been closed by the end of October 2012; notes that commitment appropriations amounting to EUR 1 889 million were still open;

Fraud Prevention

217. Welcomes the development by DG EMPL and REGIO of smart IT tools for the prevention, detection and investigation of fraud such as ARACHNE Risk Scoring Tool; points out that a pilot exercise was carried out in Belgium, Portugal and Hungary which led to the further development of the initial risk scoring tool with modules capable of enriching the data with external publicly available information; understands that the ARACHNE tool will be ready in Spring 2013 while by the end of 2013, all Member States will be able to use the tool on a voluntary basis;

Recommendations

218. Calls on the Commission to assist Member States in drafting comprehensive, meaningful and comparable audit control reports, including a chapter on the contribution Union funds made in the respective Member State to attain the Europe 2020 objectives;
219. Draws the attention, in this context, of the Commission and the Member States to the fact that under the Europe 2020 objectives operational programmes should increasingly be designed in such a way that their sub-objectives are specific, measurable, attainable, relevant and timely and, consequently, the programme lends itself to performance audits;
220. Shares the Court of Auditors' view that the Commission should further reinforce the present sanction system (interruption, suspension, financial corrections) by reducing the possibility of replacing ineligible expenditure with other expenditure during the next programming period thereby creating an additional incentive for Member States to detect and correct errors at an early stage;
221. Calls on the Commission and the Court of Auditors to establish a transparent system which allows, on the one hand, to take into consideration annual financial corrections but also, on the other, financial corrections during the life span of a programming period;
222. Calls on the Commission to assist Member States in rendering first-level controls and national audit authorities more effective by exchange of best practice and closer cooperation between the Commission, the Court and national authorities ('tripartite meetings'); welcomes tripartite meetings as an important part in the contradictory process aiming at enhanced cooperation among the parties resulting in a more effective detection and correction of errors, in particular with regard to the ESF;

223. Agrees with the Commission that particular emphasis should be given to:

- improving the declaration of costs and their verification at national/regional level,
- supporting the management and control authorities in identifying the main sources of errors in the most critical operational programmes,
- using increasingly the 'Simplified Cost Options' providing for reimbursements based on standard scales of unit costs, indirect costs according to a predefined flat rate percentage of direct project costs, as well as lump sum payments;

Bulgaria and Romania

224. Notes with concern the interim Commission's report on the progress made by Romania under the Cooperation and Verification Mechanism, especially in the light of Romania's capability to protect the financial interest of the Union; is concerned by the reports assessment that only limited progress has been achieved in the prevention and sanctioning of corruption related to public procurement; stresses the importance of the report's suggestion that the Government materialises the appointment of a new leadership for the prosecution and the National Anti-corruption Agency (DNA); calls on the Commission to steadfastly and determinedly insist, as far as the Romanian Government is concerned, that the Commission's recommendations are complied with and clarified; expects, finally, a series of measures from the Commission, in cooperation with the Romanian government, aimed at improving the integrity of the Romanian legal system;
225. Notes with concern the Commission's Report on the progress made by Bulgaria under the Cooperation and Verification Mechanism with a view to further efforts needed in order to demonstrate tangible results in the monitored sectors; calls upon the effective implementation of the established legislative and institutional framework; notes with concern the Report's statement that the Supreme Judicial Council (SJC) has not used the new powers given to it accordingly, aimed at effectively managing and leading the judiciary through a comprehensive reform process; welcomes the efforts by the Bulgarian government to renew the SJC with a mandate able of implementing fundamental reform through the following new rules: public hearings of the candidates for SJC, clear criteria for their professional and educational qualification and vision for the efficiency, accountability and integrity of the judiciary; acknowledges the fact that the new specialised structures put in place illustrate a commitment to adapting the current structures to tackle organised crime more effectively; takes note, however, that the Report suggests that these new instruments have not yet delivered the expected results regarding important cases; notes with great concern that investigations into alleged corruption and abuse of office by magistrates have received a particular weak response from the judiciary; is fearful, furthermore, that a weak implementation of Public Procurement legislation could result in an important source of corruption, serious violations of Union procurement rules as well as a poor delivery of public goods with a European added value and waste of Union public money; welcomes the amended public procurement law, establishing the *ex-ante* control on tender procedures to guarantee the proper spending of the public resources; calls on the Commission steadfastly and determinedly to insist, as far as the Bulgarian institutions are concerned, that the Commission's recommendations are complied with; expects, finally, a series of measures from the Commission, in cooperation with the Bulgarian judiciary, to improve the integrity of the Bulgarian legal system;

Control of Structural Funds in the Czech Republic

226. Takes note that an Action plan has been implemented by the Czech government in 2012; notes with concern the centralisation of the audit activities under the main audit authority in the Czech Ministry of Finance since the Court of Auditors reported that this audit authority was ineffective; calls on the Commission to report to the discharge authority on adjustments concerning the staff of the audit authority, based on the Czech Government's analysis, as requested in the Action Plan;

227. Takes note that the Commission has not applied any corrections due to the ineffectiveness of the audit system in the Czech Republic; notes, however, that the Commission applied corrections for some of the operational programmes, mainly due to shortcomings in the functioning of the management and control systems (errors in public procurement and the selection of operations); notes that the corrections applied can be allocated to other projects; is worried about information reported initially by the Court of Auditors which suggested that the Czech Ministry of Finance used its role as an audit authority and certification authority to influence the final error rate; requests that the Commission report back to Parliament in detail on the matter; calls on the Commission to elaborate in cooperation with the Czech Government and to follow up on the implementation of an existing Action plan that tackles the shortcomings in the Audit system at the core;

Gender issues

228. Stresses that under Article 8 TFEU, the promotion of equality between men and women is a fundamental principle of the Union; reiterates its demand for the implementation of gender budgeting by all stakeholders in the Union budgetary procedure; calls, therefore, on the Court of Auditors to assess the implementation of the Union budget from the gender perspective, where applicable;
229. Regrets that the annual report contains no observations from the Court of Auditors or any replies from the Commission regarding spending related to the promotion of equality between women and men;
230. Notes the Court of Auditors' numerous observations, as well as the Commission's replies on the chapter of employment and social affairs, the policy area primarily covering gender equality; asks the Court of Auditors to provide specific details if any of the observations concerning spending related to gender equality;
231. Reiterates its call for further efforts to develop gender-specific data, which allow proper monitoring of how budgetary allocations affect the economic and social opportunities of women and men, that can be included in the reports on the implementation of the budget; underlines that the new Multiannual Financial Framework provides an opportunity to develop and introduce such data, and implement gender budgeting as a tool for good governance;

External relations, aid and enlargement

232. Stresses that the Union's resources must be managed in line with the principles of transparency and good governance; notes the Court of Auditors' finding that payments for the 2011 financial year are free from material error under heading 4 of the budget but that interim and final payments are affected by material error; further notes that not all errors were quantifiable;
233. Points out the specific nature of the financing of the Union's external assistance, which, although it must be subject to the same rules and oversight requirements as the rest of the Union budget, is put in place partly by persons and entities external to the Union under sometimes difficult conditions, while needing to remain reactive and adaptable to crises and requirements;
234. Supports all the Court of Auditors' recommendations in respect of the chapter on 'External relations, aid and enlargement', in particular the recommendations concerning the Directorate-General of the Service for Foreign Policy Instruments (FPI) and the necessary improvements it needs to make to the management of the budget for the common foreign and security policy;
235. Stresses the need for greater transparency in the management of funds allocated to election observation missions; calls on the Commission to send a report to the budgetary authority for each financial year on the costs incurred for each mission, detailing all the budget items, including costs associated with external service providers;
236. Draws attention to the need to re-use election observation mission materials (furniture, computers, etc.) in other electoral missions or by Union delegations in order to maximise their use;

237. Welcomes the development of an improved budget support risk management framework by the Commission (in full application from 1 January 2013) as part of the new budget support guidelines in response to a key recommendation from the Court of Auditors;
238. Notes, however, in respect of budget support, the reservations and warnings issued by the Court of Auditors concerning the inherent risks of irregularity, fraud and corruption; reiterates its very firm belief that budget support, while remaining an important channel for external aid, must be subject to robust political, legal and audit-related preconditions;
239. Welcomes the results of the evaluation report of the effectiveness of the Union aid channelled through civil society organisations (CSO-s); draws attention to one of the main recommendations of the report to reduce the negative impact of cumbersome procedures on the effectiveness of the programmes implemented by CSO-s and welcomes the fact that new options are put in place to simplify access to funding;
240. Welcomes the fact that the Commission regards the visibility of Union's projects as a key element in good project implementation and that it has been made obligatory to prepare a communication plan for each project;
241. Notes with satisfaction that the Court of Auditors' estimated error rate for external aid under the Union's budget has been below materiality for two consecutive years; is concerned, however, that interim and final payments were affected by material error and that the overall frequency of errors in payments detected by the Court was higher than in the two previous years (33 % in 2011, up from 23 % in 2010 and 22 % in 2009);
242. Is concerned that EuropeAid's and DG ECHO's supervisory and control systems were again found to be only partially effective; points, in particular, to the need to improve those systems in delegations; calls on the Commission to set aside sufficient resources for delegation staff to perform monitoring and supervision activities in a timely and satisfactory manner; welcomes the introduction of the new version of the six-monthly External Assistance Management Report in July 2011, which aims to strengthen the accountability links between delegations and EuropeAid headquarters;
243. Reiterates its concerns about the high frequency of encoding errors in the external aid management information system (CRIS), which may compromise the reliability of the data used for the preparation of the annual accounts; calls on the Commission to continue investing in the improvement of data quality and the development of CRIS functionalities, in particular linking audit findings to the recovery of funds⁽¹⁾;
244. Looks forward to seeing the first results of the Commission's new methodology for calculating the residual error rate, to be applied for the first time across the external relations directorates in the financial year 2012;
245. Joins the Court of Auditors in its strong concerns about the inadequacy of staff resources for aid management, in particular in EuropeAid's Internal Audit Unit and delegations, and the potential detrimental effects of the high turnover rate of contractual staff in headquarters and the Commission reorganisation of mid-2011 on aid management; appeals to Council, as the other arm of the budgetary authority, to take its responsibility in ensuring that aid can continue to be managed in accordance with the highest standards in future years;
246. Notes that in 2011, the first full year of operation of the European External Action Service (EEAS), EEAS and Commission staff in delegations were separated in terms of their allocation and funding; is concerned that in 2011, at least 43 person-years allocated to EuropeAid were used by the EEAS, over and above the agreed flexibility limits defined in the Working Arrangements negotiated between both organisations; urges the EEAS and the Commission to fully respect the Working Arrangements, seeing in particular to the fact that EuropeAid staff focus on ensuring appropriate aid management, in order to avoid putting the sound financial management of Union's assistance at risk;

⁽¹⁾ See also Special Report No 5/2012 of the Court of Auditors, 'The Common External Relations Information System (CRIS)'.

247. Emphasises the fact that the envisaged reinforcement of EuropeAid staffing in the Neighbourhood region should not be achieved by a reduction and transfer to the neighbourhood of staff managing Union's aid to Least Developed Countries and other Low Income Countries in other regions; is of the opinion that if additional needs arise, they must be met with additional staff;
248. Urges the Commission and the EEAS to focus more on results and impact measurement in the design of the new spending programmes under the next Multiannual Financial Framework (MFF) for the period 2014-2020, inter alia, by using pre-defined, country-specific, clear, transparent and measurable indicators adapted to the specificities and objectives of each instrument; supports the Court of Auditors' recommendation that the Commission should define policy objectives to demonstrate better how it secures Union added value during the next programming period; reiterates its call for associating all relevant stakeholders, including civil society and local authorities in partner countries, in the evaluation phase of Union's assistance;
249. Is concerned by the difference in the methodologies applied by the Court of Auditors for the calculation of the error rate for transactions for external relations, aid and enlargement in the general budget on the one hand and for the level of error for payments from the EDFs on the other hand; takes note that the Court of Auditors has decided to align its methodology from 2012 onwards in order to provide Parliament with a uniform picture of the activities in the area of the external action of the Union;
250. Following the creation of the EEAS, requests a clear allocation and coordination of roles and responsibilities of the Commission and the EEAS as regards programming and implementation of the budget in third countries;
251. Asks the Commission to report before July 2013 on the number of NGOs to which the Union contributes but which do not generate any revenue other than funding from government agencies;
252. Calls for a detailed summary of the allocation of funding in Libya; calls for clarification as to whether the subdelegation of the Union ambassador in Libya has been revoked;
253. Calls on the Commission to use a 'traffic light' system in the progress reports, for ease of reference, in order to show what has improved or deteriorated from one year to the next;

Aid to Haiti

254. Is concerned to find that the performance indicators for the budget support to the Republic of Haiti have not been made public; urges the Commission to make public those indicators and the respective assessments of the Government of Haiti's performance in order to qualify for budget support;
255. Notes that new criteria for budget support are set out in the Commission's policy 'The future approach to EU budget support to third countries'; calls on the Commission to apply these criteria from 2013 onwards in a transparent way to the budget support for the Government of Haiti;
256. Deeply regrets that, in spite of what was promised, the Commission has still not published a list of Union funded projects in Haiti; calls on the Commission to publish this list without delay and to provide an assessment of the sustainability of these projects in a five-year perspective;
257. Urges the Commission to carry out the postponed first ever overall impact evaluation of the Union's aid programme for Haiti in 2013 and to produce a report on this for the discharge authority;
258. Is concerned about the findings of the Court of Auditors, contained in its Special Reports Nos 1/2012 and 13/2012 on the Effectiveness of European Union Development Aid for Food security in Sub-Saharan Africa and on the European Union Development Assistance for Drinking Water Supply and Basic Sanitation in Sub-Saharan Countries respectively, which raise concerns about sustainability of the Union aid; welcomes the Court of Auditors' recommendations contained in those reports and urges the Commission to take those recommendations on board in order to maximise the benefits from Union's development expenditure;

259. Welcomes the creation, under the new Financial Regulation (EU, Euratom) No 966/2012, of Union Trust Funds, which will increase the visibility of Union action and allow for stricter control over the delivery chain of Union funds; asks the Commission to report to Parliament on the effectiveness of those funds;

Research and other internal policies

260. Is concerned that the research framework programmes are implemented under centralised direct and centralised indirect management involving six Commission directorates-general and two executive agencies; notes that in addition, parts of the budget are implemented under indirect centralised management by joint undertakings and the European Investment Bank;
261. Regrets that the large number of Commission services involved in that policy area renders decision-making and the lines of responsibilities opaque; calls on the Commission to review the distribution of Commissioners' portfolios in order to better reflect competences distribution of the committees of Parliament and, as it is, wide spread practice in Member States;
262. Is concerned about the delay in dismantling the Ignalina Nuclear Power Plant (INPP) in Lithuania, due to conflicts between the authorities and the contractors; welcomes and supports the fact that the Commission and the international donor community decided to suspend financial support for the project, in line with the recommendations of Parliament's Committee on Budgetary Control, until the conflict has been solved;
263. Is deeply concerned by the current deficiency in viable knowledge on the amounts necessary to complete the whole decommissioning process; acknowledges that considerable amounts are still needed in this process and deplores the fact that Member States have failed to set up the necessary mechanisms to ensure this additional funding; reiterates and stresses that the final responsibility for the safe closure of nuclear power plants lies with the Member State in which the power plant is situated; notes that failure to comply with this obligation puts Union citizens at risk;
264. Notes that the European Bank for Reconstruction and Development (EBRD) commissioned expert reports from Swedish experts (SKB), among others, which confirmed that GNS fuel elements containers are safe; notes with concern that this documentation for the fuel element containers, which has long been available, was not forwarded to the Lithuanian Approval Authority; notes that as long as the fuel elements are not stored in the containers, the Ignalina power station must be administered as if it were in operation, which means that the 2 000 or so employees must continue to be financed by the Union; calls on the Commission to accept no excuses from the Lithuanian Government which would cause the authorisation and the project to be further delayed; asks that the Commission set down a rigid timetable and threaten to impose sanctions if it is not adhered to;
265. Calls on Bulgaria, Lithuania and Slovakia to establish decommissioning plans, including detailed financial envelopes, explaining how the closure of the nuclear power plants will be financed;

Error rate compared to effectiveness

266. Notes that the Court of Auditors estimated the most likely error rate in a spending area that is mainly under centralised management at 3 % in 2011, which is more than twice as high as in 2010 with 1,4 %;

Sources of errors

267. Notes that the principle risk of irregularity is that beneficiaries may overstate eligible costs; such a risk is exacerbated by the complexity of rules for calculating eligible costs; in addition in certain areas the implementing bodies apply rules differently; ineligible personnel costs and costs linked to commercial activities represent additional sources of error; regrets that the Commission did not react in time;
268. Finds it unacceptable that the Court of Auditors also found weaknesses in the work of independent auditors certifying cost claims of beneficiaries; in 25 out of 31 cases where auditors had issued an unqualified opinion the Court of Auditors detected errors; is worried by such a manifest lack of professionalism;

269. Is satisfied, however, that the Court of Auditors considers the *ex-post* audits to be effective;
270. Deplores the fact that the Court of Auditors found the supervisory and control systems under the Competitiveness and Innovation Framework Programme (CIP) — ICT Policy Support programme (ICT-PSP) to be ineffective; calls on the Commission to bring these supervisory and control systems up to speed without delay;
271. Takes note of the Court of Auditors' conclusions that the payments for the year ended 31 December 2011 for research and other internal policies were affected by material error and that the examined supervisory and control systems for research and other internal policies were partially effective; regrets that the Court of Auditors' report provides no detailed information on the expenditure for the area of freedom, security and justice;
272. Emphasises the high importance of chapter 18 02 – Solidarity – External borders, return, visa policy and free movement of people for the security and economy of the Union; calls on the Commission to improve its budgetary planning;
273. Takes note of the reservations made by the Commission's Directorate-General for Home Affairs in its annual activity report of 2011 regarding the reputational risks due to delays in implementing SIS II; takes note of the financial risk resulting from the residual error rate in the non-audited population of grants of the financial programmes 'Prevention, preparedness and consequence management of terrorism and other security related risks' and 'Prevention of and fight against crime'; calls on the Commission to pursue the corrective measures announced;

Reporting and financial corrections

274. Recognises that the number of participants in the seventh framework programme (FP7) has significantly increased to almost 20 000 and that inexperience, in combination with a complex set of rules, could lead to errors; encourages the Commission to continue to provide guidance and feedback to participants;
275. Finds it incomprehensible that auditors of beneficiaries submit erroneous certificates on the financial statements; believes that the Commission must focus on giving guidance on the professional qualifications of private auditors and providing additional expertise;
276. Notes the examples given by the Court of Auditors on errors in declarations of personnel and indirect costs; notes that the Horizon 2020 programme proposal introduced significant simplifications of the rules for these cost categories; considers that these simplifications are essential if there is to be a significant reduction in the error rate;
277. Acknowledges that the Commission, when reviewing the *ex ante* control procedures, undertakes to strike a balance between early approval and control;
278. Notes furthermore that under the FP7 audit strategy beneficiaries receiving 48 % of the FP7 budget have been audited;
279. Also takes note of the fact that the Commission uses the simplified extrapolation procedure, based on flat rates, for corrections, which could speed up the recovery process if the beneficiaries cooperate fully;

Recommendations

280. Urges the Commission to improve cooperation among all the directorates-general and other bodies involved, and render the division of labour, decision-making procedures and lines of responsibility between them more transparent;
281. Fully supports the Court of Auditors' recommendations
- to raise awareness among beneficiaries and external auditors,
 - to familiarise external audit firms with the Commission guidelines, and
 - to put in place an audit strategy for the ICT-PSP programme;

Education and culture

282. Calls on the Education, Audiovisual and Culture Executive Agency (EACEA) to revise the one-sided and inadequate financial ratios established in order to evaluate the financial situation of beneficiaries and to decide upon the level of grant instalments, even jeopardising projects selected by not granting the usual payment of first instalments and waiting till the project is finished and reported back; reminds the EACEA that the efficient monitoring and control of projects includes a realistic assessment of the environment of small and medium enterprises and very small organisations;
283. Is concerned by the significant errors in the underlying transactions by the EACEA in the context of the Lifelong Learning Programme (2007–2013) that were found through *ex-post* controls; notes that these errors are mainly due to the lack of adequate justifying documents from beneficiaries and the non-respect of eligibility rules; encourages the EACEA to further improve its control systems, to adapt them to the different kinds of beneficiaries, and to raise awareness of their financial obligations and controls;
284. Welcomes the improvements to the management and control systems of the National Agencies and National Authorities and the fact that the error rate for the implementation of the programmes through National Agencies in 2011 has dropped down to 1 %, significantly lower than in previous years;
285. Regrets that for the fourth consecutive year, the Commission's Directorate-General for Communication still has a reservation in the Annual Activity Report regarding the non-compliance with copyright legislation despite the action plan adopted in 2009;
286. Notes the successful actions that the Commission has undertaken in the field of sport; nevertheless calls upon the Commission to be more ambitious with the tools and budget it has, in order to prepare for the sports programme in 2014;

Administrative and other expenditure

287. Calls on the Commission not to reimburse any more travel costs of advisors to Commissioners whose work has not produced any tangible findings until an added value of their work can be proven;
288. Notes with concern the finding of the Court of Auditors that in 15 out of 28 audited cases, the information available in the Office for Administration and Payment of Individual entitlements (PMO) on the personal and family situation of the staff members was not up to date; recommends that the Commission follow up the recommendation of the Court of Auditors to request staff to deliver at appropriate intervals documents confirming their personal situation and that it implements a system for the timely monitoring of these documents;
289. Calls on the Commission to execute an in-depth study on the differences in required qualifications and the granted privileges, working conditions, allowances, entitled vacation days as well as pay levels for positions for civil servants and foreign services between Union and Member States located in the same working place and on the question of whether these differences legitimise the differences in remuneration of delegated national compared with Union civil servants, taking into account the relevant applicable tax system by comparing cases with standardised family situations;
290. Notes with concern that the Commission is unable to give a full overview of the costs incurred for hiring external staff and temporary agents on a yearly basis; requests that those costs are systematically monitored and requests that they are made publically available;
291. Calls on the Commission to make more use of the available technologies such as teleconferences and teleworking in order to reduce the costs of buildings and travel; requests the Commission to estimate possible financial savings which could be achieved with the increased use of these technologies and to submit the results to Parliament by September 2013;
292. Demands the establishment of an interinstitutional database for studies, so as to avoid multiple financing of the same issues and to achieve an exchange of results;

OLAF

293. Has been informed by the OLAF Supervisory Committee about breaches of fundamental rights during OLAF investigations; is very concerned about the information received in this regard and calls for full transparency concerning these incidents, regardless of the identity of the person(s) involved;
294. Notes the numerous attempts made to obscure clarification of the allegations made about OLAF's investigation methods; regards this as inappropriate and demands full clarification of these allegations;

Eurobarometer

295. Is concerned about the criticisms, mainly voiced in scientific publications, of the Eurobarometer's survey methods and calls on the Commission to give a detailed opinion of those criticisms;

Getting results from the Union budget

296. Welcomes the fact that the Court of Auditors presents a report on 'getting results from the budget' for the second time; asks the Court of Auditors to extend its assessment to other services of the Commission, in particular DG EMPL, DG MARE and to the Secretariat general of the Commission;

Evaluation report on the Union's finances based on results achieved

297. Notes that the report on the evaluation of the Union's finances based on the results achieved (COM(2012) 675) has been adopted by the Commission on 21 November 2012, thus giving both Parliament and the Court of Auditors only a limited time to review and reply; reiterates its previous request to the Commission to present the evaluation report in the competent committee and plenary when the Court of Auditors' Annual Report is presented;
298. Considers that progress concerning the evaluation report relating to the financial year 2011 has been made as that report provides certain performance-related information which became available in 2011 for funding under all of the main budget headings and summarises evaluation results on certain financial programmes for each budget heading;
299. Regrets, nevertheless, that this report provides only summaries of various evaluations relating to different programmes and covering divergent timeframe, without any comprehensive assessment of the results achieved in 2011 by the Commission when pursuing its policies;
300. Shares the view of the Court of Auditors⁽¹⁾ that the evaluation report does not yet provide sufficient evidence and reliable information on achievements resulting from the policies of the Union and, therefore, can not fulfil the role which it should play in the context of the discharge procedure;
301. Notes with satisfaction that some evaluations contributed to improve final impact of the programmes; encourages the Commission to take on board the main findings of those evaluations when shaping its policies;
302. Calls on the Commission to inform the budgetary authority on an annual basis about the development of accounts outside the Union budget, including their cash-flow development as well as the purpose of each account;
303. Points out that the presentation of those summaries by budget headings following the structure of the 2007-2013 Multiannual Financial Framework does not constitute as such an evaluation on Union's finances;
304. Considers that the structure of the report consisting of a variety of summary assessments presented, comprising interim, mid-term, *ex post*, and final evaluation, makes it difficult to draw consistent conclusions in terms of performance;
305. Notes that according to the Commission itself, impact evaluations on the programmes usually refer to funds committed at least three to five years previously; insists on receiving an evaluation focussing on the performance observed in the preceding financial year, i.e. measures taken to accomplish the Europe 2020 objectives annually, in full accordance with Article 318 TFEU;

⁽¹⁾ Letter of Mr Caldeira to President Barroso, 20 December 2012 with the reply of the European Court of Auditors to the second European Commission evaluation report provided for in Article 318 TFEU.

306. Calls on the Commission to broaden the coverage of its assessment and to develop a real cost effectiveness approach aiming at measuring the results obtained in pursuing its political objectives on the basis of the finances and staff devoted to the realisation of those objectives;
307. Calls on the Commission to ensure that evaluations are conducted independently; notes that the resulting reports should be shared as soon as possible with the relevant committees of Parliament;
308. Asks the Commission to outline in time for the discharge procedure 2012 a new system of management and performance information including the design and the role of the evaluation report taking on board the recommendations of Parliament as developed in paragraphs 327 and 328 of this resolution and to present it to the discharge authority;
309. Asks the Commission for this purpose to establish a reliable system of data collection on the performance to identify outcomes and impacts when they arise ⁽¹⁾;

Commission's management reporting on the achievements of the year

310. Welcomes the improvements noted by the Court of Auditors in the Commission's self-assessment of performance in its annual activity reports, in particular as regards reporting on policy achievements in the first part of those reports;
311. Regrets, nevertheless, that the limited number of general objectives and impact indicators that the Directions General are requested to define remain affected by weaknesses limiting their usefulness ⁽²⁾;
312. Also regrets that most indicators and targets related to the entire 2007-2013 period do not use interim indicators or milestones; insists in this context that impact indicators should have deadlines and quantified targets associated;
313. Is worried that the directorates-general of the Commission did not set nor report on objectives for operational activities relating to economy including the cost of inputs or efficiency and the relation between inputs, outputs and results;
314. Reminds the Commission of the rules concerning the rotation of senior staff in the Commission administration; confirms the need for those requirements in order to create transparency and avoid taking information hostage; calls on the Commission to implement this principle across the board and underlines the importance of leading by example and the taking of responsibility at the highest levels;
315. Regrets also that the description of the policy achievements in part 1 of the annual activity reports is not sufficiently results-oriented and that the Court of Auditors' examination of management plan and annual activity reports did not reveal any significant progress in this area;
316. Insists on the need to ensure the consistency between the objectives, indicators and targets foreseen in the management plan and reported on in the annual activity reports;
317. Insists also on the need to explain why the performance achieved did not meet the relevant objective or target in the annual activity report;
318. Points out that according to points 10.17 and 10.18 of the Court of Auditors' Annual Report, the accuracy of the evaluation performed by DG AGRI and DG REGIO is largely reliant on the quality of data supplied by the Member States; encourages the Commission services to issue guidelines on data input and to envisage to provide Member States with incentives to supply high quality performance data;
319. Notes that according to the annual activity reports of the Commission Secretary-General, the Directors-General of the Commission have 'aligned' the general and specific objectives in their management plans with the Europe 2020 strategy for Growth and Jobs;

⁽¹⁾ Letter of Mr Caldeira to President Barroso, 20 December 2012 with the reply of the European Court of Auditors to the second European Commission evaluation report provided for in Article 318 TFEU.

⁽²⁾ The Court of Auditors' Annual Report 2011, examples in point 10.18 et seq.

Europe 2020 strategy

320. Reiterates the fact that Europe 2020 ⁽¹⁾, launched by President Barroso in 2010, is the main project of the Commission, aimed at delivering growth that is smart, sustainable and inclusive; points out that this strategy is focused on five ambitious goals, measured by quantified targets in the areas of employment, innovation, education, poverty and climate/energy;
321. Notes that Eurostat is responsible for ensuring the statistical support for the strategy in particular in producing and supplying the relevant statistical data and ensuring high quality standards for data;
322. Notes that Eurostat again failed to deal properly with sensitive information, for example in the case of the data on Greece; calls on the Commission to undertake more stringent quality reviews and ensure that Eurostat guarantees that it will be accurate in its presentation of statistical data; calls for a report on this matter to be produced by March 2014;
323. Insists on the need to strengthen the credibility of the European statistical system; welcomes the recommendations made in this regard by the Court of Auditors in its Special Report No 12/2012 to move 'towards a system of European Statistics which guarantees professional independence, sufficient resources and strong supervision including sanctions for cases where quality standards are not respected' ⁽²⁾;
324. Underlines that the Union growth and jobs strategy is not based on activities led by each individual DG but encompasses seven cross-cutting flagships initiatives which are implemented each time by several directorates-general resulting into challenges concerning coordination and cooperation within the Commission;
325. Notes that the coordination between the services of the Commission in the framework of the flagship initiatives has taken various forms of inter services consultation, sometimes informal ones ⁽³⁾; deplores, nevertheless, that the nine groups of Commissioners set up by President Barroso in April 2010 met only on rare occasions ⁽⁴⁾, resulting in an insufficient use of this new mode of coordination in 2011; deplores the fact that no specific mechanism has been installed to ensure a satisfactory coordination of the implementation of all the flagships initiatives;
326. Regrets that the launching of the Europe 2020 Strategy in 2010 did not coincide with the time frame of the new programming period 2014-2020 and deplores that this will cause some delay in the achievement of the strategy, in those cases where the Member States have not managed to adapt their national and Union funded programmes for sustainable, smart and inclusive growth;
327. Asks all the services of the Commission involved in the Europe 2020 Strategy to define in their management plan a limited number of simple targets, meeting the requirements of the Court of Auditors in terms of relevance, comparability and reliability in order to annually measure in their annual activity reports the performance of the Commission in the achievement of the Strategy;
328. Asks the Commission to fundamentally modify the structure of its evaluation report foreseen by Article 318 TFEU, distinguishing the internal policies from the external ones and focussing inside the 'internal policies part' of this report on the Europe 2020 strategy as being the growth and jobs, the economic and social policy of the Union; insists that the emphasis should be put on the progress made in the achievement of the flagships initiatives;

⁽¹⁾ Communication from the Commission of 3 March 2010 entitled 'Europe 2020 — A strategy for smart, sustainable and inclusive growth' (COM(2010) 2020).

⁽²⁾ Special Report No 12/2012 of the Court of Auditors entitled Did the Commission and Eurostat improve the process for producing reliable and credible European statistics?, p. 6.

⁽³⁾ See for instance the replies given by Commissioner Andor to the written questions 46 and 47 in preparation of the hearing in the Committee on Budgetary Control on 26 November 2012.

⁽⁴⁾ In 2011, there were altogether 24 meetings of the 9 dedicated Commissioners groups with 7 meetings of the MFF group (see replies given by Commissioner Oettinger).

329. Endorses the main conclusions drawn by the Court of Auditors as regards the results of its audits on performance:

- in order to produce good results, it is important to clearly identify the needs that the programmes are intended to fulfil,
- good design (establishing a link between activities, outputs, results and impacts) of both programmes and of the individual projects within the programmes is essential for sound financial management,
- in time for the 2012 discharge procedure, the Commission should report on how it intends to secure the added value of Union spending, in accordance with the principles set out by the Court of Auditors in point 10.31 of its Annual Report 2011 (scale and effects of the expenditure, trans-frontier effects, reasonable concentration and selective approach to expenditure outside the Union) and to develop corresponding, meaningful performance indicators;

330. Notes with satisfaction that the Commission has a system in place to follow-up all recommendations of the Court of Auditors' special reports on performance audit (see Special Report No 19/2012 ⁽¹⁾); requests that the Commission strengthen the follow-up in order to respond in a timely efficient and effective manner to the recommendations of the Court of Auditors and the discharge authority;

The 2011 special reports of the Court of Auditors

331. Welcomes the fact that its Committee on Budgetary Control drew up separate working documents or reports on the Court of Auditors' individual special reports, the findings of which can be consulted in a separate document ⁽²⁾;

332. Is of the opinion that the political appreciation of findings in the special reports should be an integral part of the discharge procedure;

333. Welcomes, therefore, the ongoing consultations among its Committee on Budgetary Control, the Conference of Committee Chairs and the Conference of Presidents with a view to identifying the most appropriate way of taking the findings of the special reports into consideration, thereby benefiting to the fullest from the audit work of the Court of Auditors;

334. Calls on its bodies to find a viable and lasting solution in time for the 2012 discharge procedure.

⁽¹⁾ Special Report No 19/2012 of the Court of Auditors entitled '2011 report on the follow-up of the European Court of Auditors' special reports'.

⁽²⁾ Texts adopted, P7_TA(2013)0123 (see page 68 of this Official Journal).

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****on the Court of Auditors' special reports in the context of the 2011 Commission discharge**

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2011 ⁽¹⁾,
- having regard to the consolidated annual accounts of the European Union for the financial year 2011 (COM(2012) 436 – C7-0224/2012) ⁽²⁾,
- having regard to the Annual Report of the Court of Auditors on the implementation of the budget concerning the financial year 2011, together with the institutions' replies ⁽³⁾, and to the Court of Auditors' special reports,
- having regard to the statement of assurance ⁽⁴⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2011 pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to its Decision of 17 April 2013 on discharge in respect of the implementation of the general budget of the European Union for the financial year 2011, Section III – Commission ⁽⁵⁾ and to its resolution with observations that forms an integral part of that Decision,
- having regard to the special reports of the Court of Auditors drawn up pursuant to second subparagraph of Article 287(4) of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 12 February 2013 on discharge to be given to the Commission in respect of the implementation of the general budget of the European Union for the financial year 2011 (05752/2013 – C7-0038/2013),
- having regard to Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union and Article 106a 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 55, 145, 146 and 147 thereof,
- having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽⁷⁾, and in particular Articles 62, 164, 165 and 166 thereof,
- having regard to Rule 76 of, and Annex VI to, its Rules of Procedure,
- having regard to the report of the Committee on Budgetary Control (A7-0096/2013),
- A. whereas, pursuant to Article 17(1) of the Treaty on European Union, the Commission shall execute the budget and manage programmes and shall do so, pursuant to Article 317 of the Treaty on the Functioning of the European Union, in cooperation with the Member States, on its own responsibility, having regard to the principle of sound financial management,
- B. whereas the special reports of the Court of Auditors provide information on issues of concern related to the implementation of funds, which are thus useful for Parliament in exercising its role of discharge authority,

⁽¹⁾ OJ L 68, 15.3.2011.⁽²⁾ OJ C 348, 14.11.2012, p. 1.⁽³⁾ OJ C 344, 12.11.2012, p. 1.⁽⁴⁾ OJ C 348, 14.11.2012, p. 130.⁽⁵⁾ Texts adopted, P7_TA(2013)0122 (see page 25 of this Official Journal).⁽⁶⁾ OJ L 248, 16.9.2002, p. 1.⁽⁷⁾ OJ L 298, 26.10.2012, p. 1.

- C. whereas its observations on the special reports of the Court of Auditors form an integral part of Parliament's abovementioned Decision of 17 April 2013 on discharge in respect of the implementation of the general budget of the European Union for the financial year 2011, Section III – Commission,

Part I Special Report No 12/2011 of the Court of Auditors entitled 'Have EU measures contributed to adapting the capacity of the fishing fleets to available fishing opportunities?'

1. Welcomes the Court of Auditors' report and notes its damning appraisal of the measures undertaken by both the Commission and Member States;
2. Emphasises the fact that the Common Fisheries Policy (CFP) claims to promote sustainable fishing, which implies the long-term viability of the fishing sector and a balance between fishing resources and the capacity of the fishing fleet in order to avoid overexploitation of fish stocks;
3. Takes note that although the reduction of fishing overcapacity has been a recurrent theme in previous reforms of the CFP and has been addressed in the Court of Auditors' Special Reports No 3/1993 and No 7/2007, the expensive measures taken to date to reduce fishing overcapacity by adapting the fishing fleet to fishing resources have been unsuccessful;
4. Recognises that from 1995, the trend for Union fish catches has been declining and that, according to the Commission's Green Paper on reform of the CFP of 22 April 2009 (COM(2009) 163), this decline is largely due to overfishing and forms part of a vicious circle involving fishing overcapacity and low economic performance of the fishing fleets;
5. Is concerned that since the last reform of the CFP in 2002, fish catches have declined by 1 000 000 tonnes and jobs in the fishing sector have declined from 421 000 to 351 000;
6. Notes that although there is no official definition of overcapacity, declining catches and lost jobs caused by overfished fish stocks demonstrate de facto overcapacity; calls on the Commission to therefore define overcapacity and consider more relevant and robust measures to facilitate actions to balance fishing capacity with fishing opportunities;
7. Believes that it is essential that the Commission urgently draft a report containing the data on existing overcapacity in the Union, broken down by fishery and country;
8. Is concerned, furthermore, that fleet capacity ceilings, as a measure to restrict the size of the fishing fleet, have become irrelevant since the actual fleet size is well under the ceilings and could even be 200 000 tonnes bigger, while still complying with the rules; stresses that at the same time, due to technological advances, the fishing capacity of the fleets has increased with an average of 3 % per year during the last decade;
9. Notes that the CFP measures vessel capacity in terms of power (kilowatt) and size (gross tonnage) and that, however, these measures do not take into account technological progress in fishing methods, which complicates the task of setting appropriate targets for its reduction; notes that the Commission wants to maintain these static parameters until the end of 2015;
10. Calls on the Commission to enforce the Member States' obligation to correctly update their fleet register, and to establish the obligation to report on their efforts to balance fishing capacity with fishing opportunities;
11. Notes that in terms of reducing fishing capacity, the Commission's new proposal for the CFP is founded on a new, market-based approach (schemes for granting transferable fishing rights) since the Commission has reached the conclusion that these schemes have a positive role to play in reducing fishing overcapacity;

12. Expresses its concern at the shortcomings encountered in the rules for the treatment of fishing rights when fishing vessels are scrapped with public aid, and at the failure to define clear and effective criteria for selecting vessels; considers that the scrapping schemes have, in part, been poorly implemented, with examples of taxpayers' money being used for the scrapping of already inactive vessels or even being used indirectly for building new vessels; notes, however, that some Member States have had scrapping schemes that have fulfilled their purpose; stresses, therefore, the need of strict safeguards when using scrapping schemes, as a way of reducing overcapacity in order to avoid abuse;
13. Regrets that investment on board fishing vessels, funded by the European Fisheries Fund (EFF), could increase the ability of individual vessels to catch fish; considers that the interpretative note, prepared by the Commission and sent to Member States following the Court of Auditors' Special Report on the ability of the vessels to catch fish in which the Court of Auditors called for national authorities to enforce stricter checks before deciding on the funding of projects of investments on board, is insufficient;
14. Notes that whereas point 36 of Special Report No 12/2011 says that, by the end of 2010, implementation of the EFF, in terms of expenditure certified by Member States, amounted to EUR 645 million, or 15 % of the amount available from 2007 to 2013, most of this amount was declared in 2010 and EUR 292 million had still not been paid by the Commission as at 31 December 2010, owing to the Council's late adoption of Council Regulation (EC) No 1198/2006 of 27 July 2006 on the European Fisheries Fund ⁽¹⁾ and the complexity involved in the initial setting-up of management and control systems by the Member States; notes that certified interim payments sent by Member States by the end of December 2011 amounted to 28 % (EUR 1 188 million) of the overall EFF allocation and welcomes the fact that the pace of absorption of the EFF is now picking up;
15. Recommends that the Member States take measures to:
 - adapt their fishing fleets to the existing fishing opportunities,
 - ensure that selection criteria for fishing vessel decommissioning schemes are designed to have a positive impact on the sustainability of the targeted fish stocks and avoid providing public aid for decommissioning inactive fishing vessels;
16. Calls on the Commission to set effective fishing fleet capacity ceilings;
17. Considers that a reform of the CFP is needed to regionalise its implementation and the management of its programmes and measures;
18. Endorses the Court of Auditors' recommendations that:
 - actions should be developed to effectively reduce overcapacity of the fishing fleet and to better define and measure fishing capacity and fishing overcapacity, while at the same time not disregarding that the remaining jobs in the fishing sector should be maintained,
 - the aid scheme for modernising vessels should be reconsidered and the role of fishing right transfer schemes clarified,
 - clear selection rules should be established for fishing vessel decommissioning schemes,
 - Member States should implement the EFF on time and any publicly funded investments on board should not have an increased fishing ability as a result,
 - the fleet register should be correctly updated, and Member State reports should contain the required information and be of suitable quality,
19. Considers, moreover, that in the light of the Court of Auditors' criticism, it has become clear that the EFF and CFP are currently an ineffective use of our common resources, and therefore welcomes the fact that the scheme will be reviewed in its entirety in the near future; highlights the importance, when re-structuring these schemes, of focusing on the areas within fisheries policy that can best be dealt with at Union level, such as the environmental aspects, rather than on various types of ineffective subsidy scheme;

⁽¹⁾ OJ L 223, 15.8.2006, p. 1.

Part II Special Report No 13/2011 of the Court of Auditors entitled 'Does the control of customs procedure 42 prevent and detect VAT evasion?'

20. Welcomes the Court of Auditors' Special Report No 13/2011;
21. Recalls that the proper collection of value added tax (VAT) directly affects both the economies of Member States and the Union budget, as tax fraud, in particular VAT fraud, leads to exorbitant losses for the Union budget and the economies of Member States, thus exacerbating the debt crisis; points out that VAT fraud estimates amount to annual figures of around EUR 1 400 million;
22. Believes that particularly in the current economic climate, the emphasis should move to more efficient and fairer revenue collection systems; emphasises that the improvement of such systems should be of the utmost priority for the Union and all Member States, in particular those facing the biggest economic difficulties;
23. Recalls that according to a study carried out on behalf of the Commission, the estimated average VAT gap in the Union is 12 %; draws special attention to the fact that this VAT gap has been at an alarming level of 30 % and 22 % in Greece and Italy respectively, the Member States which are experiencing the most difficult debt crisis;
24. Stresses that besides tax avoidance and losses due to insolvencies, the VAT gap is also attributable to fraud, non-transparent rules, incoherent control systems and non or partial implementation of Union law in Member States, and that VAT losses, translating into billions of euro, are largely compensated for by means of austerity measures, affecting citizens of the Union, and borne by citizens whose income is well documented and traceable;
25. Is profoundly concerned about the Court of Auditors' findings, in particular that the application of customs procedure 42 ⁽¹⁾ alone accounted for the extrapolated losses of approximately EUR 2 200 million in the seven Member States audited by the Court of Auditors in 2009, representing 29 % of the VAT theoretically applicable on the taxable amount of all the imports made under customs procedure 42 in 2009 in those Member States;
26. Notes with concern that the Court of Auditors found that the Union's regulatory framework does not ensure the uniform and sound management of this VAT exemption by Member States' customs authorities and that the regulatory framework does not ensure that the information concerning those transactions is always made available to the tax authorities in the Member State of destination, leaving the system vulnerable to misuse by organised crime and individual fraudsters, creating huge competition disadvantages for bona fide traders;
27. Draws attention to the Court of Auditors' finding that customs authorities in the audited Member States do not ensure the validity and completeness of data and the fulfilment of other exemption conditions;
28. Is concerned that the Court of Auditors found serious deficiencies in the control of simplified customs procedures, which account for 70 % of all customs procedures, in particular, poor-quality or poorly documented audits and automated data-processing techniques for carrying out checks during the processing of simplified procedures which are of little use; points out that those deficiencies have led to unjustified losses to the Union budget and that the correct operation of customs has a direct impact on the calculation of VAT; deplores the fact that the Commission did not take appropriate measures to remedy this over the last 10 years but was hiding behind the rules, which seemed quite adequate on paper;
29. Notes with regret that since its introduction, the VAT collection model has remained unchanged; believes that it is outdated, given the many changes to the technological and economic environment that have occurred;
30. Urges the Commission and Member States to monitor and effectively respond to both existing and new trends in fraud, and requests that the Commission inform the Committee on Budgetary Control by September 2013 which temporary and permanent measures were taken on the basis of customs

⁽¹⁾ Regime used by an importer in order to obtain a VAT exemption when the imported goods will be transported to another Member State and where the VAT is due in the Member State of destination.

procedure 42, not only by the Union, but also at national level and their effect on the number of fraud cases; takes note of the Commission's Green Paper on the future of VAT – Towards a simpler, more robust and efficient VAT system (COM(2010) 695), and calls for concrete proposals to be made on VAT reform;

31. Calls on the Commission to urge Member States to simplify their law on VAT, introduce a standard form for the notification of the implementation of VAT to tax authorities and establish uniform and proper management of cases of exemption from VAT by the customs authorities of the Member States and to ensure the improved availability of those legislative texts translated into English, French and German as a minimum requirement;
32. Deplores the postponement of the entry into force of the Modernised Customs Code (MCC) as provided for in the Commission's proposal for a regulation of the European Parliament and of the Council laying down the Union Customs Code (COM(2012) 64), and considers the proposed new date of 31 December 2020 to be unacceptable; recalls that 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) ⁽¹⁾ provided that the MCC would enter into force by 24 June 2013 and urges the Commission and Member States to take the necessary steps in order to speed up the preparation process;
33. Strongly suggests to all Member States to take part in Working Field 3 of *Eurofisc* on fraudulent transactions using customs procedure 4200;
34. Endorses the Commission's proposal for a Council Directive amending Directive 2006/112/EC on the common system of value added tax as regards tax evasion linked to import and other cross-border transactions (COM(2008) 805), which aims to introduce joint liability of traders in intra-Union transactions, holding importers jointly and severally liable in cases where false, late or incomplete reporting of the transaction to the VAT authority has resulted in VAT loss and subjecting them to appropriate penalties;
35. Stresses the importance of more intensive and rapid cooperation between Member States, better monitoring of exchanges of information and more direct contacts between local tax and customs offices, including by means of the online VAT Information Exchange System (VIES), so as to ensure that Member States provide efficient assistance to each other;
36. Recommends to Member States that they give customs authorities online access to the VAT identification numbers contained in VIES without further delay, in order to enable the latter to fulfil their obligations to verify the VAT numbers collected in customs declarations; requests that the Commission keep Parliament's competent committees and the Court of Auditors informed on a monthly basis on the developments in all Member States on preventing fraud under customs procedure 42;
37. Calls on the Commission to create a system that would combine assistance in the customs area and administrative cooperation in the area of VAT to ensure effective information flows, so that the relevant authorities in one field are routinely informed about action in the other field; considers that this would make the cooperation between the competent authorities and the charging of VAT in the Member State of destination more effective and rapid;
38. Stresses the role of e-government in increasing transparency and combating fraud and corruption, thereby safeguarding public funds; stresses that the Union is lagging behind its industrial partners, inter alia, due to a lack of interoperability of systems ⁽²⁾; stresses that the Union must step up its efforts to achieve a new generation of e-government;
39. Points out that documented, electronic, non-cash transactions make participating in the black economy more difficult, and that a strong correlation appears to exist between the proportion of electronic payments in a country and its black economy ⁽³⁾; encourages the Member States to lower their thresholds for compulsory non-cash payments;

⁽¹⁾ OJ L 145, 4.6.2008, p. 1.

⁽²⁾ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions of 19 May 2010: A Digital Agenda for Europe (COM(2010) 245).

⁽³⁾ The Shadow Economy in Europe, 2010: Using Electronic Payment Systems to Combat the Shadow Economy/Friedrich Schneider, A.T. Kearney, 2010.

40. Endorses the Court of Auditors' recommendations, in particular:

- the recommendation to amend the Customs Code Implementing Provisions, implementing compulsory communication of the relevant VAT ID numbers,
- the recommendation to amend the VAT Directive in order to hold importers jointly and severally liable for the VAT loss,
- the recommendation to the Commission to provide guidance to Member States on assistance and administrative cooperation,
- the recommendation to provide for automatic verification of VAT ID numbers and creation of EU risk profile under customs procedure 42,
- the recommendation for amending the VAT Directive allowing for reconciliation between customs and tax data,
- the recommendation to provide for exchange of information necessary for correct charging of VAT,
- the recommendation to set up a direct automatic data exchange concerning risk-prone transactions under customs procedure 42,

calls on the Commission to report on a six-monthly basis on how and when it will implement those recommendations;

Part III Special Report No 14/2011 of the Court of Auditors entitled 'Has EU assistance improved Croatia's capacity to manage post-accession funding?'

41. Welcomes the Court of Auditors' Special Report No 14/2011, and endorses the Court of Auditors' conclusions, in particular its finding that 'overall EU pre-accession assistance to Croatia is making a significant contribution to Croatia's progress in building up its administrative capacity for managing increased EU funding post accession'; welcomes the significant and positive role of pre-accession assistance in preparing Croatian authorities for the management of cohesion and rural policies in the post-accession period;
42. Regrets that the Court of Auditors' report does not include sufficient information on levels of error or fraud and on the follow up, including judicial where necessary, as well as on the performance evaluation;
43. Stresses, however, that the Court of Auditors concludes that 'the assistance has only been partially successful so far in achieving its objectives and further progress in capacity building has to be supported in a number of key areas both before and after accession'; notes the Court of Auditors' finding that 'in most areas of pre-accession assistance, the Commission has not yet assessed Croatia's capacity to be sufficient for it to authorise Croatia to implement the assistance without the Commission's *ex ante* checks' and that 'despite recent progress made, procurement capacity and anti-corruption are two areas where there is a particular need to reinforce support to the Croatian authorities';
44. Is concerned, in view of some instances of lack of preparedness of administrations and institutions, and transition from accession to structural fund financing in previous accessions to the Union, how similar risks for Croatia could be avoided;
45. Is concerned that, in addition to the Court of Auditors' significant focus on aligning legislation, continuous monitoring will be needed and measures need to be put in place to address:
- inadequate absorption levels on a number of recent programmes,
 - adequacy of external audit and internal control capacity,

- stability of the procedures in programmes for funding,
 - transparency issues and the need to improve the awareness of stakeholders and the general public,
 - questions of efficiency, effectiveness and economy in use of funds, through performance evaluations;
46. Endorses the Court of Auditors' recommendations, and in particular invites the Commission and the Croatian authorities to work closely together so as to increase the priority given to building up procurement capacity by implementing plans for on- and off-the-job training, to take greater steps to meet capacity-building needs at regional and local level, and to develop further the assessment of project effectiveness, as well as to build up a portfolio of mature projects to be able to fully absorb the increased post-accession funding available, and also to take action in relation to rural development programmes, and to strengthen anti-corruption measures;
47. Endorses the Court of Auditors' recommendation to the Commission to take into account the lessons learned from its pre-accession assistance to Croatia in its pre-accession assistance to other countries wherever applicable;
48. Welcomes the Commission's assessment in its Monitoring report on Croatia's accession preparations of 24 April 2012 stating that 'Overall, Croatia's preparations for EU membership are on track. Croatia has reached a considerable degree of alignment with the *acquis*. Further progress has been achieved since the 2011 progress report and the last update of the monitoring tables in autumn 2011. Nevertheless the Commission has identified a limited number of issues requiring further efforts' ⁽¹⁾;
49. Notes that a number of outstanding issues still remain to be addressed in several of the *acquis* chapters; in particular, attention is to be paid to legislative alignment in secondary legislation concerning public procurement, especially in the field of defence procurement, and also to the proper implementation of the newly adopted legislation, especially at local level, also with a view to the future management of the Structural Funds;
50. Notes also that continued efforts are needed in the field of financial control in order to improve the overall functioning of the public internal financial control and external audit at central and local level, as well as in the field of financial and budgetary provisions, where it is necessary to continue building up capacity to coordinate the overall system of own resources efficiently after accession, and to step up modernisation of the customs control strategy focusing more on post-clearance controls;
51. Emphasises that increased efforts are needed in some areas, in particular, agriculture and rural development, where attention must be given to further legislative alignment and strengthening of administrative capacity in the areas of direct payments and rural development;
52. Is concerned of the low absorption of Sapard and IPARD funding — some sectors were particularly under-represented in the implementation of Measure 1 (Investment in agricultural holdings), notably the milk sector, greenhouses sector and fruits and vegetable sector; considers that this points to serious weaknesses in the capacity and preparedness of these sectors to absorb future Union funds;
53. Notes the delays in the implementation of pre-accession assistance; welcomes the progress achieved in addressing the issue and urges the Commission and Croatia's authorities to continue improving the speed of implementing assistance, especially by strengthening capacity-building; stresses that capacity-building in the framework of pre-accession assistance should target central institutions as well as regional and local structures; is concerned that, in the case of Croatia, insufficient attention to the latter may result in them lacking adequate administrative capacity and experience to implement Union assistance;

⁽¹⁾ Communication from the Commission to the European Parliament and the Council of 24 April 2012: Monitoring report on Croatia's accession preparations, p. 12.

54. Reiterates that the purpose of pre-accession assistance is, inter alia, to bolster the candidate states' capacity to absorb future Union funding in an efficient and transparent manner; welcomes, therefore, the new approaches used by the Commission in planning pre-accession assistance to Croatia, such as linking specific capacity-building projects to accession negotiations, allowing for multiannual operational programmes;
55. Calls on the Commission to maximise the potential for institutional learning and capacity-building in candidate and potential candidate states, notably by further aligning the procedures of pre-accession assistance with those used under the Structural Fund, the European Social Fund, and the European Agricultural Fund for Rural Development;
56. Also notes that with regard to regional policy and coordination of structural instruments, further sustained efforts need to focus on effectively implementing the plans to increase administrative capacity for future cohesion policy implementation and to develop a mature project pipeline;
57. Invites the Croatian authorities to take measures addressing the abovementioned concerns, and calls on the Commission to report on Croatia's progress in tackling these and other outstanding issues;
58. Commends the progress made by Croatia in reinforcing its institutional and administrative capacity and consolidating the management of pre-accession assistance;
59. Welcomes the establishment of the Croatian Ministry of Regional Development and EU Funds in December 2011 and the fact that the Minister of Regional Development and EU Funds has also been appointed to serve as a Deputy Prime Minister, which shows the commitment of the new government to the issues of regional development and utilisation of the Union funds;
60. Notes that Croatia has put considerable effort into the establishment of a sound financial management and control system, which should result in the expected waiver of *ex ante* controls in the second half of 2012; stresses, however, that further sustained action is needed, given that, in most areas, the Commission has not yet authorised Croatia to implement pre-accession assistance without *ex ante* checks;
61. Welcomes the fact that as of January 2012, the new Act on Public Procurement has entered into force, ensuring increased transparency, and that 2011 saw the realisation of the IPA 2008 Twinning Light facility project 'Strengthening Capacities to Remedy Irregularities in Public Procurement Procedures', which included, inter alia, efforts with regard to awareness-raising;
62. Urges the Commission and the Croatian authorities to prioritise the build-up of robust public procurement capacities; emphasises, in this context, that the fight against corruption plays a central role in the entire accession process, and failure to implement preventive anti-corruption measures will impede the future absorption of Union assistance;

Part IV Special Report No 16/2011 of the Court of Auditors entitled 'EU Financial assistance for the decommissioning of nuclear plants in Bulgaria, Lithuania and Slovakia: Achievements and Future Challenges'

63. Stresses that decommissioning will be an increasingly important issue in the coming years because one third of the 133 nuclear reactors operating in 14 Member States are to be shut down by 2025 ⁽¹⁾;
64. Calls on its Committee on Budgets and on the Committee on Industry, Research and Energy to take into consideration the findings of the Committee on Budgetary Control for the negotiations of the new Multiannual Financial Framework (2014-2020);

⁽¹⁾ Cf. Communication from the Commission to the European Parliament and the Council of 12 December 2007: Second Report on the use of financial resources earmarked for the decommissioning of nuclear installations, spent fuel and radioactive waste (COM(2007) 794), p. 10.

The findings of the Court of Auditors

65. Considers that the Court of Auditors' findings can be summarised as follows:
- (a) As a result of a relatively loose policy framework, the programmes do not benefit from a comprehensive needs assessment, prioritisation, the setting of specific objectives and results to be achieved. Responsibilities are diffused, in particular with regard to monitoring and the achievement of programme objectives as a whole. The Commission's supervision focuses on the budgetary execution and project implementation.
 - (b) There is no comprehensive assessment concerning the progress of the decommissioning and mitigation process. Delays and cost overruns were noted for key infrastructure projects.
 - (c) Although the reactors were shut down between 2002 and 2009, the programmes have not yet triggered the required organisational changes to allow the operators to turn into effective decommissioning organisations.
 - (d) Currently available financial resources (including an EU contribution until 2013 worth 2,85 billion euro) will be insufficient and the funding shortfall is significant (around 2,5 billion euro).⁽¹⁾
66. Notes, furthermore, that the funding scheme put forward by the Commission was not the subject of a comprehensive *ex-ante* evaluation;

Parliament's conclusions

67. Acknowledges that the situation described in the Court of Auditors' report refers to the period until the end of 2010 and that subsequently, the Commission has taken a number of initiatives;
68. Notes that the Union's overall objective in the nuclear field is to maximise nuclear safety;
69. Notes the Commission's opinion that it has put in place a procedural framework that sets specific objectives, defines roles and responsibilities and clearly defines the reporting and supervision requirements⁽²⁾;
70. Notes the Commission's reply explaining that the needs assessment was part of the impact assessment (SEC(2011) 1387) conducted in 2011; notes that the impact assessment covered progress achieved so far, remaining challenges and an overview of the funding situation;
71. Recalls that the Accession Treaties of Bulgaria and Slovakia establish the limits for providing Union financial assistance to 2009 and 2006 respectively;
72. Welcomes the proposal for a Council Regulation on Union support for the nuclear decommissioning assistance programme in Bulgaria, Lithuania and Slovakia (COM(2011) 783) that draws on extensive consultation with stakeholders, the Member States concerned — Bulgaria, Lithuania and Slovakia — and expert groups in decommissioning; welcomes the fact that the findings of Parliament's Resolution of 5 April 2011⁽³⁾ and the conclusion and recommendations from the Court of Auditors' decommissioning performance audit of 2011 were used as input;
73. Observes that experts called for a solid and complete detailed decommissioning plan as the basis for the implementation of further Union support, including full costing estimates up to the completion date for decommissioning; considers that a clear indication of national co-financing and the way to secure this national funding in the long term should be provided;

⁽¹⁾ Special Report No 16/2011, p. 7.

⁽²⁾ Cf. Report from the Commission to the European Parliament and the Council of 13 July 2011: On the use of financial resources during 2004-2009 provided to Lithuania, Slovakia and Bulgaria to support the decommissioning of early shut-down nuclear power-plants under the Acts of Accession (COM(2011) 432).

⁽³⁾ European Parliament Resolution of 5 April 2011 on the efficiency and effectiveness of EU funding in the area of decommissioning nuclear power plants in the new Member States (OJ C 296 E, 2.10.2012, p. 19).

74. Notes with satisfaction that the key milestones, as defined in the Commission's abovementioned impact assessment ⁽¹⁾, were explicitly supported by stakeholders, as well as targeting Union support on the accomplishment of concrete milestones with the highest Union added value; notes that compliance procedures and close cost monitoring should be considered from the outset;
75. Reiterates and stresses mutual commitments taken by the Union and Bulgaria, Slovakia and Lithuania with regard to decommissioning of, respectively, four units of Kozloduy Nuclear Power Plant, Unit 1 and Unit 2 of Bohunice V1 Nuclear Power Plant and Units 1 and 2 of the Ignalina Nuclear Power Plant;
76. Deplores the fact that in the case of Ignalina nuclear power plant, highly relevant projects such as B1 and B234 have encountered serious delays due to technical and commercial disputes, which have generated extensive economical damage, as well as discontinuity in the decommissioning process;
77. Believes the roadmap with agreed technical solutions decided upon in July 2012 by Ignalina nuclear power plant and NUKEM/GNS to be an important step forward in the process of overcoming the stalemate related to the B1 interim spent fuel storage facility;
78. Deplores the fact that the detailed progress report on the implementation of the roadmap, expected on 5 October 2012, has not met the deadline;
79. Welcomes the progress achieved on some of the issues covered by the roadmap, such as the validation of casks and enhancement measures related to the cranes;
80. Remains concerned, however, that outstanding issues such as the shock absorbers problem and the handling of leaking and damaged fuel have not yet been agreed upon, and therefore hinder the swift implementation of the above-mentioned roadmap;
81. Urges both parties involved to conclude a swift and timely agreement on all remaining issues;
82. Supports the findings of the fact-finding mission of the Committee on Budgetary Control to Lithuania on 10 to 12 July 2012 and in that respect, believes that the Union's financial assistance should be suspended until a settlement is reached in the case of the B1 and B234 projects;
83. Supports the Commission's proposal on allocating an additional EUR 230 million for the Ignalina nuclear power plant for the 2014 to 2017 period; reiterates that money should only be allocated if the *ex-ante* conditionalities as set out in the aforementioned proposal for a Council regulation have been fulfilled; believes that financial assistance from the Union should be concluded after that date;
84. Insists that the decommissioning activity should be planned in a safe and efficient way that would enable a swift release of the decommissioning licence, according to the timetables set in the respective decommissioning plans;
85. Calls on the Commission to send Parliament an estimate of the funding required for the irreversible and complete dismantling of the three nuclear power plants;
86. Recalls that only national nuclear regulatory authorities can issue decommissioning licences to legal persons in strict compliance with the corresponding national legislation;

⁽¹⁾ SEC(2011) 1387, p. 34, see Annex 1.

87. Calls on the Government of Lithuania to establish an independent project management team for projects B1 and B234; notes that the independent management of projects implemented by the Ignalina nuclear power plant should also be established, as proposed by the Lithuanian National Audit Office;
88. Requests that a clear, unequivocal deadline for acquiring the decommissioning licences be set, if not yet done;
89. Notes with concern that there are delays in building and completing interim facilities to store used fuel and unless such facilities are available, nuclear fuel rods cannot be removed; notes that as regards the Ignalina power plant, the removal and safe interim storage of nuclear rods from Unit 2 must be a priority;
90. Requests that disagreements on the interpretation of treaties, the awarding of contracts and the ongoing technical and commercial disputes between the Ignalina nuclear power plant and the main contractor for the two projects be submitted to an arbitration procedure; notes that any additional Union financial assistance should be suspended until the dispute is settled; calls on the Commission to report annually to Parliament on the state of play;
91. Is deeply concerned that the Court of Auditors estimated the financial shortfall for the completion of the decommissioning projects at EUR 2 500 million, thus creating a considerable funding gap;
92. Calls on the Commission to cooperate with the governments of Bulgaria, Lithuania and Slovakia and to maximise progress in the decommissioning of nuclear power stations by making available sufficient funding by 2017 or, where appropriate, by 2020; calls on the Commission, furthermore, to set ambitious implementation targets and monitor progress towards those targets; takes the view that penalties must be applied in the case of failure to meet those targets; calls for an annual report on the progress made to be submitted to Parliament;
93. Notes that since the decommissioning of nuclear power stations in Lithuania, Slovakia and Bulgaria began, the responsibility and obligations of the participating Member States in the decommissioning process has not been clearly defined; notes that the burden arising from responsibility for the whole decommissioning process which close their nuclear power stations has been disproportionate on Member States;
94. Welcomes the fact that the abovementioned proposal for a Council regulation (COM(2011) 783) not only sets general objectives but also sets specific, measurable, attainable, relevant and timed objectives for the three Member States; notes that further objectives and performance indicators will be defined on the project level, in the implementing measures and the annual work programmes;
95. Takes the view that in the proposal for a Council regulation, the legal basis for the granting of additional funding to the Ignalina programme should be Protocol No 4 of the Act of Accession and not Article 203 of the Treaty establishing the European Atomic Energy Community;
96. Welcomes the fact that no later than the end of 2015, an evaluation report shall be established by the Commission on the achievement of the objectives of all the measures, at the level of results and impacts, the efficient use of resources and its Union added value, in view of a decision amending or suspending the measures; asks the Commission to provide it with a copy of the evaluation report;
97. Calls on the European Bank for Reconstruction and Development (EBRD) to make its reports on project implementation in Bulgaria, Lithuania and Slovakia available to Parliament;
98. Asks the Commission and the Court of Auditors to assess the added-value of the cooperation with the EBRD, and its capacity to act as administrator of funds, given that the Union supplies 96 % of funding;

99. Calls on the Commission to draw up a report on the decommissioning processes in those three countries; calls on the Commission to also draw up a report on the decommissioning of the nuclear power plant in Greifswald, with a view to establishing technical and organisational best practice, thereby creating a reference base for future decommissioning projects;

Part V Special Report No 1/2012 of the Court of Auditors entitled 'Effectiveness of European Union development aid for food security in sub-Saharan Africa'

100. Welcomes the Court of Auditors' report and its overall conclusion that Union development aid for food security in sub-Saharan Africa is, for the most part, effective and that it makes an important contribution towards achieving food security in partner countries which do not yet have a sustainable and secure agricultural sector; notes, however, that according to the Court of Auditors, there is scope for significant improvement in a number of areas;
101. Notes with satisfaction the Court of Auditors' finding that where food security is part of the European Development Fund (EDF) strategy, Union development aid is highly relevant to the needs and priorities of sub-Saharan Africa and that the Commission focused Union development aid on countries with the highest number of undernourished people;
102. Agrees with the Court of Auditors that a greater focus on food security is necessary in the Union's development assistance;
103. Deplores that for the tenth EDF, food security, agriculture and rural development have been selected for fewer partner countries as a focal sector than for the ninth EDF and that several food-insecure countries have received little or no Union development aid in this area; agrees with the Court of Auditors that this is inconsistent with the critical situation as regards Millennium Development Goal 1: Eradicate extreme poverty and hunger and the increased priority that the EDF was expected to give to food security; calls on the Commission and Member States to give more attention to this area when drawing up the EDF country strategy papers and to allocate more funding for this purpose;
104. Supports the Court of Auditors' recommendation for a structured assessment of the food security situation in each country and a systematic consideration of the potential scope for relevant Union support by the European External Action Service (EEAS) and the Commission's programming of Union development aid; calls on the Commission's Directorate-General for Development and Cooperation – EuropeAid to ensure the incorporation of data and analyses by the field offices of the Directorate-General for Humanitarian Aid and Civil Protection and from other sources and to help ensure that effective early warning systems for food insecurity are in place; also calls on the EEAS to help ensure that corresponding government capacity is built to run those systems in a sustainable manner, and that prevention strategies are implemented, fostering the resilience of the most vulnerable;
105. Notes that after the 2008 food crisis, which severely affected many sub-Saharan African countries, food prices have gradually returned to previous levels and that volatility and speculation is likely to continue; calls on the Commission to elaborate upon response strategies for different contingencies, making any relevant proposals; calls on the Commission to also take note of the fact that gradually rising food prices is part of a marked, long-term upward trend, rather than a short-term issue and consequently, it requires a long-term holistic strategy, directly linked to broader development goals; calls for the inclusion of a new Food Facility or a comparable mechanism in the multi-annual financial framework for the years 2014 to 2020 to ensure the Union's ability to respond swiftly to new food crises using similar funds, given the unpredictability of new food crises and the increased volatility of food prices; believes that financial speculation exacerbates food price volatility and that it is, therefore, also necessary to take effective action against such speculation, including the regulation and control of derivative markets;
106. Deplores the fact that, despite strong economic growth, one quarter of the population of sub-Saharan Africa still suffers from malnutrition; points out that the region has the technology, the knowledge and the natural resources to change this; stresses that peace, democracy and political stability is essential since access to land and markets, property rights and education will allow for the increased influence and accountability of governments and of public authorities;

107. Notes the shortcomings highlighted by the Court of Auditors in the coordination of the use of resources allocated under the EDF and the 'food security' budget line for the period 1996 to 2006; calls on the Commission to harmonise the objectives of the two instruments, with a view to ensuring that they complement one another and that the funds in question are used as effectively as possible;
108. Considers that the Commission should take systematic account of the food security situation and chronic food insecurity, in particular when implementing Union development policy;
109. Stresses the importance of strengthening the link between relief, rehabilitation and development in order to ensure the effectiveness of aid; reiterates the importance of allocating an appropriate share of Union overseas development assistance (ODA) to the agriculture sector; regrets that there has been a dramatic reduction in the level of development aid allocated to agriculture since the 1980s and calls on the Commission to prioritise agriculture in its development aid, including assistance to farmers in accessing markets; points out that development assistance is part of a larger scheme where trade, remittances and other sources of income are today more important than the total ODA payments for most developing countries, and that the common agricultural policy hinders a free and fair trade with emerging markets;
110. Stresses that the whole food chain, from farm to fork, must be addressed in order to enhance the resilience of the agricultural sector; believes that long-term political commitments by governments in sub-Saharan Africa are necessary to reduce the vulnerability of the agricultural sector; points out that temporary subsidies, in the form of seeds that withstand extreme weather conditions, can serve as an important safety net for small-scale farmers and families who would otherwise be severely affected; stresses the importance of early warnings and preventive work on sanitation, seed and feed for animals; deplores that violence and insecurity is an obstacle to a food secure future;
111. Stresses the need to refocus on food policy beyond food aid, inter-donor and donor-recipient cooperation with enhanced local partnership at European and global level, as well as the crucial role of partner countries in providing the basic requirements for any significant progress in this sector, such as internal peace and investment in rural infrastructure; further stresses that long-term social and economic development requires sustainable sources of income other than aid; considers that free and fair trade relations between Europe and developing countries, in line with World Trade Organisation principles, are key to strengthening food security and accelerating human development in sub-Saharan Africa;
112. Agrees with the Court of Auditors that a longer implementation period for the Food Facility (2008 to 2010) would have been more appropriate, given its objectives and the existing financing gap between the end of its programming period and the next EDF programming period (from 2014); stresses the importance of ensuring the continuity of aid given the continuous volatility and high level of commodity prices; stresses the need to seek, in close coordination with the World Food Programme, the Food and Agriculture Organisation of the United Nations and the International Fund for Agricultural Development, complementarity and synergy between the Union food security programmes and programmes of those and other international donors;
113. Is deeply concerned at the Court of Auditors' finding that nutrition has been neglected and finds this worrying as malnutrition has extremely harmful consequences, in particular if it occurs during pregnancy or during the first two years of life, and may lead to irreversible damage; points out that malnutrition is an obstacle to human development, inflicting irreversible damage on individuals and imposing large economic and social losses on countries; welcomes the resolve of the Commission expressed in its communication on an EU policy framework to assist developing countries in addressing food security challenges (COM(2010) 127) to integrate the nutritional dimension into Union programmes; reiterates its call on the Commission to draw up a specific communication on this dimension and to integrate sound and multi-sectoral nutrition strategies into its development

policy; points out that one of the most crucial and cost-effective interventions is the empowerment of women, which is a far-reaching way to help households prioritise healthcare and child nutrition;

114. Notes the Court of Auditors' finding that Union interventions have generally been well designed and achieve most of their intended results, but regrets that the quality of objectives were variable and difficult to measure, due to the absence of performance indicators, and the sustainability of results were questionable in half of the audited interventions; calls on the Commission to set more realistic and measurable objectives for the interventions and to improve their definition in the general budget support programmes, where special attention should be given to encouraging entrepreneurship among the growing young population and addressing the discrimination against women in the agricultural sector;
115. Remains convinced of the importance of scaling up the nutritional aspect of development aid for food security and requests that the Commission provide a written report on its progress on this by the spring of 2013;
116. Notes that the overall impact of Union action on food security is also determined by the Union's policies on agriculture, fisheries, energy and trade; stresses the need to ensure policy coherence for development, in accordance with Article 208 of the Treaty on the Functioning of the European Union, and that those policies should embody and comply with the 'do no harm' principle;
117. Agrees with the Court of Auditors that the Commission should strive to better support the financial sustainability of agriculture and social transfer programmes;

Part VI Special Report No 2/2012 of the Court of Auditors entitled 'Financial instruments for SMEs co-financed by the European Regional Development Fund'

118. Welcomes Special Report No 2/2012 that focuses on the financial engineering measures co-financed by the European Regional Development Fund (ERDF) during the 2000-2006 and the 2007-2013 programming periods; acknowledges that Special Report No 2/2012 informs on the efficiency and effectiveness of the financial engineering measures co-financed by the ERDF and is based on an audit sample of projects in the United Kingdom, Germany, Slovakia, Hungary and Portugal;
119. Is of the opinion that such an audit report would be of great value also at the end of the 2007-2013 programming period, enabling further conclusions regarding performance of financial instruments (FIs) for small and medium-sized enterprises (SMEs) co-financed by the ERDF; considers also that the drafting of such a report at the end of that period will make it possible to avoid repeating errors, while at the same time increasing the effectiveness and efficiency of future financial engineering measures co-funded by the ERDF;
120. Stresses that SMEs are the backbone of the Union's economy, generating employment, innovation and wealth; notes, however, that SMEs may suffer from financing gaps, in that they cannot obtain access to the type and the amount of finance they need at a given time;

121. Recognises that at the time of fiscal constraint and reduced lending capacity of the private sector, SMEs and in particular micro-enterprises have been the most affected and should accordingly be targeted with strengthened Union support to continue generating employment, innovation and growth; notes that particular attention must be given to SMEs generating sustainable development at local level and that cohesion policy, as the major investment instrument for convergence and sustainable development of the whole Union, is one of the two main Union support channels for SMEs; stresses, therefore, that the use of FIs in cohesion policy in relation to the SMEs should be reinforced in the future as it can guarantee revolving funds, foster public-private partnerships and achieve a multiplier effect with the Union budget;
122. Recalls that to support entrepreneurship, the Union implements its enterprise policy and its cohesion policy mainly using grants but progressively more through FIs in the ERDF framework; notes that the FIs are repayable and revolving thereby ensuring that successive waves of SMEs can benefit;
123. Recognises that the implementation of access to finance programmes requires the active involvement of financial intermediaries, which transform public funds into FIs for SMEs; notes that additional funds provided by the private sector may be added to the public funding, increasing the total amount available for investments in SMEs; notes that this action is commonly defined as the leverage effect or the multiplier effect;
124. Stresses that lack of access to finance has led to a fall in the number of start-ups, which means that the role of FIs co-funded by the ERDF in stimulating entrepreneurship is assuming ever increasing importance;
125. Recalls that the Court of Auditors' audit focused on the financial engineering measures co-financed by the ERDF during the 2000-2006 and the 2007-2013 programming periods and that the audit findings are based on a direct review of a sample of projects and on an examination of the Commission and Member States' management, monitoring and information systems;
126. Notes that the Court of Auditors focused its audit in three main types of FIs: equity, loan and guarantee instruments; notes that they are all eligible instruments for ERDF co-financing, but must comply with Union and national eligibility rules; reiterates that the main objective of the audit was to assess whether ERDF spending on financial engineering measures for SMEs had been effective and efficient;
127. Welcomes the Court of Auditors' findings and recommendations regarding financing gap assessment; notices that in the legislative proposal ⁽¹⁾ for the next programming period such assessment is made obligatory in the form of an *ex ante* assessment; calls on the Commission to introduce relevant requirements, including quantified benchmarks, regarding the role and application of the *ex ante* assessment into the relevant regulation as part of the basic act; considers that the issue of revolving provisions should also be tackled in the legislative proposal for the next programming period;
128. Notes that Structural Funds regulations allow establishing a preference for the private sector compared to the public; invites the Commission to find appropriate justification for this privileged position, inasmuch as this treatment could limit the ability to repossess the excess funds and the possibility to allocate them to other SMEs;

⁽¹⁾ Proposal for a Regulation of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund covered by the Common Strategic Framework and laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Council Regulation (EC) No 1083/2006 (COM(2011) 615/2).

129. Is concerned that the Court of Auditors found that the effectiveness and efficiency of measures were hampered by the following important shortcomings:
- the SME financing gap assessments, if available, suffered from significant shortcomings and such gap assessments were not systematically made public,
 - the Structural Funds regulations, originally designed for grants, contain important weaknesses, as they do not address the specificities of FIs,
 - before funds reach SMEs, delays were significant and, compared with other Union programmes for SMEs, the ERDF's ability to leverage in private investments was poor;
130. Recalls also that in its opinion on innovative financial instruments in the context of the next Multi-annual Financial Framework ⁽¹⁾, Parliament's Committee on Regional Development called for guaranteeing immediate clarity, simplicity and transparency of the FI legal framework and coherent legal reference to definitions of FIs;
131. Notes with concern that the previous annual implementation reports, monitoring committees and operational program indicators have been considered as inadequate or inappropriate to the targets and purposes of FIs; welcomes the developments in the reporting and monitoring activity registered with JEREMIE;
132. Regrets that at the level of the holding funds, the Court of Auditors did not come across significant leverage from the private sector for both the 2000-2006 and 2007-2013 programming periods; is surprised that there are typically no explicit leverage requirements in the funding agreements between the Managing Authorities and the financial intermediaries, except for certain equity funds, which had binding leverage requirements for private co-investors;
133. Supports the Court of Auditors' call for a clearer definition of the concept of leverage in FIs; stresses, none the less, that in the light of the pressure to deliver higher leverage, it is important to recall that FIs in cohesion policy are generally financing projects in less developed regions and regions with economic difficulties, with the aim of improving situations of market failure and sub-optimal investment, thus FIs in cohesion policy do not only focus on short-term profitability but also on high socioeconomic benefits, especially at regional and local level; points at multi-level governance and shared management in design and delivery of the programmes as the fundamental concepts behind cohesion policy that enable regional and national authorities to partake in planning and implementation of programmes; stresses, therefore, that the legislative framework needs to maintain a certain level of flexibility also when it comes to definitions and requirements of leverage effect;
134. Recognises the potential of innovative financial engineering instruments to build up capital and enhance investments, as opposed to grants consistently perceived to be excessively cumbersome and bureaucratic by their beneficiaries; stresses that financial engineering instruments could play an important role in achieving the Europe 2020 Strategy's objectives by attracting funding from other investors in areas of strong Union's interest;
135. Further notes that for equity and loan instruments, the Court of Auditors found that the leverage achieved has not been significant and lower than comparator benchmarks; notes with satisfaction that for guarantee instruments, in contrast, leverage was higher;
136. Calls on the Commission to take action, without delay, regarding the findings of the Court of Auditors; considers particularly important that, in the future, the ERDF's ability to leverage in private investments that match public contributions is increased;

⁽¹⁾ Opinion annexed to the report A7-0270/2012.

137. Is concerned at the widespread delays in Member States in SMEs obtaining access to finance; calls on the Commission and Managing Authorities to avoid delays in delivering SME access to finance mainly with origin in administrative, legal, organisational or strategic reasons; regrets that for Managing Authorities this entails that the alternative, using grants for SMEs, becomes more attractive;
138. Urges the Commission to submit an integrated, clarifying proposal as soon as possible on the problems caused by the current range of definitions of SMEs, which vary in the Union according to the different purposes or objectives, and to propose possible ways of remedying the situation;
139. Deplores that, in some cases, information on management costs borne by the SMEs was not available or was not reliable; invites the competent authorities to improve the current situation and to provide for the future all the relevant information; recognises that a distinction should be made in relation to costs of the financial engineering instruments (management cost of the JEREMIE holding fund and management cost of financial intermediaries) and the cost to SMEs;
140. Deplores the fact that in a number of cases, financial intermediaries appointed by the respective Managing Authorities charged individual SMEs for the refinancing and processing costs; stresses that refinancing and processing costs should be items of ordinary operating expenditures for financial intermediaries;
141. Stresses the importance of simplifying administrative procedures as regards access to financing and of reducing co-financing requirements;
142. Is concerned by the fact that Commission guidance does not set the terms and conditions which would prevent SMEs being charged costs that are not based on actual SME risk taken or service provided by the financial intermediaries;
143. Recommends that in light of the combined complexity of FIs, shared management and the State aid and Structural Funds rules, the Commission should improve the communication and monitoring systems between the Commission, the Managing Authorities and the beneficiaries (the financial intermediaries) and provide for, given the new provisions of the 2007-2013 regulatory framework, better guidance and advice;
144. Endorses the Court of Auditors' recommendation that the Commission should provide a reliable and technically robust monitoring and evaluation system specific to FIs; invites the Commission to also follow the Court of Auditors' recommendation regarding agreement with Member States on a small number of measurable, relevant, specific and uniform result indicators for FIs, which would strengthen both monitoring and auditing processes;
145. Notes that the territorial fragmentation and insufficient critical mass have impact on the attractiveness of the FIs and impose certain financial conditions and possible relatively high management cost; notes that those characteristics of the ERDF hampered the sound financial management of the FIs throughout the different programming periods underpinning ERDF support to SMEs;
146. Regrets that, during the operational programme funding allocation process, public authorities typically not acquainted with SME financing, allocated public contributions to funds in such a fashion that their size often reached below critical mass; insists that different thematic operational programmes with multiple economic, environmental, social and territorial objectives were at the origin of this situation;

147. Is of the opinion that when proposing financial engineering measures, the Managing Authorities should make sure that their proposal is duly justified by an SME gap assessment of high quality, based on a standardised and commonly agreed methodology; supports the Commission verifying their consistency with the SME gap assessment and ensure the quality of the latter, before approving the operational programmes, including financial engineering measures;
148. Is worried about the lack of information in the Member States on access for SMEs to sources of finance; supports the recommendation by the Court of Auditors that, in order to optimise the size of the supply of SME finance, it is necessary to raise as much as possible the stakeholders' awareness of the specific SME financing needs;
149. Is of the opinion that the multiplier effect should illustrate the extent to which private funding has been attracted by both the Union's and Member States' initial financial contributions; considers that Member States' co-financing of FIs should be seen, together with the Union contribution, as a part of public funding;
150. Believes that matters to be covered by delegated acts, which are meant to cover non-essential elements of Union legislation, should not deal in reality with key elements of the future Cohesion scheme ⁽¹⁾;
151. Strongly recommends that the Council and the Commission, when designing proposals for the Structural Funds regulations, should provide for a more adequate regulatory framework so that the design and the implementation of financial engineering measures do not suffer from the deficiencies of the Structural Funds' regulatory framework, geographical constraints and scattering effects; asks that lessons learnt from the current programming period be reflected when designing the proposals for the Structural Funds regulation; considers in particular that proposals should be oriented towards performance and results rather than mere compliance;
152. Endorses that the Commission should provide a reliable and technically robust monitoring and evaluation system specific to FIs including that FIs should be segregated from pure grants in the Commission's monitoring, reporting and auditing processes and the amount of money actually paid to the SMEs should be transparent; encourages the Commission and the Member States, in particular, to agree on a small number of measurable, relevant, specific and uniform result indicators for FIs;
153. Shares the opinion that the Commission should explore the possibility of supplying to the Member States off-the-shelf financial engineering structures and instruments for SMEs (e.g. grants with royalties, dedicated investment vehicles) only where these would result in speeding up implementation and in reducing management costs, though in such a way that this precondition does not excessively impair SMEs' opportunities of making use of those funding schemes; stresses the importance of ensuring that financial engineering continues to remain flexible in order to adapt to both regional disparities and market changes;
154. Notes that Member States, with the support of the Commission, should aim at the inclusion of all ERDF co-financed FIs for SMEs into a single operational programme per Member State, or into a single priority axis in the national operational programme within a Member State, with the aim to rationalise the planning process and remove one of the key delaying factors found;
155. Takes the view that the Commission should propose a common definition of multiplier effect, standard concepts of recycling in the Structural Funds regulations, depending on the type of holding fund or fund as well as require contractually binding minimum leverage ratios and minimum

⁽¹⁾ Such as the adoption of a Common Strategic Framework; the adoption of detailed rules on FIs; the responsibilities of Member States concerning the procedure for reporting irregularities and recovery of sums unduly paid; the conditions of national audits; the accreditation criteria for managing authorities and certifying authorities.

revolving periods and data for the calculation of leverage indicators; considers that the concept of added value should be regarded as a relevant component in the calculation of leverage ratios in order to achieve relevant policy objectives as well as take market conditions into account; considers that to this end it would be advisable to articulate the concept of European added value in the legal framework for the 2014-2020 period;

156. Asks the Council and the Commission to consider alternative ways of pursuing SME support through financial engineering instruments if the cohesion policy framework were to be considered unsuitable; notes that such instruments should either be supported by programmes centrally managed by the Commission, dedicated investment vehicles in cooperation with the Commission and the Member States or by the Member States directly;
157. Recalls that the above-mentioned opinion of the Committee on Regional Development on innovative FIs in the context of the next MFF welcomed the application of FIs being extended under cohesion policy to all thematic objectives and all common strategic framework funds in the next programming period;

Part VII Special Report No 3/2012 of the Court of Auditors entitled 'Structural Funds: Did the Commission successfully deal with deficiencies identified in the Member States' management and control systems?'

158. Welcomes the Court of Auditors' Special Report No 3/2012; endorses all recommendations made by the Court and calls on the Commission to implement them effectively and as soon as possible;
159. Is pleased that the Commission systematically initiated corrective actions and that the actions requested were an appropriate response for the deficiencies in 90 % of cases (point (27));
160. Notes that around 75 % of the requests based on annual reports as referred to in Article 13 of Commission Regulation (EC) No 438/2001 ⁽¹⁾ were not followed by financial corrections; calls on the Commission, therefore, to provide information on the reasons for the absence of financial corrections in this context;
161. Is concerned about the Commission's different requirements in the 2000-2006 programming period with regard to the implementation of first-level checks as this can potentially result in the non-detection of irregular expenses; asks the Commission to apply a coherent approach to demands for first-level checks and to provide information for the programming periods after 2000-2006; notes that the legal basis for the 2007-2013 period requires managing authorities to verify administratively all applications for reimbursements by beneficiaries in accordance with Article 13(2) of Commission Regulation (EC) No 1828/2006 ⁽²⁾;
162. Asks the Commission to disseminate even more extensively elaborated checklists and best practice manuals (with special focus on eligibility rules) to be followed by the Member States and to strengthen its supervision on how these elements are taken into account;

⁽¹⁾ Commission Regulation (EC) No 438/2001 of 2 March 2001 laying down detailed rules for the implementation of Council Regulation (EC) No 1260/1999 as regards the management and control systems for assistance granted under the Structural Funds (OJ L 63, 3.3.2001, p. 21).

⁽²⁾ Commission Regulation (EC) No 1828/2006 of 8 December 2006 setting out rules for the implementation of Council Regulation (EC) No 1083/2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and of Regulation (EC) No 1080/2006 of the European Parliament and of the Council on the European Regional Development Fund (OJ L 371, 27.12.2006, p. 1).

163. Believes first-level checks to be of utmost importance in ensuring a robust error rate from the onset of the implementation process; believes therefore, that the management authority should either be accredited by the Commission or the Commission should assist and supervise the management authority in exercising the aforementioned first-level checks;
164. Is concerned, however, in particular about the following observations:
- corrective actions took 30 months on average (point (32) and delays were mainly attributable to the Member States concerned although the Commission was partially responsible for 39 % of cases and fully responsible for 5 % of cases (point (35),
 - in only 67 % of cases the Commission obtained a high degree of assurance that financial corrections were accurate (point (55),
 - in only 28 % of cases the Commission obtained a high degree of assurance that the Member States' management and control systems improved following corrective actions (point (64), which means that considerable effort will need to be undertaken in the closure process;
165. Is furthermore concerned about the Court of Auditors' finding that Commission's follow-up audits aiming to scrutinise the reliability of Member States' statements required further corrective actions by the Member States in 78 % of cases (point (45); is therefore worried that the Commission sometimes relied on potentially unreliable information by not sufficiently questioning information submitted by Member States (for example point 57, boxes 9 and 12) and that the Commission did not adequately scrutinise the reliability of the information; points out that the lack of reliability of Member States' statements requires further audit resources by the Commission; acknowledges also the need to balance appropriately cost and benefits of such follow-up audits (point (46);
166. Believes that a substantially higher degree of efficiency can stem from reinforcing the role of the Commission in *ex ante* checks, rather than in *ex post* checks;
167. Reminds the Commission that the error rate in the policy area Cohesion has increased, according to the Court of Auditors' Annual Report 2010, which reverses the positive trend observed in previous years and is contrary to an accelerated reduction of error rates, as called for by Parliament in the context of the 2008 discharge ⁽¹⁾;
168. Reiterates the importance of the supervisory role the Commission exercises in order to be able to bear the ultimate responsibility for the implementation of the budget including the areas of shared management; recalls the action plan to strengthen the Commission's supervisory role under shared management of structural actions (COM(2008) 97) and the improved legal framework for the 2007-2013 programming period which aimed at reducing the level of error in structural actions and thus to protect the Union budget; notes, however, that the action plan of 2008 came only into force at the end of the programming period 2000-2006 and could therefore cover the closure process of that period only; calls on the Commission therefore to fully enforce measures as stated in the action plan for the 2007-2013 programming period and beyond; expects in this context from the Commission a considerable and steady decrease in error rates, in particular of programmes that are expected to have the highest error rates; proposes that the Court of Auditors carry out a regular assessment of the technical and ethical quality of national audit authorities, with particular regard to their independence, and that it report its findings and conclusions to Parliament and the Council;
169. Emphasises that speed is of the essence in the process of controls to ensure that the financial interests of Union taxpayers are protected; calls on the Commission to prioritise the earliest possible scrutiny, assessment and follow-up action in its future management oversight of these funds;

⁽¹⁾ See paragraph 4 of the Resolution of the European Parliament of 5 May 2010 with observations forming an integral part of its Decisions on discharge in respect of the implementation of the European Union general budget for the financial year 2008, Section III — Commission and executive agencies (OJ L 252, 25.9.2010, p. 39).

170. Believes that improving the Commission's supervisory role is an ongoing process; underlines in this context the Court of Auditors' remark that although management and control systems were effective at a certain time this does not necessarily mean that they continue to be effective, as systems, personnel and entities in charge of management of structural actions may change; calls on the Commission to endorse fully the Court of Auditors' recommendations; considers enhancements of the action plan to be necessary if the expectations with regard to the improvement of the Commission's financial management are not met;
171. Asks the Commission to make efforts to ensure that Member States do not affect the continuity of programmes by changing entities, systems and personnel responsible for Structural Funds control, that had already been certified as effective by the Commission;
172. Notes with satisfaction the high number of preventive actions including financial corrections enforced by the Commission following the adoption of the action plan in 2008; asks the Commission therefore to provide information on the impact of those corrections on the overall error rate for the 2000-2006 programming period;
173. Reiterates the idea of a 'single audit' that was pronounced by the Court of Auditors in its Opinion No 2/2004; believes that in an effective and efficient internal control system common principles and standards should be the basis for the administration at all levels ⁽¹⁾;
174. Is convinced that the Commission should continue to aim at implementing the single audit principle; emphasises that it is of utmost importance to ensure the quality of the work of audit authorities in the current and upcoming periods and to ensure that their independence is guaranteed and that to achieve this end it is essential to establish clear and transparent common standards for these audits; notes that — provided that the audit authorities produce reliable results — the Union budget could be adequately protected even if high error rates are present as the Commission could apply financial corrections to counter those error rates; reiterates, however, the fact that in such cases the national taxpayer has to pay twice which is why preventing errors from happening is always more efficient than correcting it later on, for both the Commission and the Member States concerned; stresses in this context specifically indent 2 of the Court of Auditors' recommendation 1 and urges the Commission to implement this recommendation;
175. Calls on the Commission to finalise the closure of the 2000-2006 programming period duly taking into account the Court of Auditors' observations and to report to Parliament on how the Commission will ensure legality and regularity in the process;
176. Calls on the Commission, furthermore, to take into account the lessons learned from the Court of Auditor's report and to monitor the implementation of structural actions for the 2007-2013 period and to bear in mind the Court of Auditors' observations in the discussions on the future structural actions for the period 2014-2020;
177. Believes strongly that the Commission should deepen its involvement in the Structural Funds scrutiny process by further assisting and supervising Member States' management and certifying authorities as well as the winding-up bodies, throughout all phases of implementation and verification, in order to ensure an even more efficient and less time and resource consuming process;

Part VIII Special Report No 4/2012 of the Court of Auditors entitled 'Using Structural and Cohesion Funds to co-finance transport infrastructures in seaports: an effective investment?'

Introduction

178. Welcomes the Court of Auditors' report and notes its deprecatory appraisal of the performance of both the Commission and the Member States with regard to the effectiveness and cost-efficiency of fund spending in the field of co-financed seaport projects;

⁽¹⁾ See paragraph 61 of the Resolution of the European Parliament of 10 May 2011 with observations forming an integral part of its Decisions on discharge in respect of the implementation of the general budget of the European Union for the financial year 2009, Section III — Commission and executive agencies (OJ L 250, 27.9.2011, p. 33).

179. Welcomes the Commission's endorsement of the majority of the Court of Auditors' recommendations;

180. Considers the majority of actions undertaken by the Commission in order to prevent future shortcomings of the sort revealed by the report to be capable of achieving the goal of more effective and more cost-efficient spending;

181. Considers, however, that further action by the Commission is necessary;

Findings

182. Is concerned about the fact that:

- out of 27 projects examined, four were not completed by the time the report was concluded, with two projects still unfinished by January 2012,
- administrative procedures for the delivery of building authorisations and permits were often long and burdensome and in some cases caused delays and additional expenditure,
- two projects had objectives that were in line with neither transport policy nor the description in the operational programme under which they had been funded;

183. Notes that:

- by the time the report was concluded, four projects were not in use despite completion, but are in use now,
- none of the regions had a long-term port development plan; however, such plans were not a condition of funding;

184. Agrees with the Commission that the results and impact of investment in transport infrastructure is not always tangible immediately after construction work has been finished, since they take some time to materialise;

185. Concludes that:

- the Commission does not receive enough information on the progress of projects, since the information available did not lead to action to remedy the projects' weaknesses,
- the guidance notes and training seminars provided by the Commission were not in themselves enough to raise awareness of the principles of sound financial management sufficiently,
- the legal provisions outlining the Commission's advisory role in monitoring committees may be too limiting, and its 'other tools' intended to influence effective spending may be ineffective, since the Court of Auditors found there was little evidence of the Commission having intervened with the committees in order to ensure effective spending or to set result and impact indicators,
- since marinas provide access only to a minority of the population, they cannot be considered an improvement to the accessibility of islands, and therefore their construction is not in line with transport policy, with the exception of those cases where small vessels are commonly used as a means of regular transport between islands and the construction of a marina would provide improved connectivity for the population as a whole,

- dry-dock facilities for special constructions are not in line with the objectives of the TEN-T guidelines even if they can be used for maintenance, since they do not fulfil any of the 'Specifications for projects of common interest relating to the seaport network' as defined under Section 5(2)(III) of Annex II of Decision No 1692/96/EC of the European Parliament and of the Council ⁽¹⁾, as amended by Decision No 1346/2001/EC of the European Parliament and the Council ⁽²⁾;

Recommendations of the Court of Auditors

186. Endorses the Court of Auditors' recommendations that the Commission should:

- work towards making the existence of a comprehensive long-term port development strategy a condition of cohesion policy aid for seaport infrastructures,
- carry out on-the-spot visits on effectiveness issues during construction,
- carry out *ex post* checks on the use and performance of co-financed infrastructures on a risk basis,
- strengthen the assessment procedure for major projects and Cohesion Fund projects in order to improve the detection of serious weaknesses and the taking of appropriate action to remedy them,
- work towards the introduction of the principle that Union funding is conditional upon results,
- encourage the use of result and impact indicators by the managing authorities;

187. Acknowledges favourably that the Commission has:

- proposed an *ex ante* conditionality to ensure the existence of long-term strategic planning prior to any funding decision for the 2014–2020 cohesion policy framework,
- introduced on-the-spot project visits and organised technical meetings with the relevant authorities,
- started implementing closure audits for projects co-financed by the ERDF and the Cohesion Fund during the 2000-2006 programming period, selected on a risk basis,
- strengthened the decision-making procedure in the 2007-2012 period by introducing standardisation of the decision-making procedure for major projects, standardised application forms, and compulsory consultation of the relevant departments in the Commission, and by establishing the JASPERS initiative (Joint Assistance to Support Projects in European Regions), which should enable Member States to submit better applications,
- developed a performance audit framework which is intended to form the basis for a first set of targeted audits to be carried out from 2012 on, and called for a performance framework in its proposal for the 2014-2020 cohesion policy framework, which would include the Commission's right to suspend payments in cases where the shortfall from achievement of set milestones or targets is significant;

Further recommendations

188. Calls on the Commission to:

- fully endorse the Court of Auditors' recommendations to use result and impact indicators not only at priority level, but – with a scope appropriate to the possible impact of a single project – also at project level,

⁽¹⁾ OJ L 228, 9.9.1996, p. 1.

⁽²⁾ OJ L 185, 6.7.2001, p. 1.

- introduce an arrangement whereby assessment of the results and impact of investment in transport infrastructure is carried out after completion of the construction work, at a time when its results and impact can be expected to have become apparent,
- carry out an analysis comparing the average completion time and the quality of administrative procedures across the Member States in cases of comparable co-funded projects, in order to recommend the implementation of best practice,
- take into consideration the fact that shortfalls from the achievement of set milestones are not always the result of mismanagement, and exclude in its proposal for a performance framework the refusal of funds in cases where the failure of investments to produce the desired results could not have been prevented and/or could not have been foreseen from an *ex ante* perspective,
- increase the amount of information available about the progress of projects, and demand remedies for discovered shortcomings as a prerequisite for further funding; notes that a lack of information on project implementation is intolerable,
- carry out analyses of the effectiveness of the training seminars and guidance notes intended to raise awareness of the principles of sound financial management,
- propose changes to the legal provisions to allow a more effective advisory role in monitoring committees, and carry out an analysis investigating the efficacy of the aforementioned 'other tools' intended to influence effective spending;

Part IX Special Report No 5/2012 of the Court of Auditors entitled 'The Common External Relations Information System (CRIS)'

189. Welcomes the Court of Auditors' Special Report No 5/2012 as it provides Parliament, as the supervisory and discharge authority, with information about the execution of the budget;
190. Is pleased with the Court of Auditors' overall opinion that 'CRIS is mostly effective in responding to the Commission's information needs in the field of external actions' (point (75)); is concerned, however, about some critical shortcomings detected in the report;
191. Calls on the Commission to define the role of CRIS and its objectives, as they have not been updated since the system became operational in 2002, in spite of the numerous changes to its content;
192. Endorses all recommendations of the Court of Auditors; calls on the Commission to implement them as soon as possible in order to remedy persisting weaknesses;
193. Stresses that any change in the role and modification of CRIS should reflect the new challenges of the Union's external policy introduced by the Treaty on Functioning of the European Union, resulting in better quality and improved coherence of data;
194. Emphasises the need to adapt the reporting functions of CRIS to the competences of Parliament in the fields of external policy and budgetary control;

195. Considers Recommendation 1, namely that the intended role of CRIS as an information system should be set out, notably with regard to the Commission's accrual based accounting system (ABAC), to be of prime importance;
196. Considers that an improvement in data integrity between CRIS and ABAC is imperative in order to report on the Union's external activities in a coherent, transparent, updated and reliable manner; stresses that a duplication of ABAC functions in CRIS should be avoided;
197. Is worried about the following observations by the Court of Auditors with regard to the efficiency and effectiveness of CRIS:
- CRIS's role with regard to ABAC was not adequately defined, which has caused duplication of functions (points 34 and 35) and calls into doubt the added value of encoding financial transactions in CRIS in general (point (35),
 - information coming from CRIS can be unreliable (points 39 to 41, 49 to 52 and 54 to 56) and sometimes require additional manual adjustments (Commission's reply to point (52) because of data coding weaknesses (points 38 to 41) or missing and invalid data records (points 49 to 51, 54 and 55),
 - substantive delays in recording information (invoices and audit reports) in CRIS occurred (point (57),
 - the user-friendliness of CRIS remains the most urgent shortcoming (point 43 and figure 3);
198. Is concerned that because of those weaknesses, information provided to Parliament as discharge authority may be unreliable (e.g. point 39 concerns expenditure broken down by country); acknowledges the Commission's efforts undertaken so far (in particular, the Commission's replies to points 35, 52 and 54); calls, nevertheless, on the Commission to remedy those weaknesses as quickly as possible to ensure the sound financial management of CRIS; suggests that particular attention be paid to avoiding duplication of functions as this is inefficient and risks erroneous data entries;
199. Notes, furthermore, that the functionality of CRIS should be updated in order to provide aggregated information on beneficiary countries, policy areas and financial instruments, which is currently difficult or even impossible; underlines the need to improve the efficiency and effectiveness of the system for the operators through the rationalisation and consolidation of data coding;
200. Notes the Court of Auditors' explanations regarding the lack of any cost analysis for CRIS, which is due to an audit being carried out to analyse CRIS's ability to provide the Commission with the information needed and not to study its administrative expenditure; regrets, however, the lack of information on CRIS's cost-effectiveness;
201. Regrets the lack of a clear long-term strategy establishing CRIS's objectives and functioning at its inception, which has ultimately led to a proliferation of tasks without any coherent vision;
202. Stresses that CRIS should have a standard mechanism for layering the confidentiality of data and users' access rights; believes that such a mechanism should be established in order to ensure adequate confidentiality and data integrity;

203. Is concerned about the insufficient security of the system; notes, furthermore, that the definition of responsibilities in the sphere of security remains undefined and unclear, resulting in serious risk to the safety of data; emphasises that data must be fully compliant with Development Assistance Committee (DAC) criteria;
204. Reminds the Commission of the importance of complying with data protection rules; criticises the fact that notifications to the Data Protection Officer did not explicitly cover CVs attached to records in CRIS (point (74);
205. Calls on the Commission to address all shortcomings and recommendations presented by Parliament and the Court of Auditors without further delay;

Part X Special Report No 6/2012 of the Court of Auditors entitled 'European Union Assistance to the Turkish Cypriot Community'

206. Recalls that the audit addressed the overall question 'Is the Commission managing the Union instrument of financial support to the Turkish Cypriot community effectively?';
207. Calls on its Committee on Budgets and the Committee on Budgetary Control to take the findings of this resolution into consideration when negotiating the new Multiannual Financial Framework (2014-2020) and without prejudice to its final outcome in order to take into account the Court of Auditor's recommendation to ensure improved planning, implementation and sustainability, in line with Council Regulation (EC) No 389/2006 ⁽¹⁾, in a way that does not imply an external territory;
208. Expresses its agreement with the conclusions of the Special Report of the Court of Auditors that 'the programme has already achieved some positive results but their sustainability is often in doubt, particularly given the uncertainty over future EU funding', and that the Commission 'has been able to develop a programme which addresses and appropriately prioritises all sectors referred to in the Regulation's objective' and has 'also found a way in the face of significant constraints to quickly set up a programme management office in the northern part of Cyprus and use largely suitable implementation methods and risk mitigation measures. The main weaknesses in the management of the programme resulted from the local support office not operating under more devolved procedures in the same way as Union delegations and from the staff contracts being too short for them to manage the projects financed from start to finish. In addition, monitoring in the framework of joint management with the UN was not sufficient';
209. Notes that the programme has assisted multiple beneficiaries across the Turkish Cypriot community; regrets, nevertheless, that it has not been possible to implement the single largest project, the construction of a seawater desalination plant (EUR 27,5 million), due to restrictions imposed by the Turkish army; notes that this represents a significant setback for the programme;
210. Stresses the importance of continuing to provide assistance to the Turkish Cypriot community according to the provisions of Regulation (EC) No 389/2006, as also noted by the Commission in its reply to the Court of Auditor's Special Report; stresses the importance of bringing the Turkish Cypriot community closer to the Union in order to facilitate the process of reunification; takes the view, therefore, that in future, the resources allocated to (i) the promotion of social and economic development, (ii) the development and restructuring of infrastructure, (iii) reconciliation, confidence-building measures and support to civil society, (iv) bringing the Turkish Cypriot community closer to the Union, (v) the preparation of legal texts aligned with the *acquis communautaire*, (vi) preparation for the implementation of the *acquis communautaire*, as well as to fostering economic integration as a matter of priority, should be increased and the related bi-communal programmes should be intensified;
211. Points out, in particular, the fundamental role of bi-communal projects such as the Committee on Missing Persons in order to determine the fate of missing persons and contribute to inter-communal reconciliation; stresses the importance of securing the necessary funds for the operation of the

⁽¹⁾ Council Regulation (EC) No 389/2006 of 27 February 2006 establishing an instrument of financial support for encouraging the economic development of the Turkish Cypriot community and amending Council Regulation (EC) No 2667/2000 on the European Agency for Reconstruction (OJ L 65, 7.3.2006, p. 5).

Committee on Missing Persons and asks the Commission, in supporting the Committee on Missing Persons, to call upon the Turkish military forces to facilitate access to military zones; stresses the necessity to fund bi-communal infrastructure projects and cooperate in a more efficient way with the United Nations Agencies and Programmes;

212. Also points out the importance of continuing to support the work of the Technical Committee on Cultural Heritage in order to ensure the restoration and preservation of historical and religious sites which constitute an integral part of the cultural heritage of Cyprus and an inseparable part of world cultural heritage as a whole;
213. Notices that, more generally, the sustainability of projects is often in doubt due to the limited administrative capacity, the delayed adoption of relevant texts and the uncertainties over the future funding on the part of the beneficiaries;
214. Considers it also useful to recall that, at the time of the audit, it was still unclear whether or not significant further funding for the Union assistance programme would be made available; notes that this uncertainty makes the programme management more difficult and has a negative impact on its effectiveness and sustainability;
215. Takes note of the Court of Auditor's recommendations which cover different scenarios, based both on developments in the reunification process and the level of the future Union assistance;
216. Agrees with the Commission that until a settlement of the Cyprus problem is achieved, support to the Turkish Cypriot community should continue to be based on Regulation (EC) No 389/2006;
217. Notes with satisfaction that the interventions reflect the programme's objectives despite the wide range of sectors to be covered, the delayed adoption of Regulation (EC) No 389/2006 and the absence of a multiannual approach;
218. Notes with concern, nevertheless, that the Commission is faced with significant constraints in the establishment and implementation of the programme, that the effectiveness of the Commission's local support office has been undermined by several factors, that the programme implementation procedures are not always effective and that the sustainability of projects remains risky, despite some results;
219. Acknowledges the situation described in the Court of Auditors' Special Report; notes that the Commission has taken a number of initiatives and that since the audit, further efficiency improvements have been achieved;
220. Also welcomes the successful conclusion of operations through joint management with the United Nations Development Programme (UNDP);
221. Regrets the loss of the seawater desalination plant project, which was an unfortunate setback; recalls that this project was not only the main project in the water sector but also the largest project (amounting to approximately 10 % of total contracted funding) funded under the instrument and that the plant was intended to provide 23 000 m³ of clean drinking water per day, covering the needs of an estimated 100 000 people and recalls that water supply is becoming an increasingly critical issue for the island following a 40 % decrease in the mean annual rainfall in the past 30 years; is deeply concerned by the cancellation of the project, due to restrictions imposed on the Greek Cypriot contractor by the Turkish army, and once these restrictions were lifted in March 2010, the contractor was unwilling to continue, claiming adverse conditions, meaning that this serious environmental issue is not addressed; calls on the Commission to consider the possibility of renewing the project;
222. Insists, however, that the Commission's financial interests have been protected with the cancellation of the desalination plant project; notes that no payments have been made under the construction contract;

223. Deeply regrets that delays have affected most of the actions on local and urban infrastructures, although in most cases, the delays were due to political difficulties and verification of land ownership, which are largely outside the control the Commission and the UNDP;
224. Endorses the conclusions of the Court of Auditors that the programme has already achieved some positive results and assisted many beneficiaries across the Turkish Cypriot community, including farmers, students and those using the new crossing points; notes that its sustainability is often in doubt, particularly given the uncertainty over the future Union funding;
225. Welcomes the conclusion of the Court of Auditors that despite the difficult political context and a compressed timetable, the Commission managed to establish a programme which reflected the objectives of Regulation (EC) No 389/2006 and managed to quickly set up a programme management office and introduce suitable implementing mechanisms;
226. Stresses the transitional and exceptional character of Union aid to the Turkish Cypriot community, pending the reunification of Cyprus; notes that the Commission supports the continuation of assistance to the Turkish Cypriot community until there is a comprehensive settlement of the Cyprus problem in the framework of Regulation (EC) No 389/2006;
227. Takes note of the conclusions and recommendations of Special Report No 6/2012; recommends to the Commission to take into consideration the accumulated experience in the implementation of the programme and, if necessary, propose measures for its further improvement and inform Parliament accordingly; proposes that Union financial aid for the economic development of the Turkish Cypriot community takes into account not only new projects but also the need to help secure the sustainability of existing projects when deciding on the allocation of any future funding, based on the existing legal framework and in line with the objectives of Regulation (EC) No 389/2006;
228. Considers that Union aid should continue to support the reunification process in Cyprus; in this regard, recommends to the Commission to keep pursuing the five objectives of Regulation (EC) No 389/2006, supporting among others, bi-communal measures, confidence building projects, missing persons related activities, civil society (including the Armenian and Maronite minorities), the preservation and restoration of historical sites, environmental protection as well as the economic and social development and the implementation of the *acquis communautaire*;
229. Asks the Commission to maximise the circulation of information on tenders for reconciliation and civil society strengthening programmes; points out, in particular, the need to support programmes on the socioeconomic integration and empowerment of women in the Turkish Cypriot community;

Part XI Special Report No 7/2012 of the Court of Auditors entitled 'The reform of the common organisation of the market in wine: Progress to date'

230. Welcomes Special Report No 7/2012 of the Court of Auditors entitled 'The reform of the common organisation of the market in wine: Progress to date' that focuses on the progress achieved by the reform of the common organisation of the market in wine introduced by the Council in 2008; acknowledges that the main objective of the audit was to assess the progress regarding one of the main objectives of the reform, namely improving the balance between supply and demand;
231. Recalls that the reform of the common organisation of the market in wine was aimed at balancing supply and demand, and that the main financial instruments of this reform included a temporary

grubbing-up scheme and the setting up of national support programmes, allowing each Member State to choose the measures (among 11 available) best adapted to its particular situation;

232. Emphasises that the audit focussed on the two measures representing the largest areas of spending: 'grubbing-up' and 'restructuring and conversion of vineyards' with EUR 1 074 million made available for the grubbing-up measure in the three-year application period from 2008-2009 to 2010-2011 and EUR 4 200 million allocated for restructuring and conversion measure for the ten-year period from 2001 to 2010;
233. Takes note that the Union is the world's biggest wine producer with 3,5 million hectares (ha) of vines; recalls that the Union produced approximately 160 million hectolitres (hl) during the wine year 2007-08, accounting for around 60 % of the world's wine production; furthermore, notes that there was a downward pressure on wine prices at producer level, compounded by the overall decrease in wine consumption in the Union in the 20 years leading to 2009;
234. Notes that Special Report No 7/2012 indicates that although demand for grubbing-up exceeded 350 000 ha, its impact was limited by the fixed target of 175 000 ha and ultimately, only 160 550 ha were grubbed-up with the help of Union aid; the Court of Auditors estimates that the grubbing-up scheme finally reduced the vineyard inventory area by around 5 %, corresponding to approximately 10,2 million hl of wine withdrawn or 6 % of the usable wine production; points out, however, that far more land – 300 000 ha in all – has been grubbed-up since the reform, and that no such aid was provided in respect of around 140 000 ha of that land, a figure that does not appear in Special Report No 7/2012;
235. Notes that the Court of Auditors concludes that for the grubbing-up measure, the scheme could have been more efficient and less expensive since the aid rates were increased to levels that were too high in the first and second year, while the demand for the measure exceeded the target, even when the rates were reduced to their original level in the third and final year of the scheme;
236. Notes that the Court of Auditors considers that grubbing-up did not always target the less competitive or less viable vineyards and that the scheme financed the grubbing-up of some vineyards that had already been restructured and were, in principle, competitive; regretfully notes that such cases are at odds with the policy objectives of the reform;
237. Notes that Special Report No 7/2012 stresses that the expected reduction of the production did not materialise as a consequence of the insufficient use of some common market organisation instruments such as green harvesting and promotion, and the rejection by the Council of the Commission proposal to ban enrichment with sucrose;
238. Notes that Special Report No 7/2012 recognises that restructuring measures have contributed to the improvement of competitiveness in the sector but they have also provoked an increase of yields in certain Member States offsetting efforts to reduce the market supply;
239. Takes note that the Court of Auditors notes that the Commission has not made an in depth assessment on the potential impact of the liberalisation of planting rights scheduled for 2018 at the latest, and considers that such an assessment is necessary to establish an estimate of the balance between supply and demand in the wine sector;
240. Takes note of the Court of Auditors' concerns that the Union financed the grubbing-up measure in order to reduce the surplus of wine, while in certain cases, the restructuring and conversion measure led to some increases in vineyard yields; takes the view, however, that greater yields may make the wines more competitive, but strongly encourages the Commission to ensure that an appropriate strategy is in place to avoid unbalances;

241. Fully endorses that the grubbing-up of some modernised vineyards should have been avoided by clarifying existing provisions, so that the vast possibilities of interpretation would have been avoided and established additional eligibility criteria linked to the vineyard itself and not only to the farmer;
242. Is of the opinion that the Commission should review the restructuring measures to reinforce their effectiveness and maintain measures from the previous programme that proved successful in order to boost the sector competitiveness; expects the Commission to ensure that the Member States' national programmes and the restructuring and conversion measures are in line with the objective of the reform, especially the Single Payment Scheme; furthermore, asks the Commission to improve the current provisions to enable farmers to better adapt to market signals and better match the supply to the products demanded;
243. Calls on the Commission to promote measures to safeguard the Union's best winemaking traditions, which essentially entails ensuring socioeconomic cohesion and protecting the environment and landscape in many of the rural areas in which they operate;
244. Considers that the Commission should establish a regularly updated estimate of the balance between supply and demand in the wine sector based on statistical analysis of the sector variables, taking into account positive output effects of restructuring and conversion measures; believes that on the basis of that estimate, it should have determined the targeted area for the grubbing-up measure and is of the opinion that in the future, it should evaluate whether the improvement of any other measures is necessary to address possible imbalances on the basis of that estimate;
245. Insists on the need to realise an in-depth impact study assessment of the planting rights liberalisation, according to the Court of Auditors' recommendation; asks the Commission to evaluate the potential consequences of the elimination of this regime in order to adopt the most convenient decisions to guarantee the balance of the wine market; notes the opinion of a majority of Member States against the decision to end up with that system, a view shared by Parliament in its Resolution of 23 June 2011 on the CAP towards 2020: meeting the food, natural resources and territorial challenges of the future ⁽¹⁾;
246. Stresses that although demand for wine in the Union has been decreasing over the last decades, there has been a tangible increase in exports to third countries during the last few years, which was not addressed in Special Report No 7/2012; believes that the implementation of measures to promote the export of quality wines would help reduce production surpluses;
247. Urges the Commission to take measures ensuring that Member States that use flat rates per ha to calculate payments install proper control mechanisms for paying agencies guaranteeing that farmers are not overcompensated, standardise the estimation of costs so that variations in estimated costs for comparable measures are reduced to a minimum;
248. Urges the Commission to take adequate action to establish comparability and an acceptable level of standardisation for measures based on Article 103q of Council Regulation (EC) No 1234/2007 of 22 October 2007 establishing a common organisation of agricultural markets and on specific provisions for certain agricultural products (Single CMO Regulation) ⁽²⁾;
249. Believes that, in addition to the export of quality wines to third countries, greater support for consumption of European wines within the Union would also help to reduce the production surpluses;

⁽¹⁾ OJ C 390 E, 18.12.2012, p. 49.

⁽²⁾ OJ L 299, 16.11.2007, p. 1.

250. Asks the Commission to relaunch a policy to promote the wine sector and improve its competitiveness in the internal market, including information campaigns for adults on responsible consumption of wine, and on its specific qualities and features, which highlights the cultural roots of European wines; calls, furthermore, on the Commission to study an European strategy to increase exports to third countries;

Part XII Special Report No 9/2012 of the Court of Auditors entitled 'Audit of the control system governing the production, processing, distribution and imports of organic products'

251. Welcomes the Court of Auditors' Special Report No 9/2012, and endorses the Court of Auditors' conclusions; finds it regrettable, however, that audit visits were made to only six Member States, even allowing for the fact that these were the countries most directly concerned;
252. Endorses the Court of Auditors' recommendations, in particular regarding traceability and the cross-border trade in organic products;
253. Notes that consumption of organic food constitutes less than 2 % of the entire food market, though the trend is likely to be rising;
254. Highlights the fact that the importance of organic production goes beyond healthy nutrition; organic farming is an innovative, knowledge-based approach to agricultural production with efficient use of resources, which can be an engine of rural development and employment; increasing use of biotechnologies and organic production could provide a 'European added value' for agriculture, which could result in a stronger role for Europe in global competition; notes, furthermore, that it contributes to long-term environmental, economic and social sustainability, such as climate change mitigation and adaptation, slowing reduction in biodiversity and improving animal welfare standards;
255. Recalls that Parliament has always supported organic farming and will continue to do so and has actively participated in creating legislation for production and labelling rules of organic food;
256. Believes that in the context of the next Multiannual Financial Framework greater attention and more support should be directed to the production of organic products;
257. Expresses its concern that many organic products are more costly than non-organic products; as a result, price-sensitive consumers and people living on lower incomes are not able or are less able to afford these healthier products;
258. Recognises that an effective system of controls for organic production sets a number of hurdles for operators (including producers, importers and processors) to overcome but at the same time, validates their quality, giving operators credibility whilst allowing the consumer to have confidence in products labelled as organic;
259. Draws attention to the growth of the organic food market from Union-grown and imported organic goods, which may also create the potential for unfair commercial practice, and points out that this requires stronger control systems at Union and Member State level; emphasises that controls should provide a guarantee that products labelled as organic are really organic;

260. Recalls that the Commission is responsible for the supervision of control systems and calls on the Commission to undertake a joint evaluation of the Court of Auditors' main findings with the Member States, who bear the significant responsibility for operating the control system;
261. Stresses the importance of providing sufficient assurance that the system is operating effectively and that it ensures that consumer confidence is not undermined;
262. Asks the Commission, therefore, to bring forward initiatives and regulatory proposals aiming to ensure that all the weaknesses pointed out by Special Report No 9/2012 are remedied by the end of 2013;
263. Welcomes the Commission's forthcoming review of the control legislation and current preparation of accreditation guidelines by the European cooperation for Accreditation as a valuable contribution to improving implementation in future;
264. Stresses that a level playing field in applying procedures for approving and supervising control bodies is fundamental; notes that failures lead to differences in organic labelling control, which increase the risk of fraud or organic labelling shopping and therefore have a negative impact on consumer confidence in the organic label;
265. Expresses its surprise and disquiet at the Court of Auditors' finding that Member States' competent authorities have been failing to document, or have not sufficiently documented, the approval and supervision procedures applied to control bodies in order to ensure compliance with regulatory requirements; calls for the national parliaments, whose task it is to exercise control over the Member States' governments, to be informed of this finding;
266. Emphasises that the independence of the control bodies, public authorities included, is crucial to maintaining the reputation of the organic label;
267. Welcomes the improvements in IT systems already at hand and sees these as essential components of effective controls in the future;
268. Emphasises Member States' responsibilities in this, as in other domains, and regards the regular meetings of the Standing Committee on Organic Farming (SCOF) as highly valuable in terms of exchange of best practice and information between Member States, the Commission, and third country staff involved in the control systems; notes, nevertheless, the Court of Auditors' comment (point (75) that this body needs to improve its capacity to exchange information on the functioning of the import authorisation regime;
269. Emphasises the importance of the exchange of information within Member States and between Member States and the Commission; therefore, asks the Commission to introduce appropriate measures to make sure the flow of information is relevant, reliable and timely; in particular, asks the Commission to take appropriate measures to speed up and to increase the reliability of the communications relating to organics certification issues such as those communicated through the 'Organic Farming Information System';
270. Calls on the Member States to cease, before the cut-off date, to grant the transitional import authorisations established by Council Regulation (EEC) No 2083/92 ⁽¹⁾, an arrangement which

⁽¹⁾ Council Regulation (EEC) No 2083/92 of 14 July 1992 amending Regulation (EEC) No 2092/91 on organic production of agricultural products and indications referring thereto on agricultural products and foodstuffs (OJ L 208, 24.7.1992, p. 15).

has been extended several times but is to end under the current Commission Implementing Regulation (EU) No 1267/2011 ⁽¹⁾ of 6 December 2011, which stipulates that Member States may not issue authorisations of this type after 1 July 2014;

271. Observes the comment in the 2011 Annual Activity Report of the Commission's Directorate-General for Agriculture and Rural Development indicating that organic products were erroneously suggested as the potential source of contamination of the E. Coli outbreak casting some doubts over organic farming supervision and that the year was marked by extensive media coverage of supervision and control weaknesses in the organic sector ⁽²⁾, notably in the wake of a fraud uncovered at the end of the year, with falsified data and products falsely labelled as organic;
272. Notes the reservation in that 2011 Annual Activity Report regarding possible reputational risk to the organic control system if it is not implemented properly across the Union and at its external borders;
273. Is waiting for the follow-up of the Court of Auditors in three years in order to get a picture of the remedial measures put in place and their results;

Part XIII Special Report No 12/2012 of the Court of Auditors entitled 'Did the Commission and Eurostat improve the process for producing reliable and credible European statistics?'

274. Points out that:

- (a) the European statistical system consists in a partnership between the Union statistical authority, Eurostat, and the national statistical institutes which are responsible for coordinating all activities at national level for the development, production and dissemination of European statistics and may receive grants from the Union budget without prior call for proposals;
- (b) the European Statistical System Committee provides professional guidance to the European Statistical system;

275. Notes that:

- (a) the overall objective of the audit was to assess whether the Commission and Eurostat have improved the process for producing reliable and credible European statistics;
- (b) for this purpose the Court of Auditors addressed two issues: the implementation of the European Statistics Code of Practice (ESCP) and the management by Eurostat of the multiannual European statistical programme;
- (c) the audit also covered the contribution of the European Statistical Governance Advisory Board (ESGAB) and the European Statistical Advisory Committee;

276. Broadly endorses the three main recommendations made by the Court of Auditors:

- (a) since the statistical authorities of the Union and the Member States share a common responsibility for maintaining trust in Europe's democratic process, they should strengthen the system of European statistics in ensuring professional independence, sufficient resources, effective supervision with sanctions and swift improvement of measures for cases where quality standards are not respected;
- (b) in order to fully implement the ESCP, the Commission should:
 - propose amendments to the regulatory framework for the production of European statistics that provide a sound basis for review, enforcement and in appropriate cases, verification and inspection covering the institutional environment of statistical production, the statistical processes and the statistical output both at Union and national level,

⁽¹⁾ Commission Implementing Regulation (EU) No 1267/2011 of 6 December 2011 amending Regulation (EC) No 1235/2008 laying down detailed rules for implementation of Council Regulation (EC) No 834/2007 as regards the arrangements for imports of organic products from third countries (OJ L 324, 7.12.2011, p. 9).

⁽²⁾ See the 2011 Annual Activity Report of the Commission's Directorate-General for Agriculture and Rural Development, p. 25.

- take the necessary steps to ensure legal certainty of the nature of the obligation to adhere to the ESCP,
 - develop a supervisory function to oversee reviews, verifications, and inspections, for example by extending the current remit of the ESGAB,
 - enhance the professional independence of the Chief Statistician of the European Union,
 - bring its internal decision in Eurostat's role in line with the requirements of the ESCP, enable Eurostat to apply its protocol on impartial access to data without the restriction (and phase out the mechanism of sub-delegated operational credits for statistical production which makes Eurostat, in part, financially dependent on other Commission service),
 - launch a new round of peer reviews envisaged by the Commission for 2013 covering compliance with all principles of the ESCP including a strong element of external element to allow independent assessments and comparable results,
 - consider introducing rolling peer review for the most important statistical domains covering the entire production chain including providers of administrative data;
- (c) Eurostat should fully exploit the potential of the upcoming European statistical programme for the years 2013-2017 and, in particular:
- define precise targets and milestones each year in the annual statistical programmes and organise an adequate follow-up,
 - consider to revise the programme if needed during its implementation and to synchronise it with the Multiannual Financial Framework,
 - systematically review the statistical priorities taking into account the relevance of the statistical outputs and the cost and burdens for the European statistical system, its members and respondents and encourage statistical innovation when defining new priorities,
 - improve its support to European Statistical Advisory Committee's functioning through more and better tailored information on the budgetary and financial implications of statistical programming choices and on the implementation of statistical programmes,
 - simplify and improve the efficiency of the financial management of grants by resorting to standard scales of unit costs for staff and to lump sums for data sets provided through surveys,
 - explore the option of a performance-based system of grant management which relies on agreed indicators and objectives,
 - enhance competition in procurement procedures notably by giving more weight to price criterion in best value for money procedures and avoiding minimum thresholds that weaken price competition;

277. Welcomes the generally constructive replies made by the Commission and notes, in particular, that the Commission agrees with the Court of Auditors that the Union, the Member States and their statistical authorities share a common responsibility for maintaining trust in Europe's democratic process;

278. Points out that, as requested by the Court of Auditors, the Commission:

- (a) tabled a proposal for a regulation amending Regulation (EC) No 223/2009 (COM(2012) 167);

(b) adopted a new internal decision on Eurostat on 17 September 2012; and

(c) approved in September 2011 a revision of the ESCP;

279. Points out that the coordinating role of the national statistical institutes and Eurostat in the production of European statistics must be enforced and supported by further legislative changes, where necessary; calls for the ESGAB to be transformed into an independent supervisory body which should be tasked with overseeing reviews, verifications and inspections in the European Statistical System; to that end, invites the Commission to draw up a proposal for a regulation which should replace Decision No 235/2008/EC of the European Parliament and of the Council of 11 March 2008 establishing the European Statistical Governance Advisory Board ⁽¹⁾ currently in force;
280. Stresses that the European statistical system itself must be a driver of systemic improvement in order to adapt its structures and resources to the new challenges; notes that, as there is increasing demand for statistics in the face of decreasing resources, there is need for systemic change in the ways statistics are produced in order to further improve efficiency; underlines that implementing the vision for the next decade and the associated joint European statistical system strategy can no longer be postponed;
281. Emphasises the need to further strengthen the governance of the European statistical system and stresses that the on-going revision of the European statistical system's governance structure must be completed swiftly in order to streamline the decision-making channels and transfer the comitology competences to the European Statistical System Committee; asks the Commission to clarify the position of the ESGAB in the European statistical system's governance structure;
282. Welcomes the Commission's commitment to fully implement the ESCP; notes, however, that the ESCP still represents a challenge for the European statistical system as a whole and there is a need to support the Eurostat and the national statistical institutes in their efforts to fully implement the ESCP;
283. Regrets that out of the 677 improvement actions originally identified for the European statistical system during the external peer reviews carried out in 2006-2008, only 71 % were completed by 2012; notes that part of the remaining improvement actions are already outdated and that the speed of their implementation is stalling; therefore welcomes the plans for a new set of peer reviews to start in 2013, including the publication of the full list of the remaining actions and the schedule for their implementation; emphasises the importance of including external verification processes while implementing the new round of peer reviews;
284. Welcomes the fact that the Commission accepts in principle the recommendations on peer reviews, the introduction of precise targets and milestones in annual statistical programmes, reprioritisation and revision of the 2013-2017 programme, encouragement to innovation, a better involvement of the European Statistical Advisory Committee, simplification and improvement in the efficiency of financial management of grants; notes that the Commission also agrees to avoid a weakening of price competition in procurement procedures and to adapt the existing threshold and ratio for selecting the economically most advantageous tender and is satisfied that provisions of the proposal for a regulation amending Regulation (EC) No 223/2009 as tabled by the Commission specify the use of lump sums and agreement for using standards scales of unit costs;
285. Notes that a provision of the Commission proposal for a regulation amending Regulation (EC) No 223/2009 reinforces the principle of the independence of the Chief Statistician of the European Union but does not foresee the same mechanisms for its appointment as recommended by the Court of

⁽¹⁾ OJ L 73, 15.3.2008, p. 17.

Auditors; points out that the modified Regulation must define the ESGAB's role in the selection procedure of the Chief Statistician applied by the Commission and that clear and publicly accessible appointment and dismissal rules for the Chief Statistician should be ensured by means of open competitions and fixed terms in line with the ESCP;

286. Takes note of the position of the Commission as to the phasing out of the sub-delegation of credits for statistical production;
 287. Instructs its President to forward this resolution to the Council, the Commission, the Court of Justice of the European Union, and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).
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DECISION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****on discharge in respect of the implementation of the budget of the Education, Audiovisual and Culture Executive Agency for the financial year 2011**

(2013/538/EU, Euratom)

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2011 ⁽¹⁾,
- having regard to the consolidated annual accounts of the European Union for the financial year 2011 (COM(2012) 436 — C7-0224/2012) ⁽²⁾,
- having regard to the annual accounts of the Education, Audiovisual and Culture Executive Agency for the financial year 2011,
- having regard to the Commission's report on the follow-up to the discharge for the 2010 financial year (COM(2012) 585), and to the Commission staff working documents accompanying that report (SWD(2012) 340 and SWD(2012) 330),
- having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2011 (COM(2012) 563), and to the Commission staff working document accompanying that report (SWD(2012) 283),
- having regard to the Court of Auditors' report on the annual accounts of the Education, Audiovisual and Culture Executive Agency for the financial year 2011, together with the Agency's replies ⁽³⁾,
- having regard to the statement of assurance ⁽⁴⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2011 pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 12 February 2013 on discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2011 (05754/2013 — C7-0039/2013),
- having regard to Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union and Article 106a 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 ⁽⁵⁾, and in particular Articles 55, 145, 146 and 147 thereof,

⁽¹⁾ OJ L 68, 15.3.2011.⁽²⁾ OJ C 348, 14.11.2012, p. 1.⁽³⁾ OJ C 388, 15.12.2012, p. 34.⁽⁴⁾ OJ C 348, 14.11.2012, p. 130.⁽⁵⁾ OJ L 248, 16.9.2002, p. 1.

- having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽¹⁾, and in particular Articles 62, 164, 165 and 166 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 ⁽²⁾, 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 ⁽³⁾, and in particular the first and second paragraphs of Article 66 thereof,
 - having regard to Commission Decision 2005/56/EC of 14 January 2005 setting up 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 ⁽⁴⁾,
 - having regard to Rule 76 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinions of the other committees concerned (A7-0116/2013),
- A. whereas under Article 17(1) of the Treaty on European Union the Commission shall execute the budget and manage programmes and shall do so, under Article 317 of the Treaty on the Functioning of the European Union in cooperation with the Member States on its own responsibility, having regard to the principle of sound financial management,
1. Grants the Director of the Education, Audiovisual and Culture Executive Agency discharge in respect of the implementation of the Agency's budget for the financial year 2011;
 2. Sets out its observations in the resolution that forms an integral part of its Decisions on discharge in respect of the implementation of the general budget of the European Union for the financial year 2011, Section III — Commission and executive agencies;
 3. Instructs its President to forward this Decision, together with its Decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2011, 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 of the European Union and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ L 298, 26.10.2012, p. 1.

⁽²⁾ OJ L 11, 16.1.2003, p. 1.

⁽³⁾ OJ L 297, 22.9.2004, p. 6.

⁽⁴⁾ OJ L 24, 27.1.2005, p. 35.

DECISION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****on discharge in respect of the implementation of the budget of the Executive Agency for Competitiveness and Innovation for the financial year 2011**

(2013/539/EU, Euratom)

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2011 ⁽¹⁾,
- having regard to the consolidated annual accounts of the European Union for the financial year 2011 (COM(2012) 436 – C7-0224/2012) ⁽²⁾,
- having regard to the annual accounts of the Executive Agency for Competitiveness and Innovation for the financial year 2011,
- having regard to the Commission's report on the follow-up to the discharge for the 2010 financial year (COM(2012) 585), and to the Commission staff working documents accompanying that report (SWD(2012) 340 and SWD(2012) 330),
- having regard to the Commission's annual report to the discharge authority on Internal Audits carried out in 2011 (COM(2012) 563), and to the Commission staff working document accompanying that report (SWD(2012) 283),
- having regard to the Court of Auditors' report on the annual accounts of the Executive Agency for Competitiveness and Innovation for the financial year 2011, together with the Agency's replies ⁽³⁾,
- having regard to the statement of assurance ⁽⁴⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2011 pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 12 February 2013 on discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2011 (05754/2013 – C7-0039/2013),
- having regard to Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union and Article 106a 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 ⁽⁵⁾, and in particular Articles 55, 145, 146 and 147 thereof,
- having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽⁶⁾, and in particular Articles 62, 164, 165 and 166 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 ⁽⁷⁾, and in particular Article 14(3) thereof,

⁽¹⁾ OJ L 68, 15.3.2011.⁽²⁾ OJ C 348, 14.11.2012, p. 1.⁽³⁾ OJ C 388, 15.12.2012, p. 40.⁽⁴⁾ OJ C 348, 14.11.2012, p. 130.⁽⁵⁾ OJ L 248, 16.9.2002, p. 1.⁽⁶⁾ OJ L 298, 26.10.2012, p. 1.⁽⁷⁾ OJ L 11, 16.1.2003, p. 1.

- 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 ⁽¹⁾, and in particular the first and second paragraphs of Article 66 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 ⁽²⁾,
 - 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 ⁽³⁾,
 - having regard to Rule 76 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinions of the other committees concerned (A7-0116/2013),
- A. whereas under Article 17(1) of the Treaty on European Union the Commission shall execute the budget and manage programmes and shall do so, under Article 317 of the Treaty on the Functioning of the European Union in cooperation with the Member States on its own responsibility, having regard to the principle of sound financial management,
1. Grants the Director of the Executive Agency for Competitiveness and Innovation discharge in respect of the implementation of the Agency's budget for the financial year 2011;
 2. Sets out its observations in the resolution that forms an integral part of its Decisions on discharge in respect of the implementation of the general budget of the European Union for the financial year 2011, Section III – Commission and executive agencies;
 3. Instructs its President to forward this Decision, together with its Decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2011, 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 of the European Union and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President

Martin SCHULZ

The Secretary-General

Klaus WELLE

⁽¹⁾ OJ L 297, 22.9.2004, p. 6.

⁽²⁾ OJ L 5, 9.1.2004, p. 85.

⁽³⁾ OJ L 140, 1.6.2007, p. 52.

DECISION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****on discharge in respect of the implementation of the budget of the Executive Agency for Health and Consumers for the financial year 2011**

(2013/540/EU, Euratom)

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2011 ⁽¹⁾,
- having regard to the consolidated annual accounts of the European Union for the financial year 2011 (COM(2012) 436 — C7-0224/2012) ⁽²⁾,
- having regard to the annual accounts of the Executive Agency for Health and Consumers for the financial year 2011,
- having regard to the Commission's report on the follow-up to the discharge for the 2010 financial year (COM(2012) 585), and to the Commission staff working documents accompanying that report (SWD(2012) 340 and SWD(2012) 330),
- having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2011 (COM(2012) 563), and to the Commission staff working document accompanying that report (SWD(2012) 283),
- having regard to the Court of Auditors' report on the annual accounts of the Executive Agency for Health and Consumers for the financial year 2011, together with the Agency's replies ⁽³⁾,
- having regard to the statement of assurance ⁽⁴⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2011 pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 12 February 2013 on discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2011 (05754/2013 — C7-0039/2013),
- having regard to Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union and Article 106a 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 ⁽⁵⁾, and in particular Articles 55, 145, 146 and 147 thereof,
- having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽⁶⁾, and in particular Articles 62, 164, 165 and 166 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 ⁽⁷⁾, and in particular Article 14(3) thereof,

⁽¹⁾ OJ L 68, 15.3.2011.⁽²⁾ OJ C 348, 14.11.2012, p. 1.⁽³⁾ OJ C 388, 15.12.2012, p. 46.⁽⁴⁾ OJ C 348, 14.11.2012, p. 130.⁽⁵⁾ OJ L 248, 16.9.2002, p. 1.⁽⁶⁾ OJ L 298, 26.10.2012, p. 1.⁽⁷⁾ OJ L 11, 16.1.2003, p. 1.

- 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 ⁽¹⁾, and in particular the first and second paragraphs of Article 66 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 ⁽²⁾,
 - having regard to Commission Decision 2008/544/EC of 20 June 2008 amending Decision 2004/858/EC in order to transform the Executive Agency for the Public Health Programme into the Executive Agency for Health and Consumers ⁽³⁾,
 - having regard to Rule 76 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinions of the other committees concerned (A7-0116/2013),
- A. whereas under Article 17(1) of the Treaty on European Union the Commission shall execute the budget and manage programmes and shall do so, under Article 317 of the Treaty on the Functioning of the European Union in cooperation with the Member States on its own responsibility, having regard to the principle of sound financial management,
1. Grants the Director of the Executive Agency for Health and Consumers discharge in respect of the implementation of the Agency's budget for the financial year 2011;
 2. Sets out its observations in the resolution that forms an integral part of its Decisions on discharge in respect of the implementation of the general budget of the European Union for the financial year 2011, Section III — Commission and executive agencies;
 3. Instructs its President to forward this Decision, together with its Decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2011, 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, the Council, the Commission, the Court of Justice of the European Union and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ L 297, 22.9.2004, p. 6.

⁽²⁾ OJ L 369, 16.12.2004, p. 73.

⁽³⁾ OJ L 173, 3.7.2008, p. 27.

DECISION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****on discharge in respect of the implementation of the budget of the European Research Council
Executive Agency for the financial year 2011**

(2013/541/EU, Euratom)

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2011 ⁽¹⁾,
- having regard to the consolidated annual accounts of the European Union for the financial year 2011 (COM(2012) 436 — C7-0224/2012) ⁽²⁾,
- having regard to the annual accounts of the European Research Council Executive Agency for the financial year 2011,
- having regard to the Commission's report on the follow-up to the discharge for the 2010 financial year (COM(2012) 585), and to the Commission staff working documents accompanying that report (SWD(2012) 340 and SWD(2012) 330),
- having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2011 (COM(2012) 563), and to the Commission staff working document accompanying that report (SWD(2012) 283),
- having regard to the Court of Auditors' report on the annual accounts of the European Research Council Executive Agency for the financial year 2011, together with the Agency's replies ⁽³⁾,
- having regard to the statement of assurance ⁽⁴⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2011 pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 12 February 2013 on discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2011 (05754/2013 — C7-0039/2013),
- having regard to Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union and Article 106a 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 ⁽⁵⁾, and in particular Articles 55, 145, 146 and 147 thereof,

⁽¹⁾ OJ L 68, 15.3.2011.⁽²⁾ OJ C 348, 14.11.2012, p. 1.⁽³⁾ OJ C 388, 15.12.2012, p. 151.⁽⁴⁾ OJ C 348, 14.11.2012, p. 130.⁽⁵⁾ OJ L 248, 16.9.2002, p. 1.

- having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽¹⁾, and in particular Articles 62, 164, 165 and 166 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 ⁽²⁾, 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 ⁽³⁾, and in particular the first and second paragraphs of Article 66 thereof,
 - having regard to Commission Decision 2008/37/EC of 14 December 2007 setting up the European Research Council Executive Agency for the management of the specific Community programme Ideas in the field of frontier research in application of Council Regulation (EC) No 58/2003 ⁽⁴⁾,
 - having regard to Rule 76 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinions of the other committees concerned (A7-0116/2013),
- A. whereas under Article 17(1) of the Treaty on European Union the Commission shall execute the budget and manage programmes and shall do so, under Article 317 of the Treaty on the Functioning of the European Union in cooperation with the Member States on its own responsibility, having regard to the principle of sound financial management,
1. Grants the Director of the European Research Council Executive Agency discharge in respect of the implementation of the Agency's budget for the financial year 2011;
 2. Sets out its observations in the resolution that forms an integral part of its Decisions on discharge in respect of the implementation of the general budget of the European Union for the financial year 2011, Section III — Commission and executive agencies;
 3. Instructs its President to forward this Decision, together with its Decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2011, Section III — Commission and the resolution that forms an integral part of those Decisions, to the Director of the European Research Council Executive Agency, the Council, the Commission, the Court of Justice of the European Union and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ L 298, 26.10.2012, p. 1.

⁽²⁾ OJ L 11, 16.1.2003, p. 1.

⁽³⁾ OJ L 297, 22.9.2004, p. 6.

⁽⁴⁾ OJ L 9, 12.1.2008, p. 15.

DECISION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****on discharge in respect of the implementation of the budget of the Research Executive Agency for the financial year 2011**

(2013/542/EU, Euratom)

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2011 ⁽¹⁾,
- having regard to the consolidated annual accounts of the European Union for the financial year 2011 (COM(2012) 436 — C7-0224/2012) ⁽²⁾,
- having regard to the annual accounts of the Research Executive Agency for the financial year 2011,
- having regard to the Commission's report on the follow-up to the discharge for the 2010 financial year (COM(2012) 585), and to the Commission staff working documents accompanying that report (SWD(2012) 340 and SWD(2012) 330),
- having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2011 (COM(2012) 563), and to the Commission staff working document accompanying that report (SWD(2012) 283),
- having regard to the Court of Auditors' report on the annual accounts of the Research Executive Agency for the financial year 2011, together with the Agency's replies ⁽³⁾,
- having regard to the statement of assurance ⁽⁴⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2011 pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 12 February 2013 on discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2011 (05754/2013 — C7-0039/2013),
- having regard to Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union and Article 106a 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 ⁽⁵⁾, and in particular Articles 55, 145, 146 and 147 thereof,

⁽¹⁾ OJ L 68, 15.3.2011.⁽²⁾ OJ C 348, 14.11.2012, p. 1.⁽³⁾ OJ C 388, 15.12.2012, p. 226.⁽⁴⁾ OJ C 348, 14.11.2012, p. 130.⁽⁵⁾ OJ L 248, 16.9.2002, p. 1.

- having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽¹⁾, and in particular Articles 62, 164, 165 and 166 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 ⁽²⁾, 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 ⁽³⁾, and in particular the first and second paragraphs of Article 66 thereof,
 - having regard to Commission Decision 2008/46/EC of 14 December 2007 setting up the Research Executive Agency for the management of certain areas of the specific Community programmes People, Capacities and Cooperation in the field of research in application of Council Regulation (EC) No 58/2003 ⁽⁴⁾,
 - having regard to Rule 76 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinions of the other committees concerned (A7-0116/2013),
- A. whereas under Article 17(1) of the Treaty on European Union the Commission shall execute the budget and manage programmes and shall do so, under Article 317 of the Treaty on the Functioning of the European Union in cooperation with the Member States on its own responsibility, having regard to the principle of sound financial management,
1. Grants the Director of the Research Executive Agency discharge in respect of the implementation of the Agency's budget for the financial year 2011;
 2. Sets out its observations in the resolution that forms an integral part of its Decisions on discharge in respect of the implementation of the general budget of the European Union for the financial year 2011, Section III — Commission and executive agencies;
 3. Instructs its President to forward this Decision, together with its Decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2011, Section III — Commission and the resolution that forms an integral part of those Decisions, to the Director of the Research Executive Agency, the Council, the Commission, the Court of Justice of the European Union and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ L 298, 26.10.2012, p. 1.

⁽²⁾ OJ L 11, 16.1.2003, p. 1.

⁽³⁾ OJ L 297, 22.9.2004, p. 6.

⁽⁴⁾ OJ L 11, 15.1.2008, p. 9.

DECISION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****on discharge in respect of the implementation of the budget of the Trans-European Transport Network Executive Agency for the financial year 2011**

(2013/543/EU, Euratom)

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2011 ⁽¹⁾,
- having regard to the consolidated annual accounts of the European Union for the financial year 2011 (COM(2012) 436 — C7-0224/2012) ⁽²⁾,
- having regard to the annual accounts of the Trans-European Transport Network Executive Agency for the financial year 2011,
- having regard to the Commission's report on the follow-up to the discharge for the 2010 financial year (COM(2012) 585), and to the Commission staff working documents accompanying that report (SWD(2012) 340 and SWD(2012) 330),
- having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2011 (COM(2012) 563), and to the Commission staff working document accompanying that report (SWD(2012) 283),
- having regard to the Court of Auditors' report on the annual accounts of the Trans-European Transport Network Executive Agency for the financial year 2011, together with the Agency's replies ⁽³⁾,
- having regard to the statement of assurance ⁽⁴⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2011 pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 12 February 2013 on discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2011 (05754/2013 — C7-0039/2013),
- having regard to Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union and Article 106a 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 ⁽⁵⁾, and in particular Articles 55, 145, 146 and 147 thereof,
- having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽⁶⁾, and in particular Articles 62, 164, 165 and 166 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 ⁽⁷⁾, and in particular Article 14(3) thereof,

⁽¹⁾ OJ L 68, 15.3.2011.⁽²⁾ OJ C 348, 14.11.2012, p. 1.⁽³⁾ OJ C 388, 15.12.2012, p. 232.⁽⁴⁾ OJ C 348, 14.11.2012, p. 130.⁽⁵⁾ OJ L 248, 16.9.2002, p. 1.⁽⁶⁾ OJ L 298, 26.10.2012, p. 1.⁽⁷⁾ OJ L 11, 16.1.2003, p. 1.

- 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 ⁽¹⁾, and in particular the first and second paragraphs of Article 66 thereof,
 - having regard to Commission Decision 2007/60/EC of 26 October 2006 establishing the Trans-European Transport Network Executive Agency pursuant to Council Regulation (EC) No 58/2003 ⁽²⁾,
 - having regard to Rule 76 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinions of the other committees concerned (A7-0116/2013),
- A. whereas under Article 17(1) of the Treaty on European Union the Commission shall execute the budget and manage programmes and shall do so, under Article 317 of the Treaty on the Functioning of the European Union in cooperation with the Member States on its own responsibility, having regard to the principle of sound financial management,
1. Grants the Director of the Trans-European Transport Network Executive Agency discharge in respect of the implementation of the Agency's budget for the financial year 2011;
 2. Sets out its observations in the resolution that forms an integral part of its Decisions on discharge in respect of the implementation of the general budget of the European Union for the financial year 2011, Section III — Commission and executive agencies;
 3. Instructs its President to forward this Decision, together with its Decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2011, Section III — Commission and the resolution that forms an integral part of those Decisions, to the Director of the Trans-European Transport Network Executive Agency, the Council, the Commission, the Court of Justice of the European Union and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ L 297, 22.9.2004, p. 6.

⁽²⁾ OJ L 32, 6.2.2007, p. 88.

DECISION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****on the closure of the accounts of the general budget of the European Union for the financial year 2011, Section III — Commission**

(2013/544/EU, Euratom)

THE EUROPEAN PARLIAMENT,

- having regard to the general budget of the European Union for the financial year 2011 ⁽¹⁾,
- having regard to the consolidated annual accounts of the European Union for the financial year 2011 (COM(2012) 436 — C7-0224/2012) ⁽²⁾,
- having regard to the Commission's report on the follow-up to the discharge for the 2010 financial year (COM(2012) 585), and to the Commission staff working documents accompanying that report (SWD(2012) 340 and SWD(2012) 330),
- having regard to the Commission communication of 6 June 2012 entitled 'Synthesis of the Commission's management achievements in 2011' (COM(2012) 281),
- having regard to the Commission's annual report to the discharge authority on internal audits carried out in 2011 (COM(2012) 563), and to the Commission staff working document accompanying that report (SWD(2012) 283),
- having regard to the Annual Report of the Court of Auditors on the implementation of the budget concerning the financial year 2011, together with the institutions' replies ⁽³⁾, and to the Court of Auditors' special reports,
- having regard to the statement of assurance ⁽⁴⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2011 pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 12 February 2013 on discharge to be given to the Commission in respect of the implementation of the budget for the financial year 2011 (05752/2013 — C7-0038/2013),
- having regard to the Council's recommendation of 12 February 2013 on discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2011 (05754/2013 — C7-0039/2013),
- having regard to Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union and Article 106a 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 ⁽⁵⁾, and in particular Articles 55, 145, 146 and 147 thereof,
- having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽⁶⁾, and in particular Articles 62, 164, 165 and 166 thereof,

⁽¹⁾ OJ L 68, 15.3.2011.⁽²⁾ OJ C 348, 14.11.2012, p. 1.⁽³⁾ OJ C 344, 12.11.2012, p. 1.⁽⁴⁾ OJ C 348, 14.11.2012, p. 130.⁽⁵⁾ OJ L 248, 16.9.2002, p. 1.⁽⁶⁾ OJ L 298, 26.10.2012, p. 1.

- 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 ⁽¹⁾, and in particular Article 14(2) and (3) thereof,
 - having regard to Rule 76 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinions of the other committees concerned (A7-0116/2013),
1. Approves the closure of the accounts of the general budget of the European Union for the financial year 2011;
 2. Sets out its observations in the resolution that forms an integral part of its Decisions on discharge in respect of the implementation of the general budget of the European Union for the financial year 2011, Section III — Commission and executive agencies, and in its Resolution of 17 April 2013 on the Court of Auditors' special reports in the context of the 2011 Commission discharge ⁽²⁾;
 3. Instructs its President to forward this Decision to the Council, the Commission, the Court of Justice of the European Union, the Court of Auditors and the European Investment Bank, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ L 11, 16.1.2003, p. 1.

⁽²⁾ Texts adopted, P7-TA(2013)0123 (see page 68 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****on discharge in respect of the implementation of the European Union general budget for the financial year 2011, Section IV — Court of Justice**

(2013/545/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2011 ⁽¹⁾,
 - having regard to the consolidated annual accounts of the European Union for the financial year 2011 (COM(2012) 436 – C7-0227/2012) ⁽²⁾,
 - having regard to the Annual Report of the Court of Auditors on implementation of the budget for the financial year 2011, together with the institutions' replies ⁽³⁾,
 - having regard to the statement of assurance ⁽⁴⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2011 pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to Article 314(10) and Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
 - 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 Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽⁶⁾, and in particular Articles 164, 165 and 166 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the Opinion of the Committee on Legal Affairs (A7-0090/2013),
1. Grants the Registrar of the Court of Justice discharge in respect of the implementation of the Court of Justice's budget for the financial year 2011;
 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 of the European Union, 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
Martin SCHULZ

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ L 68, 15.3.2011.

⁽²⁾ OJ C 348, 14.11.2012, p. 1.

⁽³⁾ OJ C 344, 12.11.2012, p. 1.

⁽⁴⁾ OJ C 348, 14.11.2012, p. 130.

⁽⁵⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁶⁾ OJ L 298, 26.10.2012, p. 1.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****with observations forming an integral part of the Decision on discharge for implementation of the European Union general budget for the financial year 2011, Section IV — Court of Justice**

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2011 ⁽¹⁾,
 - having regard to the consolidated annual accounts of the European Union for the financial year 2011 (COM(2012) 436 – C7-0227/2012) ⁽²⁾,
 - having regard to the Annual Report of the Court of Auditors on implementation of the budget for the financial year 2011, together with the institutions' replies ⁽³⁾,
 - having regard to the statement of assurance ⁽⁴⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2011 pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to Article 314(10) and Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
 - 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 Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽⁶⁾, and in particular Articles 164, 165 and 166 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the Opinion of the Committee on Legal Affairs (A7-0090/2013),
1. Welcomes the fact that in 2011, the Court of Justice of the European Union ('Court of Justice') had commitment appropriations amounting to EUR 335 904 453,30 (EUR 323 784 221,30 in 2010) and that the rate of implementation of appropriations for the Section IV – Court of Justice, remained very high in 2011 (more than 98 % in total, and even higher than 99 % for the appropriations in Title 2); stresses that the rate of implementation could have reached 99 % had it not been for the Council's refusal to follow the Commission's proposed salary adjustment (+ 1,7 % backdated to 1 July 2011);
 2. Stresses that the Court of Justice's budget is purely administrative, with 75 % spent on persons working in the institution and 25 % on buildings, furniture, equipment and miscellaneous operating expenditure;

⁽¹⁾ OJ L 68, 15.3.2011.⁽²⁾ OJ C 348, 14.11.2012, p. 1.⁽³⁾ OJ C 344, 12.11.2012, p. 1.⁽⁴⁾ OJ C 348, 14.11.2012, p. 130.⁽⁵⁾ OJ L 248, 16.9.2002, p. 1.⁽⁶⁾ OJ L 298, 26.10.2012, p. 1.

3. Notes with satisfaction that in its 2011 annual report, the Court of Auditors observed that no significant weaknesses had been identified in respect of the audited topics related to human resources and procurement for the Court of Justice;
4. Welcomes the fact that on the basis of its audit work, the Court of Auditors concluded that the payments as a whole for the year ended on 31 December 2011 for administrative and other expenditure of the institutions and bodies were free from material error;
5. Expresses concern that the amount of pending cases in the General Court is still very high in 2011 (i.e. 1 300 pending cases in 2010 and 1 308 pending cases in 2011); stresses the importance of the rapid administration of justice for the smooth operation not only of the institutions but also of the economy because it increases legal certainty;
6. Urges the Court of Justice to examine what type of organisational changes could lead to a reduction in the number of pending cases and also believes that the General Court needs human resources reinforcement; is of the opinion that the proposal for the creation of additional appointments of judges in the General Court — which is still under examination in the Council — could contribute to the moderation of that trend; calls on the General Court to assess whether there are any additional proposals not related to human resources to reverse this trend;
7. Points out that the statistics concerning the Court of Justice's activity in 2011 show, overall, a need to improve efficiency as regards the duration of proceedings; notes that as far as preliminary rulings are concerned, the average period taken to deal with a case is 16,4 months, compared to the figure for the year 2010 (16 months); notes that the average time taken to deal with direct actions and appeals in 2011 was 20,2 months and 15,4 months respectively (compared to 16,7 months and 14,3 months in 2010);
8. Notes that the Civil Service Tribunal has a steady evolution of new and completed cases in recent years (i.e. 139 new cases in 2010 compared with 159 in 2011 and 129 completed cases in 2010 and 166 in 2011);
9. Notes that the Court of Justice completed 550 cases in 2011, an appreciable increase compared with the previous year (522 cases completed in 2010), and that of those cases, 370 were dealt with by judgment and 180 gave rise to an order;
10. Welcomes the e-Curia application, which came into operation in November 2011, enabling procedural documents to be lodged and notified electronically; notes with satisfaction that this application has contributed, as far as the Court of Justice is concerned, to a 25 % decrease in the use of paper between 2011 and 2012 and to savings of EUR 150 000;
11. Stresses that e-Curia must, in due course, make it possible to do away with a great proportion of exchanges of correspondence and with the scanning of documents coming in and going out, and enable the optimisation of internal work flows; asks Parliament's Committee on Budgetary Control to be given an accurate description of costs relating to the creation, maintenance and updating of the e-Curia application;
12. Asks to be informed of the measures taken to resolve informatics breakdowns which can affect the e-Curia performance;
13. Considers very positive that by the end of 2012, 14 Member States, two European Free Trade Association countries and five European institutions (in particular Parliament, the Council and the Commission) were active users of e-Curia;
14. Welcomes the development and improvement of the integrated management system SAP which was established in 2008 on an interinstitutional basis by the Council, the Court of Auditors and the Court of Justice, and which forms the essential instrument for handling all financial and budgetary transactions of the Court of Justice; considers, therefore, that it is important to assure the smooth functioning of the SAP;

15. Supports the initiative taken by the Court of Justice to reform its Statute and Rules of Procedure in light of the challenges it faces in connection with the increased number of cases; notes that various changes agreed by the legislators have already entered into force and are being implemented; hopes that further urgent structural measures, allowing in particular for the appointment of additional judges at the General Court, will be adopted in 2013;
 16. Notes with satisfaction the creation of a new search engine for consulting case law and the availability of the catalogue of the Court of Justice's library online in order to bring citizens closer to the Court of Justice as a Union institution;
 17. Takes note of the modification of the Court of Justice's administrative structure with the creation of a Directorate of Protocol and Information; expects that the annual activity report 2012 gives a detailed description of the benefits that the change has brought for the Court of Justice's performance;
 18. Finds the engagement of the Court of Justice in holding a collection of works of art representative of the Union's artistic heritage an ambitious project requiring specialised resources; invites the Court of Justice to explain how this project articulates with the traditional activities of the Court of Justice; takes note that in 2012, the Court of Justice paid EUR 7 500 to insure a collection valued at EUR 2 400 000;
 19. Welcomes the fact that the Court of Justice allowed 5 % of its permanent interpreters to add another working language to their language combinations in 2011; highlights that this was possible due to intensive language training;
 20. Notes that the number of hearings and other meetings with interpretation continue to grow in 2011, which was mainly attributable to enlargement and the entry into force of the Treaty of Lisbon;
 21. Recognises that interinstitutional cooperation in regard to the recruitment of interpreters represents considerable savings for the Court of Justice;
 22. Takes note of the new activities in 2011 of the Directorate-General for Infrastructure and asks that the Court of Justice give further information to Parliament's Committee on Budgetary Control on the building project for the fifth extension to the Court of Justice's buildings;
 23. Welcomes the fact that the Court of Justice has prepared such a thorough and detailed annual activity report and has included in it in-depth information on its human resources management, as requested by Parliament.
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DECISION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****on discharge in respect of the implementation of the European Union general budget for the financial year 2011, Section V — Court of Auditors**

(2013/546/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2011 ⁽¹⁾,
 - having regard to the consolidated annual accounts of the European Union for the financial year 2011 (COM(2012) 436 – C7-0228/2012) ⁽²⁾,
 - having regard to the Annual Report of the Court of Auditors on implementation of the budget for the financial year 2011, together with the institutions' replies ⁽³⁾,
 - having regard to the statement of assurance ⁽⁴⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2011 pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to Article 314(10) and Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
 - 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 Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽⁶⁾, and in particular Articles 164, 165 and 166 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0092/2013),
1. Grants the Secretary-General of the Court of Auditors discharge in respect of the implementation of the Court of Auditors' budget for the financial year 2011;
 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 of the European Union, 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
Martin SCHULZ

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ L 68, 15.3.2011.

⁽²⁾ OJ C 348, 14.11.2012, p. 1.

⁽³⁾ OJ C 344, 12.11.2012, p. 1.

⁽⁴⁾ OJ C 348, 14.11.2012, p. 130.

⁽⁵⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁶⁾ OJ L 298, 26.10.2012, p. 1.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****with observations forming an integral part of the Decision on discharge for implementation of the European Union general budget for the financial year 2011, Section V — Court of Auditors**

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2011 ⁽¹⁾,
 - having regard to the consolidated annual accounts of the European Union for the financial year 2011 (COM(2012) 436 – C7-0228/2012) ⁽²⁾,
 - having regard to the Annual Report of the Court of Auditors on implementation of the budget for the financial year 2011, together with the institutions' replies ⁽³⁾,
 - having regard to the statement of assurance ⁽⁴⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2011 pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to Article 314(10) and Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
 - 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 Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽⁶⁾, and in particular Articles 164, 165 and 166 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0092/2013),
1. Notes that the Court of Auditors' annual accounts are audited by an independent external auditor — PricewaterhouseCoopers SARL — in order to apply the same principles of transparency and accountability that it applies to its auditees; takes note of the auditor's opinion that 'the financial statement gives a true and fair view of the financial position of the Court';
 2. Emphasises that in 2011, the Court of Auditors' commitment appropriations amounted to a total of EUR 134 337 000 (EUR 148 600 000 in 2010) and the implementation rate for those appropriations was 93 % last year; notes that the Court of Auditors' budget is purely administrative;

⁽¹⁾ OJ L 68, 15.3.2011.⁽²⁾ OJ C 348, 14.11.2012, p. 1.⁽³⁾ OJ C 344, 12.11.2012, p. 1.⁽⁴⁾ OJ C 348, 14.11.2012, p. 130.⁽⁵⁾ OJ L 248, 16.9.2002, p. 1.⁽⁶⁾ OJ L 298, 26.10.2012, p. 1.

3. Encourages the Court of Auditors to continue to assess the quality and impact of its work; calls for special attention to be given to the external experts' reviews of the content and presentation of the Court of Auditors' reports; notes that the external experts' satisfaction rate decreased in 2011 and asks the Court of Auditors to explain why this is happening;
4. Congratulates the Court of Auditors' improvement of its financial management, in particular through the introduction of systematic monitoring of the implementation of recommendations by auditees; considers the rate achieved a very positive result and would like to know the average time between the delivery of those evaluations and receipt of replies from auditees;
5. Reminds the Court of Auditors of the need to comply with time plans, even where there is no deadline, as is the case with the Court of Auditors' Special Reports; considers that the compliance rate of timely adopted reports needs to be improved;
6. Calls on the Court of Auditors to provide a timeline providing information on the individual stages of a report (from initial groundwork to publication) in each of its special reports;
7. Agrees with the importance given by the Court of Auditors to the statement of preliminary findings; calls on the Court of Auditors, for that reason, to take effective measures to advance the percentage of statements issued within two months;
8. Welcomes the reinforcement of audit posts in 2011, compared to the number of staff in other services; commends the Court of Auditors' continued engagement in finding efficiency gains in the support services; regrets, however, that the number of vacant audit posts in the end of 2011 was still high (25 vacant posts), even if significantly fewer than the previous year (44 in 2010); calls on the Court of Auditors to speed up the recruitment of new staff for the vacant audit posts;
9. Points to the considerable geographical imbalance as regards director posts: four nationals from the United Kingdom and one national from France, Spain, Belgium, Denmark, Greece, Ireland and Italy;
10. Finds the gender balance at the level of Directors and Heads of Units still very unbalanced (72 % male and 28 % female); notes with satisfaction that the proportion of women at AD level is increasing; points out, however, the importance of geographical balance at all levels of staff; requests that the Court of Auditors also provide a breakdown by nationality;
11. Calls on the Court of Auditors to maintain the best possible working environment for its staff and its Members in the future; encourages the Court of Auditors to examine what lessons can be learned from the recently revealed harassment case and whether the procedure applied during the investigation by the Court of Auditors was fully in line with its Rules of Procedure;
12. Calls for preventive measures to safeguard against workplace harassment and for details of all measures taken in respect of staff in the private offices of Members of the Court of Auditors;
13. Congratulates the Court of Auditors for the highly efficient performance of its Translation Directorate and for the conclusion of the K3 building on schedule and within budget;

14. Calls for information as to why the Court of Auditors' new 'Assist' IT system has not been implemented and what problems there have been; calls for a breakdown of the costs which have arisen to date, and of likely costs in the future, and for information as to when the programme is likely to be introduced;
 15. Notes that the Court of Auditors made a total of 379 audit visits in 2011, 343 to Member States and 36 to third countries; calls on the Court of Auditors to increase both the number and effectiveness of on-site audit visits;
 16. Takes note that in 2011, the Court of Auditors reported a total of seven cases of suspected fraud arising from its audit work to the European Anti-Fraud Office (OLAF); notes that OLAF decided to open an enquiry in two of those cases and those enquiries are still ongoing; calls on the Court of Auditors to clarify whether the number of cases referred to OLAF and the percentage of those that are investigated reflect the actual level of corruption in relation to the use of Union funds and, if not, what it proposes to do to increase both these figures;
 17. Notes, furthermore, that in 2011 the Court of Auditors referred 17 cases of possible suspected fraud to OLAF arising from denunciation letters received by the Court of Auditors; supports the Court of Auditors' continuous close cooperation with OLAF, and urges the Court of Auditors to assess whether – and, if so, how – this number can be increased in relation to the overall image, action and effectiveness of the Court of Auditors in this sector;
 18. Welcomes the cooperation between the Court of Auditors and Parliament's Committee on Budgetary Control, the clear follow up of the discharge resolution from the previous year and the regular feedback from Parliament's demands;
 19. Takes note of the follow-up exercise made by the internal audit service which identified progress with the internal controls already in place and efforts made by the audited services to implement the agreed action plans; asks to be informed of the measures implemented and the results achieved by those services;
 20. Welcomes the publication of Special Report No 19/2012 on the follow-up of the Court of Auditors' Special Reports;
 21. Expects to receive the summary of the main conclusions arising from the monitoring of the internal audit service *ex-post* verifications and the impact results that those changes had on the Court of Auditors' internal control in the 2012 annual activity report;
 22. Acknowledges that the mid-term review of the Court of Auditors' Outline Strategy for 2009 to 2013 concluded that the key processes are monitored and the progresses made to date are accurately reported;
 23. Awaits with interest the second peer review that the Court of Auditors is launching in 2013, focusing particularly on the practice of performance audit at the Court of Auditors; requests information about the implementation of the conclusions of the first introductory peer review in 2012;
 24. Agrees with the internal audit service recommendations to create a new set of key performance indicators to measure the implementation of that strategy.
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DECISION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****on discharge in respect of the implementation of the European Union general budget for the financial year 2011, Section VI — European Economic and Social Committee**

(2013/547/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2011 ⁽¹⁾,
 - having regard to the consolidated annual accounts of the European Union for the financial year 2011 (COM(2012) 436 – C7-0229/2012) ⁽²⁾,
 - having regard to the Annual Report of the Court of Auditors on implementation of the budget for the financial year 2011, together with the institutions' replies ⁽³⁾,
 - having regard to the statement of assurance ⁽⁴⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2011 pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to Article 314(10) and Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
 - 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 Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽⁶⁾, and in particular Articles 164, 165 and 166 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0076/2013),
1. Grants the Secretary-General of the European Economic and Social Committee discharge in respect of the implementation of the European Economic and Social Committee budget for the financial year 2011;
 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 of the European Union, 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
Martin SCHULZ

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ L 68, 15.3.2011.

⁽²⁾ OJ C 348, 14.11.2012, p. 1.

⁽³⁾ OJ C 344, 12.11.2012, p. 1.

⁽⁴⁾ OJ C 348, 14.11.2012, p. 130.

⁽⁵⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁶⁾ OJ L 298, 26.10.2012, p. 1.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****with observations forming an integral part of the Decision on discharge for implementation of the European Union general budget for the financial year 2011, Section VI — European Economic and Social Committee**

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2011 ⁽¹⁾,
 - having regard to the consolidated annual accounts of the European Union for the financial year 2011 (COM(2012) 436 – C7-0229/2012) ⁽²⁾,
 - having regard to the Annual Report of the Court of Auditors on implementation of the budget for the financial year 2011, together with the institutions' replies ⁽³⁾,
 - having regard to the statement of assurance ⁽⁴⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2011 pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to Article 314(10) and Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
 - 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 Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽⁶⁾, and in particular Articles 164, 165 and 166 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0076/2013),
1. Welcomes the fact that, on the basis of its audit work, the Court of Auditors concluded that the payments as a whole for the year ended on 31 December 2011 for administrative and other expenditure of the institutions and bodies were free from material error;
 2. Points out that in the 2011 annual report, the Court of Auditors included observations on the conclusion of contracts with temporary and contract staff, identifying some inconsistencies in the guidelines applicable to the grading and recruitment of staff; calls on the European Economic and Social Committee (EESC) to ensure that those inconsistencies do not recur;
 3. Takes note of the replies given to the Court of Auditors' observations and the information given on the update of the guidelines applicable to the grading and recruitment of staff;

⁽¹⁾ OJ L 68, 15.3.2011.⁽²⁾ OJ C 348, 14.11.2012, p. 1.⁽³⁾ OJ C 344, 12.11.2012, p. 1.⁽⁴⁾ OJ C 348, 14.11.2012, p. 130.⁽⁵⁾ OJ L 248, 16.9.2002, p. 1.⁽⁶⁾ OJ L 298, 26.10.2012, p. 1.

4. Notes that in 2011, the EESC had commitment appropriations of EUR 128 600 000 (EUR 123 173 749 in 2010) available, with a utilisation rate of 95,4 %, lower than the rate of 98 % of 2010; notes that this is mainly due to the Council's decision not to adopt the Commission's proposal for salary adjustments for 2011; stresses that the EESC budget is purely administrative, with a large amount spent on expenditure concerning persons working within the institution and the remaining amount relating to buildings, furniture, equipment and miscellaneous running costs;
5. Supports the EESC's efforts to limit the budget for 2013, keeping it at the level of 2012 and thereby ensuring a flat rate increase;
6. Takes note of the follow up observations to the Parliament 2010 Discharge Resolution attached to the EESC annual activity report; asks to be informed about the measures taken by the EESC to carry out a detailed spending review and about the results of that exercise;
7. In its resolutions of May 2011 and May 2012 granting discharge in respect of the implementation of the EESC budget, Parliament called on the European Ombudsman to inform it of cases of maladministration which had arisen within the EESC; expresses its concern at the Decision of the European Ombudsman of 6 November 2012 — complaint No 2744/2009(MF)JF — relating to a 'very serious case of maladministration' and stating its intention to forward that decision to the President of the Parliament for consideration as to whether it should be submitted to the competent parliamentary committee; takes note that the EESC has pledged, and has taken measures, to prevent similar situations from happening in future;
8. Congratulates the EESC for the reform of the financial reimbursement rules relating to its members, including reimbursement of transport tickets on the basis of real cost only, and expects the Council to approve it without delay; recalls that the system should be fully operational by the beginning of the next EESC term;
9. Notes with satisfaction that the decision to publicise the declarations of financial interests of the EESC members was implemented in 2012;
10. Welcomes the strengthening of cooperation between EESC members and Parliament's Committee on Budgetary Control, in particular in relation to the discharge exercise;
11. Notes with satisfaction that the EESC–Committee of the Regions Cooperation agreement is estimated to make savings/synergies of around EUR 40 million; considers that it would be interesting to have a more recent evaluation of the benefits of this agreement since the data above is from 2005 and did not take into account the situation in the EU27;
12. Congratulates both the EESC and the Committee of the Regions for receiving EMAS and ISO-14001 certification;
13. Draws attention to the obligation to publish energy consumption and renewable energy share data; asks to be informed about the energy used from renewable sources in the annual activity reports;
14. Is pleased with the achievements in the area of translation following the renewed EESC–Committee of the Regions Cooperation agreement; notes, however, that in 2011, there was a higher demand for translation from external translators compared to previous years; encourages the EESC to make further efforts to better plan the translation picks;
15. Supports the conclusions of the mid-term evaluation of the administrative cooperation agreement between the EESC and the Committee of the Regions; considers that some improvements should be made to rationalise human resources in the Joint Services and in translation;
16. Proposes that measures be adopted to enhance cooperation in the management of joint services;

17. Urges the EESC to provide details in its annual report of specific budget savings resulting from the implementation of a joint agreement on administrative activities;
 18. Wishes to be informed of the budgetary impact of using the space set aside for EESC videoconferences with the Committee of the Regions once those videoconferences commence;
 19. Takes note of the steps taken by the EESC to develop a self-assessment of its work with the assistance of the European Institute for Public Administration;
 20. Considers positive the decrease of the unused rate of interpretation services requested from 12,3 % in 2010 to 8,9 % in 2011; welcomes the fact that the EESC has provided this very useful information; notes, however, that the rate of unused services continues to be high and invites the EESC to make further efforts to diminish this figure; asks the EESC to monitor changes made and to provide detailed information on how this problem is being addressed;
 21. Recommends the introduction of a joint procurement system for translation services which would enable such services to be shared between institutions and help to ensure that they are fully utilised;
 22. Calls on the EESC to include detailed information on communication costs and on the conclusions drawn from them;
 23. Takes note of the very high execution rate of the communication budget which was EUR 1 712 535 in 2011; welcomes its decrease to EUR 1 597 200; for the period of 2012 and 2013 congratulates the EESC for all the initiatives and events that have been created to promote its work and to build bridges between the civil society and Union institutions; is of the opinion that the EESC, like all the other institutions, can communicate effectively with less means;
 24. Regrets that during 2011, there was an inappropriate linkage of the institutional website of the EESC and the personal blog of its Secretary-General, which only ceased after an incident in which comments on the latter were highlighted; reiterates, the importance of separating institutional information and the personal opinions of officials;
 25. Wishes to see information included in the annual report on the manner in which EESC employees may use the pre-school facilities; takes note of the unexpected end of the agreement with the Council for EESC staff to use its child care facilities and invites the EESC to look at possible solutions;
 26. Wishes to see more detailed information included in the EESC's annual report on the provision of space for meetings organised by external civil-society organisations working in conjunction with the EESC; welcomes more information on the benefits and costs for those organisations and the way in which they are selected; welcomes the precise criteria laid down in choosing the organisation and the event that has to be related to the Union, not having commercial purpose or pursuing a political objective and has to highlight the EESC's role;
 27. Endorses the Internal Audit recommendations settled on Appendix B of the EESC annual activity report;
 28. Acknowledges the projects developed to modernise document management and the information technology (IT) infrastructure; believes that the document management reform is developing well and will contribute to an improvement in the EESC's performance; hopes that the IT reform will achieve the same results; asks these projects to be followed up in the 2012 annual activity report.
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DECISION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****on discharge in respect of the implementation of the European Union general budget for the financial year 2011, Section VII — Committee of the Regions**

(2013/548/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2011 ⁽¹⁾,
 - having regard to the consolidated annual accounts of the European Union for the financial year 2011 (COM(2012) 436 – C7-0230/2012) ⁽²⁾,
 - having regard to the Annual Report of the Court of Auditors on implementation of the budget for the financial year 2011, together with the institutions' replies ⁽³⁾,
 - having regard to the statement of assurance ⁽⁴⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2011 pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to Article 314(10) and Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
 - 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 Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽⁶⁾, and in particular Articles 164, 165 and 166 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0093/2013),
1. Grants the Secretary-General of the Committee of the Regions discharge in respect of the implementation of the Committee of the Regions' budget for the financial year 2011;
 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 of the European Union, 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
Martin SCHULZ

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ L 68, 15.3.2011.

⁽²⁾ OJ C 348, 14.11.2012, p. 1.

⁽³⁾ OJ C 344, 12.11.2012, p. 1.

⁽⁴⁾ OJ C 348, 14.11.2012, p. 130.

⁽⁵⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁶⁾ OJ L 298, 26.10.2012, p. 1.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****with observations forming an integral part of the Decision on discharge for implementation of the European Union general budget for the financial year 2011, Section VII — Committee of the Regions**

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2011 ⁽¹⁾,
 - having regard to the consolidated annual accounts of the European Union for the financial year 2011 (COM(2012) 436 – C7-0230/2012) ⁽²⁾,
 - having regard to the Annual Report of the Court of Auditors on implementation of the budget for the financial year 2011, together with the institutions' replies ⁽³⁾,
 - having regard to the statement of assurance ⁽⁴⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2011 pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to Article 314(10) and Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
 - 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 Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽⁶⁾, and in particular Articles 164, 165 and 166 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0093/2013),
1. Notes with satisfaction that in its 2011 annual report, the Court of Auditors observed that no significant weaknesses had been identified in respect of the audited topics related to the human resources and the procurement for the Committee of the Regions ('the Committee');
 2. Welcomes the fact that on the basis of its audit work, the Court of Auditors concluded that the payments as a whole for the year ended on 31 December 2011 for administrative and other expenditure of the institutions and bodies were free from material error;
 3. Notes that in 2011, the Committee had an approved budget of EUR 84 100 000, of which EUR 82 000 000 (EUR 90 800 000 in 2010) were commitment appropriations, with a utilisation rate of 97,5 %, lower than the 99,4 % of 2010; stresses that the Committee's budget is purely administrative, with 72 % of expenditure relating to persons working with the institution and 28 % relating to buildings, furniture, equipment and miscellaneous running costs;
 4. Is dismayed at the fall in the budget utilisation rate; calls for action to improve that rate and for those changes made to be monitored;

⁽¹⁾ OJ L 68, 15.3.2011.⁽²⁾ OJ C 348, 14.11.2012, p. 1.⁽³⁾ OJ C 344, 12.11.2012, p. 1.⁽⁴⁾ OJ C 348, 14.11.2012, p. 130.⁽⁵⁾ OJ L 248, 16.9.2002, p. 1.⁽⁶⁾ OJ L 298, 26.10.2012, p. 1.

5. Recognises that the Committee's new role, as outlined in the Treaty on the Functioning of the European Union, requires organisation adjustments but considers that those adaptations could have been predicted in the Committee's budget commitments for 2011;
 6. Welcomes the projects on the internal organisation of the Committee which set out the objectives of cooperation between services and the development of synergies in common activities and joint actions; asks to be updated on the projects and be informed more precisely on the budgetary consequences of the measures taken;
 7. Congratulates both the Committee and the European Economic and Social Committee (EESC) for receiving EMAS and ISO-14001 certification; regrets, however, that no information was provided on the energy used from renewable sources as requested in last year's Parliament discharge resolution; draws attention to the obligation to publish renewable energy share figures and environmental impact data;
 8. Notes with satisfaction that the recommendations and requirements made by Parliament's Committee on Budgetary Control are recorded by the budget service of the Committee in a central database and the progress of implementation is regularly monitored;
 9. Asks the Committee to continue to monitor the staff structure in order to ensure that the organisation of posts is fully efficient and contributes to a better spending of the allocated budget;
 10. Welcomes the progressive phasing-in of videoconferencing; wishes to be informed regularly about its effectiveness and the savings that it creates, including savings on travel expenses;
 11. Acknowledges the recommendations of and the objectives set by the Committee's Internal Audit service; considers, however, that execution must be improved and streamlined;
 12. Is pleased with the achievements in the area of translation following the renewed EESC-Committee Cooperation agreement; notes, however, that a high demand for translation during peak periods resulted in an increase for outsourcing resources; calls on the Committee to set a better timetable for translation demands;
 13. Invites the Committee to put the unused rate of the interpretation services requested during that year in the next annual activity report;
 14. Supports the conclusions of the mid-term evaluation of the administrative cooperation agreement between the Committee and the EESC; shares the view that some improvements should be made to rationalise human resources in the Joint Services and in translation;
 15. Calls for detailed information on the aims of administrative cooperation, the extent to which those aims are being achieved and the impact this is having in terms of savings;
 16. Congratulates the Committee for the consistent quality of the annual activity report and for providing a comprehensive annual impact report that is an important tool for the assessment of its work; notes with satisfaction that an exhaustive table of all human resources at the Committee's disposal was provided in the annual activity report; invites the Committee to include in the table the break-down of the participation in professional training;
 17. Reiterates its position that in the interest of transparency, the declarations and the updates of financial interests of members from all the institutions should be accessible on the internet; welcomes the decision taken by the Committee's Bureau in 2011 to make members' declarations of financial interests available online and expects them to be made available at the earliest opportunity.
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DECISION OF THE EUROPEAN PARLIAMENT

of 17 April 2013

on discharge in respect of the implementation of the European Union general budget for the financial year 2011, Section VIII — European Ombudsman

(2013/549/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2011 ⁽¹⁾,
 - having regard to the consolidated annual accounts of the European Union for the financial year 2011 (COM(2012) 436 – C7-0231/2012) ⁽²⁾,
 - having regard to the Annual Report of the Court of Auditors on implementation of the budget for the financial year 2011, together with the institutions' replies ⁽³⁾,
 - having regard to the statement of assurance ⁽⁴⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2011 pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to Article 314(10) and Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
 - 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 Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽⁶⁾, and in particular Articles 164, 165 and 166 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0094/2013),
1. Grants the European Ombudsman discharge in respect of the implementation of its budget for the financial year 2011;
 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 of the European Union, 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
Martin SCHULZ

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ L 68, 15.3.2011.

⁽²⁾ OJ C 348, 14.11.2012, p. 1.

⁽³⁾ OJ C 344, 12.11.2012, p. 1.

⁽⁴⁾ OJ C 348, 14.11.2012, p. 130.

⁽⁵⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁶⁾ OJ L 298, 26.10.2012, p. 1.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****with observations forming an integral part of the Decision on discharge for implementation of the European Union general budget for the financial year 2011, Section VIII — European Ombudsman**

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2011 ⁽¹⁾,
 - having regard to the consolidated annual accounts of the European Union for the financial year 2011 (COM(2012) 436 – C7-0231/2012) ⁽²⁾,
 - having regard to the Annual Report of the Court of Auditors on implementation of the budget for the financial year 2011, together with the institutions' replies ⁽³⁾,
 - having regard to the statement of assurance ⁽⁴⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2011 pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to Article 314(10) and Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
 - 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 Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽⁶⁾, and in particular Articles 164, 165 and 166 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0094/2013),
1. Notes with satisfaction that in its 2011 annual report, the Court of Auditors observed that no significant weaknesses had been identified in respect to the audited topics related to the human resources and the procurement for the European Ombudsman ('the Ombudsman');
 2. Welcomes the fact that on the basis of its audit work, the Court of Auditors concluded that the payments as a whole for the year ended on 31 December 2011 for administrative and other expenditure of the institutions and bodies were free from material error;
 3. Stresses that the Ombudsman's budget is purely administrative and amounted in 2011 to EUR 9 427 395, with EUR 7 318 795 being allocated to Title 1 (expenditure relating to persons working for the institution), EUR 1 469 200 attributed to Title 2 (buildings, equipment and miscellaneous operating expenditure) and EUR 639 400 for Title 3 (expenditure resulting from special functions carried out by the institution);

⁽¹⁾ OJ L 68, 15.3.2011.⁽²⁾ OJ C 348, 14.11.2012, p. 1.⁽³⁾ OJ C 344, 12.11.2012, p. 1.⁽⁴⁾ OJ C 348, 14.11.2012, p. 130.⁽⁵⁾ OJ L 248, 16.9.2002, p. 1.⁽⁶⁾ OJ L 298, 26.10.2012, p. 1.

4. Takes note that of the total appropriations, 92,54 % were committed (89,65 % in 2010) and 85,62 % paid (84,03 % in 2010) and welcomes the improvement of the utilisation rate; calls for further efforts to improve the utilisation rate and for the changes made to be monitored;
 5. Calls for an obligation to improve financial planning without delay so as to ensure more efficient budget implementation;
 6. Commends the Ombudsman's Annual Management Plan for 2011 where key performance indicators are included to measure the office's performance in achieving its objectives;
 7. Invites the Ombudsman to put the unused rate of the interpretation services requested during that year in the next annual activity report;
 8. Welcomes the internal auditor's conclusions that the Ombudsman has implemented two of the three recommendations to help improve the Ombudsman's office in its internal management and control procedures in the processing of payment requests; points out that an improvement as regards timely feedback on actual payments is still needed; calls for the third recommendation, covering more timely feedback on actual payments, to be implemented without delay;
 9. Calls for a sustainable increase of the percentage of decisions on admissibility taken within one month of receiving a complaint which attained a figure of 70 % in 2011; believes that the re-structuring of the Ombudsman's office, put in place at the beginning of 2012, together with a more streamlined procedure of the Registry can contribute to a better performance of the Complaint Unit in the coming years;
 10. Notes with concern that the average length of inquiries continues to increase in 2011 with only 66 % of cases closed within 12 months and 80 % of cases closed within 18 months; calls for this rate to be substantially improved; calls on the Ombudsman to clarify what percentage of cases involve more than one round of inquiries and when there is a need for a second round of inquiries;
 11. Calls on the Ombudsman, with a view to reducing the length of procedures, to include an indication of the percentage of resources affecting the handling of complaints submitted by the public, and the measures he considers necessary in order to make services more rapid and effective, in particular through the reallocation of resources, in his annual report;
 12. Calls on the Ombudsman to set out the ways in which it addresses citizens of the Union and the amount of funding it draws from the budget to this end in its annual report;
 13. Calls on the Ombudsman's office to include an exhaustive table of all the human resources at the Ombudsman's disposal, broken down by category, grade, sex, participation in professional training and nationality in the next annual activity report and to provide the full set of documents required for previous years;
 14. Points out that the annual report on the activities of the Ombudsman in 2011 was adopted by the plenary in October 2012 and is satisfied with the observations made therein.
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DECISION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****on discharge in respect of the implementation of the European Union general budget for the financial year 2011, Section IX — European Data Protection Supervisor**

(2013/550/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2011 ⁽¹⁾,
 - having regard to the consolidated annual accounts of the European Union for the financial year 2011 (COM(2012) 436 — C7-0232/2012) ⁽²⁾,
 - having regard to the Annual Report of the Court of Auditors on implementation of the budget for the financial year 2011, together with the institutions' replies ⁽³⁾,
 - having regard to the statement of assurance ⁽⁴⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2011 pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to Article 314(10) and Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
 - 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 Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽⁶⁾, and in particular Articles 164, 165 and 166 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0095/2013),
1. Grants the European Data Protection Supervisor discharge in respect of the implementation of its budget for the financial year 2011;
 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 of the European Union, 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

Martin SCHULZ

The Secretary-General

Klaus WELLE

⁽¹⁾ OJ L 68, 15.3.2011.⁽²⁾ OJ C 348, 14.11.2012, p. 1.⁽³⁾ OJ C 344, 12.11.2012, p. 1.⁽⁴⁾ OJ C 348, 14.11.2012, p. 130.⁽⁵⁾ OJ L 248, 16.9.2002, p. 1.⁽⁶⁾ OJ L 298, 26.10.2012, p. 1.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****with observations forming an integral part of the Decision on discharge for implementation of the European Union general budget for the financial year 2011, Section IX — European Data Protection Supervisor**

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2011 ⁽¹⁾,
 - having regard to the consolidated annual accounts of the European Union for the financial year 2011 (COM(2012) 436 — C7-0232/2012) ⁽²⁾,
 - having regard to the Annual Report of the Court of Auditors on implementation of the budget for the financial year 2011, together with the institutions' replies ⁽³⁾,
 - having regard to the statement of assurance ⁽⁴⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2011 pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to Article 314(10) and Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
 - 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 Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽⁶⁾, and in particular Articles 164, 165 and 166 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0095/2013),
1. Welcomes the conclusion of the Court of Auditors that the payments as a whole for the year ended on 31 December 2011 for administrative and other expenditure of the European Data Protection Supervisor ('the Supervisor') were free from material error and that the examined supervisory and control systems for administrative and other expenditure were effective;
 2. Notes with satisfaction that in its 2011 annual report, the Court of Auditors observed that no significant weaknesses had been identified in respect to the audited topics related to the human resources and procurement for the Supervisor;
 3. Endorses the Court of Auditors' recommendations and advises the Supervisor to request that all employees submit documents confirming their civil status on a regular basis, ideally annually, and to put in place a system for the timely monitoring of these documents;

⁽¹⁾ OJ L 68, 15.3.2011.⁽²⁾ OJ C 348, 14.11.2012, p. 1.⁽³⁾ OJ C 344, 12.11.2012, p. 1.⁽⁴⁾ OJ C 348, 14.11.2012, p. 130.⁽⁵⁾ OJ L 248, 16.9.2002, p. 1.⁽⁶⁾ OJ L 298, 26.10.2012, p. 1.

4. Welcomes the progress noted by the Court of Auditors regarding better management of allowances and the finding that the measures taken were effective; welcomes the fact that the Supervisor intends to continue to improve its system for timely monitoring and control;
 5. Acknowledges that the Court of Auditors' audit has shown that the measures taken by the Supervisor in 2010 to improve the management of allowances were effective; asks the Supervisor to continue to monitor and improve its performance levels;
 6. Notes that in 2011, the Supervisor had a total of EUR 7 564 137 in commitment appropriations (EUR 7 104 351 in 2010) and that the implementation rate of those appropriations was 89,31 % (82,73 % in 2010); finds this a positive development but calls for further efforts to improve the implementation rate and for the changes made to be monitored; expects engagement to exceed 90 % next year;
 7. Stresses that the Supervisor's budget is purely administrative; notes that the implementation rate of expenditure on persons working with the institution is 75,63 % (Title 1) and that the expenditure on buildings, furniture, equipment and miscellaneous operating expenditure is 73,38 % (Title 2); notes that after the full payment of the expenses in both titles, the implementation rate in 2011 was set at 85,03 %;
 8. Calls on the Supervisor to draft the annual budget so that it corresponds better to the Supervisor's needs; calls on the Supervisor to improve the implementation of its annual budget;
 9. Reiterates the request to be informed of the results of the 2010 establishment plan and to have information on action taken included in the next annual activity report following Parliament's recommendations;
 10. Welcomes the Supervisor's inspection report on 13 Brussels-based Union institutions and bodies verifying that the public is informed about video-surveillance in an effective and comprehensive manner by Union institutions and bodies; suggests the exchange of that information and best practices with the national data protection authorities;
 11. Invites the Supervisor to put the unused rate of the interpretation services requested during that year in the next annual activity report;
 12. Hopes that the system to define key performance indicators and the benchmarking system plan set in 2012 is already fully operational; expects the annual activity report next year to assess in detail the improvements achieved by that system;
 13. Calls for information on the follow up of the recommendations which are set forth in Parliament's discharge resolutions;
 14. Calls on the Supervisor to include an exhaustive table of all the human resources at the Supervisor's disposal, broken down by category, grade, sex, participation in professional training and nationality in the next annual activity report; welcomes the information provided in the annual report on training;
 15. Generally invites the Court of Auditors to further focus on auditing the sound financial management of the Supervisor, namely the economy, efficiency and effectiveness with which the Supervisor has used its appropriations in carrying out its responsibilities.
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DECISION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****on discharge in respect of the implementation of the European Union general budget for the financial year 2011, Section X — European External Action Service**

(2013/551/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2011 ⁽¹⁾,
 - having regard to the consolidated annual accounts of the European Union for the financial year 2011 (COM(2012) 436 — C7-0235/2012) ⁽²⁾,
 - having regard to the Annual Report of the Court of Auditors on implementation of the budget for the financial year 2011, together with the institutions' replies ⁽³⁾,
 - having regard to the statement of assurance ⁽⁴⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2011 pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to Article 314(10) and Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
 - 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 Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽⁶⁾, and in particular Articles 164, 165, 166 and 167 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Foreign Affairs (A7-0099/2013),
1. Grants the High Representative of the Union for Foreign Affairs and Security Policy discharge in respect of the implementation of the European External Action Service's budget for the financial year 2011;
 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 of the European Union, 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
Martin SCHULZ

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ L 68, 15.3.2011.

⁽²⁾ OJ C 348, 14.11.2012, p. 1.

⁽³⁾ OJ C 344, 12.11.2012, p. 1.

⁽⁴⁾ OJ C 348, 14.11.2012, p. 130.

⁽⁵⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁶⁾ OJ L 298, 26.10.2012, p. 1.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****with observations forming an integral part of the Decision on discharge for implementation of the European Union general budget for the financial year 2011, Section X — European External Action Service**

THE EUROPEAN PARLIAMENT,

- having regard to the European Union general budget for the financial year 2011 ⁽¹⁾,
- having regard to the consolidated annual accounts of the European Union for the financial year 2011 (COM(2012) 436 — C7-0235/2012) ⁽²⁾,
- having regard to the Annual Report of the Court of Auditors on implementation of the budget for the financial year 2011, together with the institutions' replies ⁽³⁾,
- having regard to the statement of assurance ⁽⁴⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2011 pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to Article 314(10) and Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
- 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 Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽⁶⁾, and in particular Articles 164, 165, 166 and 167 thereof,
- having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
- having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Foreign Affairs (A7-0099/2013),
- A. whereas the European External Action Services (EEAS) was set up by Article 27(3) of the Treaty on European Union and became operational on 1 January 2011,
- B. whereas according to Recital 1 of Council Decision 2010/427/EU of 26 July 2010 establishing the organisation and functioning of the European External Action Service ⁽⁷⁾, the EEAS is a 'functionally autonomous body of the Union under the authority of the High Representative [of the Union for Foreign Affairs and Security Policy]' ('the High Representative'),
- C. whereas the Commission has legal primacy over the management of operational expenditure; whereas a division of responsibilities between the EEAS and the Service for Foreign Policy Instruments attached to the Commission has been established,
- D. whereas the EEAS is responsible for the financial management of the administrative expenditure of its headquarters and Union delegations,
- E. whereas the EEAS budget for 2011 consisted of pro-rata budget transfers from the Commission and the General Secretariat of the Council,

⁽¹⁾ OJ L 68, 15.3.2011.⁽²⁾ OJ C 348, 14.11.2012, p. 1.⁽³⁾ OJ C 344, 12.11.2012, p. 1.⁽⁴⁾ OJ C 348, 14.11.2012, p. 130.⁽⁵⁾ OJ L 248, 16.9.2002, p. 1.⁽⁶⁾ OJ L 298, 26.10.2012, p. 1.⁽⁷⁾ OJ L 201, 3.8.2010, p. 30.

1. Notes that on the basis of its audit work, the Court of Auditors concluded that the payments as a whole for the year ended on 31 December 2011 for administrative and other expenditure of the institutions and bodies were free from material error;
2. Notes that while 2011 was the first financial year for the EEAS, it is, however, fully responsible for the financial year 2011 and has to ensure strict compliance with the legislation; urges the EEAS to examine what lessons can be learned from the first year of operation;
3. Points out that in the 2011 annual report, the Court of Auditors included observations on the EEAS concerning the payment of social allowances and benefits to staff members, the conclusion of contracts with temporary agents, the management of a contract for the provision of security services and procurement procedures; urges the EEAS to take the necessary steps to address those observations;
4. Is concerned that the Court of Auditors found that non-compliance with the rules has led to a limited number of incorrect payments to staff members, legal uncertainty for temporary staff and for the EEAS, failure to respect the Financial Regulation and unrecovered VAT and a breach of the procurement rules which all Union institutions are bound to comply with; points out that the EEAS is fully responsible for its operation and notes that the EEAS has stated it has taken the necessary steps to avoid the recurrence of non-compliance; requests that the EEAS, in the context of the 2012 discharge procedure, informs Parliament of the results;
5. Takes note of the replies given to the Court of Auditors' observations and agrees with its recommendations that steps need to be taken to ensure that staff deliver at appropriate intervals documents confirming their personal situation; notes that EEAS, together with the Office for the Administration and Payment of Individual Entitlements (PMO), is planning to implement a system for the timely monitoring of those documents; in addition the EEAS should further improve the design, coordination and performance of procurement procedures through appropriate checks and better guidance;
6. Regrets that according to the Court of Auditors' observations, the risk of making incorrect or undue payments if the circumstances of staff members have changed still remains in 2012, although the EEAS has introduced a yearly update mechanism; calls on the EEAS to attach information on the implementation of this new mechanism in its 2012 annual activity report;
7. Notes that at the end of 2011, the final budget for EEAS headquarters was EUR 188 000 000, with an execution rate of 91 % and was EUR 276 100 000 for the delegations, with a lower execution rate of around 89 %; takes note that the budget of the delegations had to be supplemented by the Commission to a total of EUR 252 400 000, having an execution rate of 85 %; notes also that at the end of 2012, the final execution of 2011 budget showed an execution rate of 97 % for the headquarters and 97 % for the delegations;
8. Is concerned that after an amending budget and some transfers from the Commission and within services in 2011, underspending and carrying over of appropriations continues to be quite high; suggests the development of key performance indicators to monitor the most critical areas in order to improve the budget execution over the coming years;
9. Recalls that the EEAS is a recently created structure resulting from the consolidation of several different services and that 2011 was its first operational year with numerous technical challenges to be overcome, particularly in procurement and recruitment; notes, furthermore, that the excessive administrative burden resulting from setting up arrangements are not likely to be repeated in subsequent years;
10. Highly appreciates the detailed response given to a wide range of written and oral questions made by the members of Parliament's Committee on Budgetary Control that went far beyond the EEAS's administrative expenditure;

11. Notes the observations on some weaknesses relating to the procurement procedure and tendering and calls on the EEAS to correct them without undue delay;
12. Notes the importance of the current discharge in setting the framework for future discharge exercises and believes that it will reinforce the expectations of future developments and improvements in the effectiveness of the EEAS and its operations; calls on the High Representative to provide a review of the organisation and functioning of the EEAS, accompanied, if necessary, by proposals for a revision of Decision 2010/427/EU by mid-2013;
13. Believes that the discharge procedure cannot be used to make detailed comparisons of the prevailing conditions in which the EEAS has to operate across 140 locations, which range from those which are peaceful and ordered to others which are effectively war zones; finds that those locations display a wide variety of living environments;
14. Acknowledges that the challenges of budget implementation in third countries are very different from those within the Union; asks for a clear allocation and coordination of roles and responsibilities of the Commission and the EEAS as regards programming and implementation of the budget in third countries;
15. Notes the intense period of recruitment in the EEAS's first year of operations to ensure a minimum of delay for it to be at full capacity in staffing terms; notes, furthermore, that there are some particular delegations where posts are harder to fill because of the level of risk in their locations;
16. Regrets that the proportion of staff coming from the newer Member States is very low when compared to staff from the EU-15; emphasises the need for a greater gender and, as much as possible, geographical balance in the recruitment and the appointment of staff; urges the EEAS to develop appropriate mechanisms and to take the necessary measures to have a better and more balanced representation in due time; welcomes the fact that the number of vacant posts has been decreasing; urges the EEAS to use the unoccupied posts to enforce the geographical balance at all levels of staff;
17. Notes that there are directorates with 22, 27 and 29 staff members and managing directorates with 44 staff members; points out that there is a high number of management positions compared to other institutions and a relative surfeit of high-grade posts, which is seriously disproportionate in comparison with the other institutions; calls on the EEAS to clarify the reason for this and urges the High Representative to reduce this top-heavy administration; takes the view that the explanations the EEAS has provided thus far on this matter are partly legitimate, and calls on the relevant departments to establish, for the medium and long term, a roadmap and appropriate methods with a view to correcting this relative imbalance;
18. Reiterates its wish to see, as soon as possible, the establishment of a human resources policy that reflects the political priorities of the Union and the actual requirements on the ground; points out in this connection that a concerted approach with the Commission is vital in order to optimise the profile of delegation staff ⁽¹⁾;
19. Calls for more transparency as regards the competences of the EEAS's administrative structure and the reduction of dual competences; requests the publication of the schedule of responsibilities; takes the view that the inefficiency of the current situation risks seriously impairing the reputation of the EEAS;
20. Notes with satisfaction the performance and management of 8 800 candidates, 1 300 interviews and 118 vacancies to be filled; regrets, however, that there is no overview on how often a candidate was invited to interview and that thus the process cannot be considered as fully transparent; invites the EEAS to get a better overview on the costs of the interviews;

⁽¹⁾ See also the recommendations set out in Court of Auditors Special Report No 18/2012, 'European Union assistance to Kosovo related to the rule of law'.

21. Urges the newly appointed EEAS staff to give a declaration on their honour that they have not worked for intelligence services in the past;
22. Considers the responsibilities of the Union Special Representatives to be very unclear; asks to receive a discriminated note on how the budget they receive to implement their mandate is used;
23. Notes that 39,5 % of Union ambassadors come from Member States; recalls the agreement that one-third of posts should be filled by staff from Member States; urges the High Representative implement the agreement, which means middle and senior posts are to be included in that quota;
24. Points out that there is an imbalance in delegations between staff members of the EEAS and the Commission; urges that more EEAS staff be transferred from headquarters to delegations within the limits of the budget;
25. Emphasises the difficult situation faced by the delegations with the fewest members of staff as a result of the complex and rigid rules governing the delegation of payment authorisation between EEAS and Commission staff; calls on the EEAS and the Commission to consider how the procedure for authorising funds might be made easier whilst ensuring that financial control rules are complied with;
26. Emphasises the importance of ensuring that the operational staff, finance staff, and the monitoring and auditing staff possess the necessary skills to carry out their tasks; demands that the EEAS and the Commission focus their training programmes on the enhancement of those skills and report to Parliament on progress achieved;
27. Draws attention to the cost-inflating procedure of the annual salary adjustment method for local staff in Union delegations; believes that that methodology can be made more efficient and cost-effective; asks the EEAS to use calculation methods based on independent and objective selection of reference organisations in the same or similar locations; suggests that a locally operating United Nations' agency be added as a fixed component and that two Member State embassies and two local employers be included — with, in each case, one to be determined by the employee and one by the employer — in order to obtain an appropriate average; urges that a mechanism be established to relieve the Union ambassador of his responsibility for salary negotiations with local staff and for the reference organisations to be chosen for a period of five years;
28. Expresses its concern over the high rate of absence in Union delegations and suggests that the EEAS re-examine the reasons behind such absences; urges the EEAS to correct the imbalances based on the results of the exam and to provide Parliament with figures of absenteeism on an annual basis; suggests the reconsideration of such procedures in the context that the delegation staff combine their periods of professional training in Brussels with their rest leave as much as possible; invites the Commission, when revising Annex X to the Staff Regulations (third countries), to bring leave entitlements and other locally non-working days of staff in delegations into line with other diplomatic representations there;
29. Expresses concern about the administrative shortcomings in the Union delegations in Afghanistan, Djibouti, Guyana, Solomon Islands and Zambia; asks for a report on the state of play about those shortcomings including security contracts; expects also a report on the situation about internal control standards in the Union delegations in Liberia and Iraq; asks for a state of play about compliance rates of the Union delegations in Egypt and Malawi and for an update on security contracts in the Union delegations in the West Bank, Haiti, Saudi-Arabia, Pakistan, Sri-Lanka, Libya and Lebanon;
30. Asks for clarification as to why a security company under contract with the Union delegation to Afghanistan, subject to OLAF investigation, has recently been awarded a new contract of about EUR 50 million in the same delegation;

31. Notes with satisfaction that synergies with the Commission's Directorate-General for Development and Cooperation — EuropeAid and the national diplomacies are well functioning and invites the EEAS to keep Parliament informed; accepts that there is still work to be done in relation to the consular services; asks that Parliament's Committee on Foreign Affairs be engaged in that exercise;
32. Calls on the EEAS to forward its staff screening report to Parliament;
33. Urges the EEAS to maximise the benefits of economies of scale by creating new synergies within the EEAS headquarters and delegations as well as in cooperation with Member States and national diplomatic services, in the spirit of a true Union external policy and services; emphasises the need, in that respect, to seek, as much as possible, the co-location of services in third countries, for the sake of enhanced exchange of information and savings;
34. In the context of the forthcoming entry into force of the EU-Central America Association Agreement, emphasises the need for the Union to have a delegation in Panama, an important partner and the only country in the region without such a delegation; calls on the EEAS to take action to this end as soon as possible;
35. Insists on an explanation for the recall of the Union ambassador to Libya;
36. Requests that the EEAS submit all information on the Service Level Agreements established with the Council and the Commission respectively;
37. Welcomes the fact that the revised Financial Regulation obliges the EEAS to provide a working document on its building policy to the Parliament by 1 June each year; stresses that the revised Financial Regulation allows the EEAS to take loans for the acquisition of its offices and residences; urges the EEAS to maintain cost effective operation and to find appropriate financing solutions consulting the Commission's Directorate-General for Economic and Financial Affairs;
38. Is concerned over the increasing rental costs of the EEAS's offices and residences (i.e. an increase of over 50 % of the Moscow offices of the Union delegation to Russia from year 2010 to 2011); urges the EEAS to maintain cost effective operation and to provide all the necessary information to the discharge authority;
39. Believes that the forthcoming review of the EEAS is the forum where a detailed analysis can be made of the compatibility between the resources available and the functions to be carried out by the EEAS and any changes required to ensure the highest level of efficiency in its operations; believes that an evaluation of property in use by the EEAS should involve comparisons with other diplomatic missions in the same location rather than between EEAS facilities in very different countries; believes that, in evaluating the price of property, contracts should be actively monitored in relation to the benefit accruing to the Union and that changes should be made where necessary; considers that, in this evaluation, it should be made clear whether the property is used for purposes other than housing, and stipulated which part of the property is being used and for how long and how; believes also that there should not be any differences between housing which should be similar, without abuses occurring, so that the quality of life as regards housing is similar from one region to another, depending on the availability and cost of the properties; calls for a multiannual plan to be submitted for Union buildings and staff safety and building security in all third countries with Union delegations;
40. Calls on the EEAS to identify and consider, in accordance with its political and contractual obligations, every possible option for making major savings in the long term so as to ensure that the variation in its annual budget — the increase in which, for legitimate reasons, is proportionally greater than that of the other institutions' budgets — can have a multiplier effect;
41. Draws attention to the need to guarantee a comprehensive security check for local agents in the delegations;

42. Strongly supports the EEAS's 'smart savings initiative'; asks the EEAS to provide an implementing report which shows the financial results and how this saved money was reused; requests the Commission to also adopt that initiative;
 43. Notes the high frequency of travel among Union delegation staff to headquarters with various purposes; regrets that it is not possible to have an independent inspection authority to evaluate the necessity of those official journeys; requests that the High Representative take this into consideration and report to Parliament's Committee on Budgetary Control on that matter; calls for a study to be drawn up on the subject of frequent travel by Union delegation staff assessing the feasibility of introducing videoconferencing in order to reduce travel costs and the amount of time spent by staff travelling;
 44. Welcomes the savings already made by using innovative solutions like videoconferencing for job interviews; calls on the EEAS to come up, as much as possible, with similar proposals also for the training of staff;
 45. Strongly urges the EEAS, in regard to the travel arrangements of its delegations to its headquarters, to adopt practices similar to those applied by Member States in comparable circumstances; insists that, with regard to flights, the EEAS bring itself into line with Member State practices;
 46. Welcomes the establishment of a working group that examined ways to improve the working methods at its headquarters and the fact that conclusions have already been implemented; asks to be informed of those conclusions and of the performance improvements achieved;
 47. Takes the view that some of the indicators analysed in the self-assessment of internal control standards would need to be revised or updated;
 48. Considers that the statistics in the annual activity report, especially in relation to data on delegations, are not sufficiently accurate; calls on the EEAS to improve its performance by establishing key performance indicators that will give some continuity to the evaluation of the performance of the delegations; calls on the High Representative to report to the Committee on Budgetary Control in this connection;
 49. Welcomes that the EEAS committed itself to full cooperation with the European Anti-Fraud Office (OLAF) and is finalising a specific Memorandum of Understanding with the OLAF to elevate their cooperation to a higher level;
 50. Is of the opinion that improvements need to be made on the quality of the financial and administrative management of the Union delegations and in certain headquarters' divisions that were not identified in the annual activity report; expects that next year's report will identify those divisions and report on progress made;
 51. Calls on the EEAS to submit comprehensive details on how its internal control and supervision mechanism works as regards the management of funds and expenditure; also calls on the EEAS to explain its policy on Parliament's access to internal inspection reports;
 52. Points out that a number of EEAS delegations operate in a high risk environment in terms of corruption and fraud; believes that it is pivotal to the protection of the Union's financial interests that EEAS staff receives the appropriate training and awareness building in order to detect any misconduct; believes that a comprehensive whistleblower policy is essential to the protection of the Union's financial interests;
 53. Considers that budget support systems for third country governments are not properly audited and calls for a better scrutiny of the financial operations at an earlier stage; insists that an independent national audit body must be an ultimate condition for granting budget support;
 54. Reminds the EEAS of the responsibility to deliver concrete results and emphasises the reciprocity between deliverables and the overall budget.
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DECISION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****on discharge in respect of the implementation of the budget of the Eighth, Ninth and Tenth European Development Funds for the financial year 2011**

(2013/552/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the Commission's report on the follow-up to the discharge for the 2010 financial year (COM(2012) 585) and to the Commission staff working documents accompanying that report (SWD(2012) 330 and SWD(2012) 340),
- having regard to the financial statements and revenue and expenditure accounts for the Eighth, Ninth and Tenth European Development Funds for the financial year 2011 (COM(2012) 435 – C7-0223/2012),
- having regard to the Commission's Annual Report of 26 April 2012 on the financial management of the Eight, Ninth and Tenth European Development Funds in 2011,
- having regard to the financial information on the European Development Funds (COM(2012) 386),
- having regard to the Court of Auditors' Annual Report on the activities funded by the Eighth, Ninth and Tenth European Development Funds concerning the financial year 2011, together with the Commission's replies ⁽¹⁾ and to the Court of Auditors' special reports,
- having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the Financial year 2011 pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendations of 4 February 2013 concerning the discharge to be given to the Commission in respect of the implementation of the operations of the European Development Funds for the financial year 2011 (05190/2012 - C7-0083/2013, 05191/2012 - C7-0084/2013, 05192/2012 - C7-0085/2013),
- 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 ('Overseas Association Decision') ⁽⁵⁾, amended by Council Decision 2007/249/EC ⁽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⁾,

⁽¹⁾ OJ C 344, 12.11.2012, p. 243.⁽²⁾ OJ C 348, 14.11.2012, p. 130.⁽³⁾ OJ L 317, 15.12.2000, p. 3.⁽⁴⁾ OJ L 287, 28.10.2005, p. 4.⁽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 Commission's Communications of 21 April 2010 on 'Tax and Development — Cooperating with Developing Countries on Promoting Good Governance in Tax Matters' and of 13 October 2011 on 'The Future Approach to EU Budget Support to Third Countries';
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 9th European Development Fund ⁽²⁾,
 - having regard to Article 142 of Council Regulation (EC) No 215/2008 of 18 February 2008 on the Financial Regulation applicable to the 10th European Development Fund ⁽³⁾,
 - having regard to Rules 76 and 77, third indent of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Development (A7-0062/2013),
1. Grants the Commission discharge in respect of the implementation of the budget of the Eighth, Ninth and Tenth European Development Funds for the financial year 2011;
 2. Sets out its observations in the resolution below;
 3. Instructs its President to forward this Decision and accompanying resolution to the Council, the Commission, the Court of Justice of the European Union, the Court of Auditors and the European Investment Bank, and to arrange for their publication in the *Official Journal of the European Union* (L series).

The President
Martin SCHULZ

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ L 191, 7.7.1998, p. 53.

⁽²⁾ OJ L 83, 1.4.2003, p. 1.

⁽³⁾ OJ L 78, 19.3.2008, p. 1.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget for the Eighth, Ninth and Tenth European Development Funds for the financial year 2011**

THE EUROPEAN PARLIAMENT,

- having regard to the Commission's report on the follow-up to the discharge for the 2010 financial year (COM(2012) 585) and to the Commission staff working documents accompanying that report (SWD(2012) 330 and SWD(2012) 340),
- having regard to the financial statements and revenue and expenditure accounts for the Eighth, Ninth and Tenth European Development Funds for the financial year 2011 (COM(2012) 435 – C7-0223/2012),
- having regard to the Commission's Annual Report of 26 April 2012 on the financial management of the Eight, Ninth and Tenth European Development Funds (EDFs) in 2011,
- having regard to the financial information on the European Development Funds (COM(2012) 386),
- having regard to the Court of Auditors' Annual Report on the activities funded by the Eighth, Ninth and Tenth European Development Funds concerning the financial year 2011, together with the Commission's replies ⁽¹⁾ and to the Court of Auditors' special reports,
- having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the Financial year 2011 pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendations of 4 February 2013 concerning the discharge to be given to the Commission in respect of the implementation of the operations of the European Development Funds for the financial year 2011 (05190/2012 - C7-0083/2013, 05191/2012 - C7-0084/2013, 05192/2012 - C7-0085/2013),
- 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 ('Overseas Association Decision') ⁽⁵⁾, amended by Council Decision 2007/249/EC ⁽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 its Resolution of 28 September 2006 on more and better cooperation: the 2006 aid effectiveness package ⁽⁹⁾,

⁽¹⁾ OJ C 344, 12.11.2012, p. 243.⁽²⁾ OJ C 348, 14.11.2012, p. 130.⁽³⁾ OJ L 317, 15.12.2000, p. 3.⁽⁴⁾ OJ L 287, 28.10.2005, p. 4.⁽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.⁽⁹⁾ OJ C 306 E, 15.12.2006, p. 373.

- having regard to Commission's Communications of 21 April 2010 on 'Tax and Development — Cooperating with Developing Countries on Promoting Good Governance in Tax Matters' and of 13 October 2011 on 'The Future Approach to EU Budget Support to Third Countries',
 - having regard to its Resolution of 22 May 2008 on the follow-up to the Paris Declaration of 2005 on Aid Effectiveness ⁽¹⁰⁾,
 - having regard to the OECD Development Assistance Committee (DAC) report on aid effectiveness, a progress report on the implementation of the June 2009 Paris Declaration,
 - having regard to the 'Tunis Consensus: Targeting Effective Development' of 4 and 5 November 2010, an African agenda for development effectiveness,
 - having regard to the outcome document on the OECD high level meeting on Aid Effectiveness in Busan December 2011,
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Article 74 of the Financial Regulation of 16 June 1998 applicable to development finance cooperation under the fourth ACP-EC Convention ⁽¹¹⁾,
 - having regard to Article 119 of the Financial Regulation of 27 March 2003 applicable to the 9th European Development Fund ⁽¹²⁾,
 - having regard to Article 142 of Council Regulation (EC) No 215/2008 of 18 February 2008 on the Financial Regulation applicable to the 10th European Development Fund ⁽¹³⁾,
 - having regard to Rules 76 and 77, third indent of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Development (A7-0062/2013),
- A. whereas the main goal of the Cotonou agreement as the framework of the Union's relations with African, Caribbean and Pacific (ACP) countries and overseas countries and territories (OCTs) is to reduce and eventually eradicate poverty, consistent with the objectives of sustainable development and the gradual integration of the ACP countries and OCTs into the world economy and whereas the European Development Fund (EDF) is the Union's most important financial instrument for development cooperation with the ACP countries,
- B. whereas the Commission, as the implementing body, is accountable for the discharge of the EDF,
- C. whereas transparency and accountability are prerequisites for democratic control, as well as an effective development aid,
- D. whereas the development aid landscape is constantly evolving; whereas development aid is part of a larger context, where trade, remittances and other sources of income today are more important than the Official Development Assistance (ODA) payments for most developing countries,
- E. whereas illicit financial flows from developing countries seriously undermine their opportunity for growth and the alleviation of poverty,
- F. whereas development aid is, in many cases, delivered in a context of weak state institutions, high occurrence of corruption and insufficient level of control systems in the recipient state and where the Union's audit of its development cooperation is of particular importance,
- G. whereas budget support, while being a useful tool for development, carries a considerable fiduciary risk and should be given only if it provides sufficient transparency and accountability,

⁽¹⁰⁾ OJ C 279 E, 19.11.2009, p. 100.

⁽¹¹⁾ OJ L 191, 7.7.1998, p. 53.

⁽¹²⁾ OJ L 83, 1.4.2003, p. 1.

⁽¹³⁾ OJ L 78, 19.3.2008, p. 1.

- H. whereas transparency and accountability in taxation have been re-emphasised in the abovementioned Commission's Communication on 'Tax and Development — Cooperating with Developing Countries on Promoting Good Governance in Tax Matters'; whereas budget support carries a considerable fiduciary risk, it should be given only if it provides sufficient transparency, accountability and effectiveness,
- I. whereas fostering transparency and fighting corruption and fraud are key for the success of Union budget support operations as highlighted in the above-mentioned Commission's Communication on 'The Future Approach to EU Budget Support to Third Countries',
- J. whereas sustainability is crucial for the effectiveness of development aid,
- K. whereas global commitments, individual commitments and payments reached EUR 3,279 billion, EUR 2,786 billion and EUR 2,941 billion respectively for the financial year 2011 ⁽¹⁴⁾,
- L. whereas Parliament has made repeated calls for the inclusion of the EDF in the general budget,

Statement of Assurance

Reliability of the accounts

- 1. Welcomes the Court of Auditors' opinion that the final annual accounts of the Eighth, Ninth and Tenth EDFs present fairly, in all material respects, the financial position of the EDFs as of 31 December 2011;
- 2. Recalls the Court of Auditors' opinion that there is still a high frequency of encoding errors, which remain a source of concern as they affect the accuracy of data used for the preparation of the annual accounts, in particular with respect to the annual cut-off exercise at year-end; is concerned that this situation has not yet been remedied by the Commission, despite the Court of Auditors' repeated criticism and Parliament's calls for improvements;

Regularity of transactions

- 3. Notes with satisfaction that according to the Court of Auditors, the revenue and commitments are free from material error;
- 4. Is concerned by the Court of Auditors' opinion on the legality and regularity of payments underlying the accounts according to which the payments were materially affected by error; is concerned that material error in EDF payments was found for the second year in row and to a significantly higher degree than in 2010 (with an estimated error rate of 5,1 % in 2011, i.e. a significant increase over 2010, when it was 3,4 %);
- 5. Regrets that the most likely error rate continues to be high; regrets, in particular, that both the most likely error rate and the frequency of errors has increased in 2011; recognises that there may be statistical fluctuations from year to year and considers it crucial that the trend does not continue; calls on the Commission to complete the comparative analysis of the errors detected by the Court of Auditors in 2010 and 2011 and to report its findings to Parliament;
- 6. Notes that the above-mentioned error rate only reflects quantifiable errors, whereas errors that may have occurred in connection with the EUR 737 million spent on budget support are not included;
- 7. Notes with concern that of the 29 transactions affected by quantifiable error, 11 were final payments already subject to the Commission's checks;
- 8. Is concerned that many of those errors had been detected neither by external audits nor by the Commission's own checks, which points to weaknesses in the Commission's Directorate-General for Development and Cooperation – EuropeAid's (EuropeAid) supervisory and control systems; urges the Commission to examine the causes of those errors and to undertake remedial actions to eliminate them;

⁽¹⁴⁾ The above-mentioned Annual Report on the financial management of the Eighth, Ninth and Tenth European Development Funds (EDFs) in 2011.

9. Welcomes the annual report from the Court of Auditors; specifically welcomes the fact that it clearly identifies problem areas, such as the increase in the error rate and budget support; notes that the Court of Auditors does not unreservedly share the Commission's optimism that the management of the budget is steadily improving;
10. Calls on the Commission to use a 'traffic light' system in its annual EDF report in order to show what has improved or deteriorated from one year to the next;

Effectiveness of systems

11. Is deeply worried by the Court of Auditors' finding that the supervisory and control systems are only partially effective;
12. Welcomes the Court of Auditors' positive assessment of EuropeAid's control strategy to prevent or detect and correct errors and of the implementation of the Commission's internal control standards;
13. Notes that delays in contracting important infrastructure programmes and withheld budget support payments caused individual commitments and payments to be respectively 13 % and 16 % below target in 2011; reiterates its particular concern about the low commitment rate of the 10th EDF regional envelope (31 %), only two years before the end of the programming period; encourages the Commission to strive for smooth financial implementation of this envelope and to draw lessons from the present delays for the next programming period;
14. Is concerned that human resources policy has continued to be a persistent concern due to the high staff turnover and the reorganisation that took place in mid-2011 and that EuropeAid staff members were being used for tasks other than aid management, over and above the flexibility limits agreed with the European External Action Service (EEAS); expects that that situation will have been improved in 2012 and calls for Parliament to be informed about the situation;
15. Notes with regret that the Court of Auditors assessed *ex ante* checks by authorising officers at EuropeAid's headquarters and in the delegations as only partially effective; calls on the Commission to continue its efforts to improve its current systems and to report to Parliament on the results by the end of November 2013;
16. Notes that the Court of Auditors found most National Authorising Officers (NAOs) in EDF beneficiary countries to perform below the required standards of financial management; urges the Commission to intensify its technical assistance and training efforts to improve the monitoring and supervision capacities of NAOs;
17. Welcomes the introduction of the Financial Management Toolkit to improve contractors' and beneficiaries' knowledge of the Union's financial management and eligibility rules; urges the Commission to improve further the management of contract awarding procedures by clarifying the selection criteria and better documenting the evaluation process, and to enhance the quality of grant contract supervision, with a view to reducing the high number of errors found in project payments;
18. Calls on the Commission to establish a blacklist of external service providers that do not meet the required standards, including a set of binding criteria, and to inform the discharge authority about its conclusions before the beginning of the next discharge procedure;
19. Notes with satisfaction that monitoring and supervision are effective in EuropeAid's headquarters; welcomes the new version of the six-monthly External Assistance Management Report; regrets, however, that the reliability of the key performance indicators related to financial checks on which it is based is affected by inaccurate data in the Common Relex Information System (CRIS);
20. Is concerned about the existing deficiencies in CRIS with regard to information on the results and follow-up of all *ex-ante* checks in that CRIS-Audit does not provide information on the amounts eventually considered ineligible by EuropeAid, CRIS does not provide complete information on the amounts found ineligible and corrected by the Commission's own *ex-ante* checks and the accuracy of CRIS data remains problematic; welcomes the Commission's engagement to improve CRIS data quality in 2012;

21. Is seriously concerned about the Court of Auditors' finding that monitoring and supervision was only partially effective for delegations; notes that staffing constraints and inadequate human resources, which may have a negative impact on financial checks, have been reported in the last four of the Court of Auditor's annual reports on the EDFs; is highly concerned about this recurring problem;
22. Takes note of the low number of reported cases of whistleblowing, despite the high error rate; calls on the Commission to reconsider its whistleblowing policy, including the implementation of that policy in the delegations; requests that the Commission report to Parliament on its present policies and actions for receiving and protecting both internal and external whistle blowers and any changes thereof;
23. Is satisfied with the Court of Auditors' assessment of the external audit function with regard to EuropeAid's headquarters as effective; is concerned that the same conclusion cannot be drawn in respect of the delegations in that there are deficiencies in risk-based audits and delays in the audit clearance process, which could lead to ineligible expenditure becoming irrecoverable; calls on the Commission and the EEAS to solve that problem without delay;
24. Is worried that the Court of Auditors assessed internal audit as partially effective; recognises that it is the Commission's reorganisation in 2011 that had a major impact on the activity of Internal Audit Capability; expects that the situation will have improved in 2012;
25. Regrets the lack of compatibility between the Court of Auditors' estimation of the most likely error rate based on the annual approach of the Court of Auditors and current methodology and the Commission's practice to refer to the net residual error rate covering more than one year; welcomes the Commission's initiative to launch a study on EuropeAid's residual error rate and expects it to be finalised within the set timeframe i.e. in the first quarter of 2013; calls on the Commission to present the results of this study to Parliament as soon as they become available;
26. Is satisfied that in the Court of Auditors' opinion, EuropeAid has made significant progress in implementing many of the Court of Auditors' recommendations; urges the Commission to fully implement the Court of Auditors' recommendations contained in the Annual Report 2011;
27. Takes note of the Commission's assurance that there are no bank accounts held or managed by the Commission outside the budget in the sense that funds are used for payments of actions which are not authorised by the Budget Authority;

Illicit capital outflows

28. Recognises that one of the biggest challenges developing countries are facing is the massive outflows of illicit capital; recognises that off-shore centres and tax havens facilitate an annual illicit capital flight of USD 1 trillion; observes that these illicit monetary outflows are roughly 10 times the amount of aid money going into developing countries for poverty alleviation and economic development;
29. Refers specifically to its Resolution of 8 March 2011 on Tax and Development – Cooperating with Developing Countries on Promoting Good Governance in Tax Matters ⁽¹⁵⁾;
30. Stresses that in the cross-border flow of illicit money, proceeds from commercial tax evasion, mainly through trade mispricing, represent the biggest component;
31. Notes that tax systems can be evaded through tax havens, secrecy jurisdictions, disguised corporations, anonymous trust accounts, fake foundations, trade mispricing, and money laundering techniques; emphasises that tax evasion and tax fraud urgently need to be tackled at all levels (national, Union and international); calls on the Commission to identify areas for improvement in both Union legislation

⁽¹⁵⁾ OJ C 199 E, 7.7.2012, p. 37.

and administrative cooperation between Member States; asks the Commission to study possibilities to involve the recipient countries in the fight against tax avoidance through an incentives based programme, and to report back to the discharge authority with its findings before the end of the year 2013;

32. Welcomes the Commission's Action Plan to strengthen the fight against tax fraud and tax evasion; believes that a common definition and blacklist of tax havens as well as enhanced corporate transparency, including the introduction of 'beneficial ownership' in company registrations, are important steps to curb the illicit capital flows;
33. Agrees with the Commission that '[t]he increasing integration of international markets and the economic globalisation also affects the effectiveness of national tax systems' ⁽¹⁶⁾ and that '[a]ddressing this problem requires joint efforts by both developing and developed countries to implement the principles of good governance in the tax area, thereby also enhancing growth prospects and poverty reduction in developing countries while strengthening tax systems at global level' ⁽¹⁷⁾;
34. Stresses that parts of illicit financial flows are done through the mispricing of trade transactions which consists of overpricing imports and underpricing exports on customs documents; emphasises the important role played by the customs authorities in detecting fraudulent transactions as they are the ones who are present at points of entry and exit of goods; points out that the illicit practices are possible in the absence of efficient national customs supervision;
35. Notes that the customs authorities in many developing countries are not functioning effectively, principally due to absence of efficient risk management systems; calls on the Commission to pay particular attention to this aspect of development and to concentrate its resources on remedying this situation, especially by including sustainable reforms of customs systems in the public financial management criteria for granting budget support;
36. Emphasises the fact that inefficient customs control is not exclusive to developing countries; deplores that control of customs in Member States is not functioning properly ⁽¹⁸⁾, thus allowing for fraudulent behaviour; urges the Commission to take all necessary steps in order to remedy the situation by strengthening its cooperation with international networks such as the Economic Crime Agency Network and national customs authorities in order to gather evidence from manufacturers, shipping lines, logistics companies and port authorities all over the world;

Coordination of development assistance, development priorities, and getting results from Union aid

37. Notes that Union aid remains fragmented between Union instruments with regard to levels of action in the Union as well as Member States' bilateral programmes and the European Investment Bank's (EIB) interventions; this situation contributes to weaknesses in aid programming in crisis and fragile situations; calls on the Commission to coordinate the different aid instruments across the Union;
38. Regrets that only four countries — Sweden, Luxembourg, Denmark and the Netherlands — exceeded Union targets for international development assistance in 2012, despite the fact that all have committed themselves to contribute 0,70 % of their Gross Domestic Product (GDP) in development aid;
39. Reiterates that good governance, democracy, respect for human rights and poverty reduction must be integrated goals of the implementing organisations in countries where EDF support is distributed; calls on the Commission to more often use the political dialogue under Article 8 of the Cotonou Agreement when there are violations of human rights, and if necessary suspend aid;
40. Points out that the Union needs a wide range of tools for development cooperation adapted to different contexts; emphasises especially the need for effective tools and working methods when dealing with failed states or with deeply undemocratic states;

⁽¹⁶⁾ Commission's communication of 21 April 2010 entitled 'Tax and Development – Cooperating with Developing Countries on Promoting Good Governance in Tax Matters'.

⁽¹⁷⁾ Ibidem.

⁽¹⁸⁾ Special Reports by the European Court of Auditors Nos 1/2010 and 13/2011.

41. Stresses that the specific development policy objectives must be safeguarded under the EEAS; emphasises that other considerations such as trade policy and foreign and security policy considerations should not cut across the Union's development priorities;
42. Notes that the overall impact of the Union's development policy is determined by the Union's policies on agriculture, fisheries, energy and trade; stresses the need to ensure policy coherence for development in accordance with Article 208 of the Treaty on the Functioning of the European Union and that that policy should embody and comply with the 'do no harm' principle;
43. Stresses that more emphasis should be given to the sustainability of aid; is concerned about the persisting weaknesses in terms of efficiency (with 40,3 % of reviewed interventions facing problems), effectiveness (43 %) and sustainability (46 %) of ongoing projects and programmes in Sub Saharan Africa ⁽¹⁹⁾ revealed by on-site assessments by independent experts; notes that similar performance concerns affected implementation in the Caribbean, where the overall percentage of projects performing well or very well had decreased from 74,6 % in 2009, to 72,9 % in 2010 and 61,5 % in 2011 ⁽²⁰⁾, as well as the Pacific region, where a significant share of the programs faced implementation difficulties ⁽²¹⁾;
44. Is deeply concerned about the findings of the Court of Auditors contained in Special Reports Nos 1/2012 and 13/2012 of the Court of Auditors on the Effectiveness of European Union Development Aid for Food security in Sub-Saharan Africa and on the European Union Development Assistance for Drinking Water Supply and Basic Sanitation in Sub Saharan Countries respectively, which have demonstrated that the prospects for sustainability are good for half of the interventions but there are fewer guarantees of continued results for the other half; welcomes the Court of Auditors' recommendations contained in those reports and urges the Commission to take them on board in order to maximise the benefits from Union development expenditure;
45. Is of the opinion that education plays a key role in development as it gives prospects for the sustainability of aid efforts and without it, even the best thought through technical policies will fail; recognises the challenges in this area, especially the difficulties in meeting global targets in terms of gender parity for school enrolment;
46. Believes that the Commission should be able to demonstrate to the taxpayers what has been achieved with Union development assistance in this field; calls on the Commission to formulate clear objectives which then make it possible to do actual performance audits;
47. Welcomes the fact that the Commission's services are working on a common framework for measuring and communicating the results of development policy, including for inclusive and sustainable growth, as part of the implementation of the 'Agenda for Change'; calls on the Commission to communicate the outcome of those efforts to Parliament by the end of November 2013;
48. Emphasises the value of performance audits conducted in the area of development aid by the Court of Auditors; encourages the Court of Auditors to concentrate more of its resources on audit work which addresses the risks to efficiency, effectiveness and economy;
49. Stresses that long term social and economic development requires sustainable sources of income other than aid; considers that sound and well-functioning trade relations in line with WTO principles is a key issue in this regard for developing countries and therefore urges the Council, the Commission and the ACP countries to find solutions to the issues concerning the Economic Partnership Agreements and free trade between the Union and the ACP region;

Budget support

50. Takes note that in 2011 EUR 207 million was committed for budget support which represents 6,3 % of the overall amount of total commitments;

⁽¹⁹⁾ Commission Staff Working Document 'Annual Report 2012 on the European Union's Development and external assistance policies and their implementation in 2011', p. 67.

⁽²⁰⁾ Idem, p. 90.

⁽²¹⁾ Idem, p. 113.

51. Recalls that the Court of Auditors found in its Annual Report on the EDFs concerning the financial year 2011 that 23 % of budget support payments were affected by non-quantifiable errors; notes an improvement with regard to the previous reports' findings; is of the opinion, however, that the result for 2011 is still not satisfactory;
52. Is deeply worried by the Court of Auditors' conclusion that non-quantifiable errors resulted from the lack of a structured demonstration of compliance with the eligibility criteria because public financial management achievements were not compared with the objectives set for the period under review; calls on the Commission to ensure a rigorous control of recipient countries both before and after the decision to grant budget support, in particular in countries receiving significant financial assistance from Union development funds in which corruption is very much on the increase; calls therefore for more effective Commission control mechanisms in order to ensure that European taxpayers' money is not misappropriated for funding terrorism or corruption;
53. Acknowledges the potential advantages of budget support; draws attention, however, to the risks that this aid modality entails in that it is more vulnerable to fraud and corruption than other forms of aid, due to its fungibility; recalls that control by the Court of Auditors over the funds paid as budget support ends the moment Union aid is paid to the partner country's treasury;
54. Stresses that those risks are especially alarming in the context of the massive outflows of illicit capital from developing countries referred to in paragraph 25; urges the Commission to take into account the existing reporting on the illicit capital outflows before taking a decision on granting budget support;
55. Welcomes the Commission's statement that the fight against fraud and corruption should receive greater prominence in budget support, particularly when assessing the Public Financial Management eligibility criterion in terms of budget support; urges the Commission to therefore take into account existing reporting on corruption and fraud levels before taking a decision on granting budget support; insists that an independent national audit body must be a condition for granting budget support;
56. Takes note that programmes related to good governance are financed in order to support developing countries in their fight against fraud, corruption and financial mismanagement; keeping in mind that a corruption-free judicial system is a condition sine qua non to ensure good governance and rule of law, calls on the Commission to put a strong emphasis on the judiciary reform programmes; acknowledges moreover that the Commission completed in 2011 a thematic evaluation on justice and security system reform; calls on the Commission to make publicly available the results of the evaluation;
57. Recognises that the relatively low disbursement rate for EDF budget support payments in 2011 is a direct consequence of a more thorough assessment of partner governments' compliance with eligibility criteria and/or performance indicators, which led the Commission to withhold disbursements totalling EUR 200 million in 16 ACP countries where insufficient progress was demonstrated against pre-defined objectives; welcomes the new approach to Union's budget support⁽²²⁾ introduced in October 2011, which contributes to strengthening domestic accountability mechanisms in ACP countries; calls on the Commission to present the first results in terms of the effectiveness of this new approach to Parliament when the new guidelines have been fully applied;
58. Repeats its call on the Commission and Member States to create a public register in which budget support agreements, procedures and development indicators are transparently listed⁽²³⁾;
59. Repeats its call on the Commission to provide regular reports on the accomplishment of the goals set for Union budget support and on specific problems encountered in particular recipient countries; calls on the Commission to ensure that budget support is reduced or cancelled when clear goals are not achieved;

⁽²²⁾ Commission communication of 13 October 2011 entitled 'The future approach to EU budget support to third countries'.

⁽²³⁾ As requested in paragraph 52 of Parliament's Resolution of 5 July 2011 on the future of EU budget support to developing countries (Texts adopted, P7_TA(2011)0317), and paragraph 42 of the discharge report for 2010.

Union aid to Haiti

60. Urges the Commission to make public the performance indicators for budget support to the Republic of Haiti, and the respective assessments of the Government of Haiti's performance in order to qualify for budget support, focussing on the following criteria: a) stable macroeconomic framework; b) national or sector policies and reforms focused on sustainable growth and poverty reduction; c) public financial management, including the fight against corruption; d) transparency and oversight of the budget, also to the public;
61. Asks the Commission to apply from 2013 onwards, in a transparent way, the new criteria for budget support as described in the Commission's policy 'The future approach to EU budget support to third countries' to the budget support for the Government of Haiti;
62. Deplores the lack of sustainability of some projects and stresses that projects should principally aim at creating employment and sustainable growth which would allow the Haitian State to increase its own revenues in order to depend less on foreign assistance;
63. Calls on the Commission to provide an assessment of the sustainability of the Union funded projects in Haiti based on a five-year perspective and to report to the discharge authorities on an annual basis;
64. Urges the Commission to continue its efforts towards strengthening the Haitian government and administration; requests the Commission to report on the situation and on the actions taken;
65. Regrets the insufficient coordination between the Union delegation and the Commission's European Community Humanitarian Office's representation; supports a reinforced coordination between all Union actors in the country; urges therefore the Commission to ensure better coherence and complementarity between humanitarian aid and development aid both at a policy level and in practice;
66. Urges the Commission to ensure that the postponed, first ever overall impact evaluation of the Union's aid programme for Haiti takes place in 2013;
67. Insists that, in light of the fact that currently it is impossible for both Parliament and the citizens of the Union to access information about the results achieved by Union funded programmes and projects in Haiti, the Commission substantially improves its policy on public accessibility of programme and projects monitoring before the end of 2013;

Cooperation with international organisations

68. Is deeply concerned by the Court of Auditors' finding that the majority of errors for payments were found in grants and contribution agreements with international organisations where 58 % of audited transactions were affected by error; finds, therefore, that the safeguards for the implementation of control and the follow-up of Union funds under joint management are not satisfactory and calls on all parties involved to remedy this situation;
69. Regrets that it has taken this long for the World Bank Group's (WBG) undertaking to share their internal audit reports with the Commission Services; regrets that so far, there are no sustainable solutions and procedures for the provision of necessary financial information from the WBG to the Union institutions in each and every case; calls on the WBG and the Commission to promptly arrive at a satisfactory outcome of the discussions in that area; calls on the Commission to report to Parliament on the progress of those discussions;
70. Agrees with the Commission that in the event that no sustainable solution is found for the provision of the necessary financial information from the WBG to the relevant Union institution it will have consequences for the future cooperation with the WBG; calls on the Commission to stop its grants and contribution agreements with the WBG if no solution is found;

The investment facility

71. Recalls that the funds allocated to the investment facility from the Ninth and Tenth EDF amounted to EUR 3 185,5 million for ACP countries and OCTs;

72. Reiterates its regret that the investment facility is not covered by the Court of Auditors' Statement of Assurance or Parliament's discharge procedure, even though the operations are conducted by EIB on behalf of and at the risk of the Union, using EDF resources;
73. Welcomes the good cooperation of the EIB management with Parliament in the context of the annual discharge procedure to the EDF in the form of exchange of views during committee meetings;
74. Welcomes the introduction as of 1 January 2012, of the new Results Measurement Framework (REM) for all its operations outside the Union which will provide for an *ex-ante* assessment of the expected contribution to Union and country development objectives (pillar 1), the expected quality and results of operations, including economic, social, environmental and institutional outcomes of the project (pillar 2), and the expected additionality of the EIB relative to market alternatives (pillar 3), as well as for monitoring of indicators until such time as the project is fully implemented and operational and the first development outcomes are measurable; expects the EIB to provide for the first assessment of the functioning of the REM in the context of the discharge procedure for the year 2012;
75. Reiterates its call on the EIB to link its financing of projects more directly to poverty reduction and the achievement of the MDGs, human rights, democracy, good governance, corporate social responsibility, decent work and environmental principles;
76. Welcomes the stated aim of the EIB with regards to ensuring a restrictive lending policy towards the financing of new coal and lignite-fuelled power stations; urges the EIB to implement this policy;
77. Welcomes the steps taken by the EIB in response to Parliament's calls for more transparency in the form of the publication of each new loan on the EIB website in advance of approval by the Board, listing each financial intermediary that benefits from an EIB on the EIB website (including contact information), and requesting EIB small and medium-sized enterprises (SME) loan intermediaries to implement a dedicated product page on their web site for the SME community;
78. Reiterates that the tripartite agreement between the Commission, the EIB and the Court of Auditors defines the role of the Court of Auditors in controlling the EDFs managed by the EIB; repeats its call on the Court of Auditors to produce a Special Report on the effectiveness and efficiency of the EDFs managed by the EIB from the perspective of poverty reduction;
79. Notes furthermore that the present EIB Board of Directors consists of eight women and 20 men; encourages the Member States to consider nominating candidates of both gender in order to achieve a more gender balanced representation on the EIB Board of Directors;

Budgetisation of the EDF

80. Emphasises the need for aid predictability and democratic scrutiny that only can be achieved when the EDF is part of the general budget of the Union; emphasises the fact that budgetisation would reduce transaction costs and would simplify reporting and accounting requirements by having only one set of administrative rules and decision-making structures instead of two; stresses that budgetisation of the EDF does not imply that total development cooperation spending may be reduced;
81. Welcomes the Commission's commitment⁽²⁴⁾ to propose EDF budgetisation for 2020, when the Cotonou Agreement expires; expects the Commission to honour this commitment and to take appropriate measures to facilitate incorporating the EDF into the Union's budget starting with the post-2020 MFF; is of the opinion that, in light of the current budgetary and economic crisis, the risk of EDF

⁽²⁴⁾ Commission communication of 29 June 2011 entitled 'A budget for Europe 2020'.

budgetisation leading to a decrease in the overall funding level for cooperation with ACP partners is too high at present; insists therefore that, were budgetisation to be considered for the MFF 2014–2020, it must imply transferring the entire EDF financial envelope as proposed by the Commission (EUR 30,3 billion in 2011 prices) ⁽²⁵⁾ to heading 4 on Global Europe and should under no circumstances be used as a pretext for reducing overall spending ceilings for Union's external action in general, and development assistance in particular;

82. Welcomes the Commission's commitment to align the Parliament's scrutiny rights over the EDF to those it has over the Union's general budget, in particular the Development Cooperation Instrument; urges the Commission to bring forward without delay concrete proposals to this effect and to initiate a dialogue to establish the precise modalities for Parliament's future scrutiny over strategic decision-making regarding the EDF.

⁽²⁵⁾ Ibidem.

DECISION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****on the closure of the accounts of the Eighth, Ninth and Tenth European Development Funds for the financial year 2011**

(2013/553/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the Commission's report on the follow-up to the discharge for the 2010 financial year (COM(2012) 585) and to the Commission staff working documents accompanying that report (SWD(2012) 330 and SWD(2012) 340),
- having regard to the financial statements and revenue and expenditure accounts for the Eighth, Ninth and Tenth European Development Funds for the financial year 2011 (COM(2012) 435 — C7-0223/2012),
- having regard to the Commission's Annual Report of 26 April 2012 on the financial management of the Eight, Ninth and Tenth European Development Funds in 2011,
- having regard to the financial information on the European Development Funds (COM(2012) 386),
- having regard to the Court of Auditors' annual report on the activities funded by the Eighth, Ninth and Tenth European Development Funds concerning the financial year 2011, together with the Commission's replies ⁽¹⁾ and to the Court of Auditors' special reports,
- having regard to the statement of assurance ⁽²⁾ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the Financial year 2011 pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendations of 4 February 2013 concerning the discharge to be given to the Commission in respect of the implementation of the operations of the European Development Funds for the financial year 2011 (05190/2012 — C7-0083/2013, 05191/2012 — C7-0084/2013, 05192/2012 — C7-0085/2013),
- 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 ('Overseas Association Decision') ⁽⁵⁾, amended by Council Decision 2007/249/EC ⁽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⁾,

⁽¹⁾ OJ C 344, 12.11.2012, p. 243.⁽²⁾ OJ C 348, 14.11.2012, p. 130.⁽³⁾ OJ L 317, 15.12.2000, p. 3.⁽⁴⁾ OJ L 287, 28.10.2005, p. 4.⁽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.

- 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 ⁽¹⁾,
 - having regard to Commission's communications of 21 April 2010 on 'Tax and Development — Cooperating with Developing Countries on Promoting Good Governance in Tax Matters' and of 13 October 2011 on 'The Future Approach to EU Budget Support to Third Countries',
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Article 74 of the Financial Regulation of 16 June 1998 applicable to development finance cooperation under the fourth ACP-EC Convention ⁽²⁾,
 - having regard to Article 119 of the Financial Regulation of 27 March 2003 applicable to the 9th European Development Fund ⁽³⁾,
 - having regard to Article 142 of Council Regulation (EC) No 215/2008 of 18 February 2008 on the Financial Regulation applicable to the 10th European Development Fund ⁽⁴⁾,
 - having regard to Rules 76 and 77, third indent of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Development (A7-0062/2013),
1. Notes that the final annual accounts of the Eighth, Ninth and Tenth European Development Funds are as shown in Table 2 of the Court of Auditors' annual report;
 2. Approves the closure of the accounts of the Eighth, Ninth and Tenth European Development Funds for the financial year 2011;
 3. Instructs its President to forward this decision to the Council, the Commission, the Court of Justice of the European Union, the Court of Auditors and the European Investment Bank, and to arrange for its publication in the *Official Journal of the European Union* (L series).

The President

Martin SCHULZ

The Secretary-General

Klaus WELLE

⁽¹⁾ OJ L 317, 15.12.2000, p. 355.

⁽²⁾ OJ L 191, 7.7.1998, p. 53.

⁽³⁾ OJ L 83, 1.4.2003, p. 1.

⁽⁴⁾ OJ L 78, 19.3.2008, p. 1.

DECISION OF THE EUROPEAN PARLIAMENT

of 17 April 2013

on discharge in respect of the implementation of the budget of the European Agency for the Cooperation of Energy Regulators for the financial year 2011

(2013/554/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Agency for the Cooperation of Energy Regulators for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the European Agency for the Cooperation of Energy Regulators for the financial year 2011, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 — C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EC) No 713/2009 of the European Parliament and of the Council of 13 July 2009 establishing an Agency for the Cooperation of Energy Regulators ⁽⁴⁾, and in particular Article 24 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0068/2013),
1. Grants the Director of the European Agency for the Cooperation of Energy Regulators discharge in respect of the implementation of the Agency's budget for the financial year 2011;
 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 the Cooperation of Energy Regulators, 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

Martin SCHULZ

The Secretary-General

Klaus WELLE

⁽¹⁾ OJ C 388, 15.12.2012, p. 1.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 298, 26.10.2012, p. 1.⁽⁴⁾ OJ L 211, 14.8.2009, p. 1.⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Agency for the Cooperation of Energy Regulators for the financial year 2011**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Agency for the Cooperation of Energy Regulators for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the European Agency for the Cooperation of Energy Regulators for the financial year 2011, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 — C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EC) No 713/2009 of the European Parliament and of the Council of 13 July 2009 establishing an Agency for the Cooperation of Energy Regulators ⁽⁴⁾, and in particular Article 24 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0068/2013),
- A. whereas the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts of the European Agency for the Cooperation of Energy Regulators ('the Agency') for the financial year 2011 are reliable and that the underlying transactions are legal and regular,
- B. whereas the Agency moved from Brussels to its seat in Ljubljana, Slovenia, on 1 February 2011, officially started its activities on 3 March 2011, and achieved financial autonomy on 8 March 2011,
- C. whereas the overall budget of the Agency for 2011 was EUR 4 792 345; whereas the contribution of the Union to the budget of the Agency for 2011 amounted to EUR 4 362 607,98 ⁽⁶⁾,

⁽¹⁾ OJ C 388, 15.12.2012, p. 1.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 298, 26.10.2012, p. 1.⁽⁴⁾ OJ L 211, 14.8.2009, p. 1.⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.⁽⁶⁾ ACER Annual Activity report 2011, p. 85-91.

Budgetary and financial management

1. Recalls that the initial Union contribution was EUR 4 362 607,98 in 2011; notes that this was the first year that the Agency was financially autonomous;
2. Observes from the annual accounts that the Agency's initial 2011 budget amounted to EUR 5 119 000 (including EUR 119 000 for the European Free Trade Association contribution);
3. Establishes from the annual accounts that appropriations were committed at a rate of 67 %, while payments reached a level of 74 % of the total appropriations managed;

Carry-over appropriations

4. Notes with concern the Court of Auditors' observation that the high level of appropriations not used and carry-overs, as well as the low level of payments, indicate shortcomings in budget planning and implementation and are at odds with the budgetary principle of annuality;
5. Accepts the Agency's explanation that during its first operational year, it had to recruit most of its staff, which resulted in the delayed commencement of opened positions, thus having a significant impact on the Agency's budget implementation rate, as well as estimations of procurement needs, which led to a concentration of procurement procedures towards the end of the year; understands that this, in turn, resulted in a high level of carry-forwards in order to honour the signed legal and budgetary commitments;
6. Takes note of the Agency's statement that it is now in a much better position to implement its assigned tasks and the corresponding budget, and requires it to follow up this issue, and to report on it to the discharge authority;

Irregular payments

7. Notes with concern that in 2011, the Agency paid subsistence allowances amounting to EUR 10 839 to seconded experts who were nationals of the State where the Agency is situated, and that those payments conflicted with the Rules on the Secondment of National Experts adopted by the Administrative Board of the Agency, which provide for the granting of such allowances only to temporary agents who are not nationals of the Member State where they are employed;
8. Notes that the Agency had already stopped the payment of allowances in such cases; nevertheless, given the irregular nature of those payments, requests the Agency to follow up the issue, to explore the possibilities to recover the subsistence allowances unduly paid, and to report on this issue to the discharge authority;

Recruitment procedures

9. Notes the observation of the Court of Auditors that there is room to improve the transparency of recruitment procedures; requests that the Agency follow up this issue and report on actions taken to the discharge authority; considers that some of the provisions of the Staff Regulations may present a considerable administrative burden; therefore encourages the Commission to allow for a certain degree of simplification under Article 110 of the Staff Regulations in regard to the agencies;
10. Points out that although the recruitment of permanent staff has now been concluded, the Agency is short of capacity in terms of seconded national experts, and that doubts remain about the technical competence of some of the staff, potentially generating uncertainty around the Agency's work; requests that the Agency follow up this issue and report to the discharge authority on actions taken;
11. Urges the Agency to improve its cooperation with national regulators, particularly in order to ensure that its work is organised according to efficient principles and to establish a permanent headquarters, thus allowing both the Agency and national regulators to make substantial savings and to resolve the incipient problems of transport and limited resources;
12. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its Resolution of 17 April 2013 ⁽¹⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Texts adopted, P7_TA(2013)0134 (see page 374 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****on the closure of the accounts of the European Agency for the Cooperation of Energy Regulators
for the financial year 2011**

(2013/555/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Agency for the Cooperation of Energy Regulators for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the European Agency for the Cooperation of Energy Regulators for the financial year 2011, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 — C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EC) No 713/2009 of the European Parliament and of the Council of 13 July 2009 establishing an Agency for the Cooperation of Energy Regulators ⁽⁴⁾, and in particular Article 24 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0068/2013),
1. Approves the closure of the accounts of the European Agency for the Cooperation of Energy Regulators for the financial year 2011;
 2. Instructs its President to forward this Decision to the Director of the European Agency for the Cooperation of Energy Regulators, 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

Martin SCHULZ

The Secretary-General

Klaus WELLE

⁽¹⁾ OJ C 388, 15.12.2012, p. 1.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 298, 26.10.2012, p. 1.⁽⁴⁾ OJ L 211, 14.8.2009, p. 1.⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

DECISION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****on discharge in respect of the implementation of the budget of the Body of European Regulators for Electronic Communications for the financial year 2011**

(2013/556/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Body of European Regulators for Electronic Communications for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the Body of European Regulators for Electronic Communications for the financial year 2011, together with the Body's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 – C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EC) No 1211/2009 of the European Parliament and of the Council of 25 November 2009 establishing the Body of European Regulators for Electronic Communications (BEREC) and the Office ⁽⁴⁾, and in particular Article 13 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0066/2013),
1. Grants the Administrative Manager of the Body of European Regulators for Electronic Communications discharge in respect of the implementation of the Body's budget for the financial year 2011;
 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 Manager of the Body of European Regulators for Electronic Communications, 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

Martin SCHULZ

The Secretary-General

Klaus WELLE

⁽¹⁾ OJ C 388, 15.12.2012, p. 8.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 298, 26.10.2012, p. 1.⁽⁴⁾ OJ L 337, 18.12.2009, p. 1.⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the Body of European Regulators for Electronic Communications for the financial year 2011**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Body of European Regulators for Electronic Communications for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the Body of European Regulators for Electronic Communications for the financial year 2011, together with the Body's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 – C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EC) No 1211/2009 of the European Parliament and of the Council of 25 November 2009 establishing the Body of European Regulators for Electronic Communications (BEREC) and the Office ⁽⁴⁾, and in particular Article 13 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0066/2013),
- A. whereas the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts of the Body of European Regulators for Electronic Communications ('the Body') for the financial year 2011 are reliable and that the underlying transactions are legal and regular,
- B. whereas in compliance with Decision 2010/349/EU taken by common accord between the Representatives of the Governments of the Member States of 31 May 2010 on the location of the seat of the Office of the Body of European Regulators for Electronic Communications (BEREC) ⁽⁶⁾, the Office of BEREC ('the Office') was located in Riga, Latvia; whereas the Office signed its seat agreement on 24 February 2011, became fully functional in the course of 2011 and was granted financial autonomy on 12 September 2011,
- C. whereas the overall budget of the Body for the financial year 2011, EUR 1 178 785,60, was entirely funded by a Union contribution ⁽⁷⁾,

⁽¹⁾ OJ C 388, 15.12.2012, p. 8.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 298, 26.10.2012, p. 1.⁽⁴⁾ OJ L 337, 18.12.2009, p. 1.⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.⁽⁶⁾ OJ L 156, 23.6.2010, p. 12.⁽⁷⁾ BEREC Office final annual accounts 2011, p. 29.

Budgetary and financial management

1. Recalls that the initial Union contribution to the Office's budget for 2011 was EUR 1 178 785,60; notes that this was the first year that the Office was financially autonomous;
2. Notes the Court of Auditor's observation that the Office's 2011 budget, adopted by the Management Committee, disclosed appropriations only by Titles and Chapters and was not subdivided into articles and items and that that situation is, thus, at odds with the principle of specification; notes the Office's reply that its budget for 2012 is already subdivided into articles and items;
3. Observes from the Office's annual accounts that appropriations were committed at a rate of 63,4 %, while payments reached a level of 70,1 % of the total appropriations managed (or 44,5 % of available appropriations);

Carryovers appropriations

4. Notes with concern that the Court of Auditors identified 21 cases, with a total value of EUR 94 120, where appropriations carried over to 2012 did not correspond to legal commitments and that those carryovers were, therefore, irregular;
5. Accepts the Office's explanation that the start-up phase made it difficult to correctly forecast carry-forwards and that a closely monitored follow-up of the budget implementation is currently in place; notes the Office's comment that instructions were to be given at the end of 2012 and relevant information was to be collected from the units in order to decommit unused commitments; calls on the Office to report to the discharge authority whether that has been the case;

Internal control standards

6. Draws the Office's attention to the Court of Auditors' observation that the Office had not adopted and implemented all the internal control standards (ICS), notably, no central register of invoices and no register of exceptions was introduced;
7. Takes note of the Office's statement that the current implementation plan for ICS involves defining the implementation deadlines for different standards from November 2011 until January 2013; notes that the registration of invoices and the recording of exceptions have been implemented since 18 June 2012 with an impact on further registrations in 2012 and that the preparation of relevant administrative instructions has been in progress; calls on the Office to report to the discharge authority on the progress made on those matters;

Recruitment procedures

8. Notes the Court of Auditors' observation that there is a need to improve the transparency of recruitment procedures; notes the Office's reply that in June 2012, it updated its Guidelines for recruitment procedures in order to address the Court's findings; calls on the Office to follow up this issue and to report to the discharge authority on the actions taken; considers that some of the provisions of the Staff Regulations may present a considerable administrative burden; encourages, therefore, the Commission to allow for a certain degree of simplification under Article 110 of the Staff Regulations in regard to the agencies;
9. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its Resolution of 17 April 2013 ⁽¹⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Texts adopted, P7_TA(2013)0134 (see page 374 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****on the closure of the accounts of the Body of European Regulators for Electronic Communications for the financial year 2011**

(2013/557/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Body of European Regulators for Electronic Communications for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the Body of European Regulators for Electronic Communications for the financial year 2011, together with the Body's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 — C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EC) No 1211/2009 of the European Parliament and of the Council of 25 November 2009 establishing the Body of European Regulators for Electronic Communications (BEREC) and the Office ⁽⁴⁾, and in particular Article 13 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0066/2013),
1. Approves the closure of the accounts of the Body of European Regulators for Electronic Communications for the financial year 2011;
 2. Instructs its President to forward this Decision to the Administrative Manager of the Body of European Regulators for Electronic Communications, 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

Martin SCHULZ

The Secretary-General

Klaus WELLE

⁽¹⁾ OJ C 388, 15.12.2012, p. 8.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 298, 26.10.2012, p. 1.⁽⁴⁾ OJ L 337, 18.12.2009, p. 1.⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

DECISION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****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 2011**

(2013/558/EU)

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 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the Translation Centre for the Bodies of the European Union for the financial year 2011, together with the Centre's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 – C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0069/2013),
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 2011;
 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

Martin SCHULZ

The Secretary-General

Klaus WELLE

⁽¹⁾ OJ C 388, 15.12.2012, p. 12.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 298, 26.10.2012, 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 17 April 2013****with observations forming an integral part of its 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 2011**

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 2011,
- having regard to the Court of Auditors' report on the annual accounts of the Translation Centre for the Bodies of the European Union for the financial year 2011, together with the Centre's replies ⁽¹⁾,
- having regard to the Council's recommendation of 12 February 2013 (05753/2013 – C7-0041/2013),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- 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 ⁽²⁾, and in particular Article 185 thereof,
- having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
- having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
- having regard to the report of the Committee on Budgetary Control (A7-0069/2013),
- A. whereas the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts of the Translation Centre for the Bodies of the European Union ('the Centre') for the financial year 2011 are reliable and that the underlying transactions are legal and regular,
- B. whereas on 10 May 2012, Parliament granted the Director of the Centre discharge for implementation of the Centre's budget for the financial year 2010 ⁽⁶⁾, and in its resolution accompanying the discharge decision, *inter alia*:
 - called on the Centre to ensure compliance with Article 60 of its Financial Regulation by establishing financing decisions for operational expenditure; asked the Centre, in particular, to establish stronger controls in the procurement planning process,

⁽¹⁾ OJ C 388, 15.12.2012, p. 12.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 298, 26.10.2012, p. 1.⁽⁴⁾ OJ L 314, 7.12.1994, p. 1.⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.⁽⁶⁾ OJ L 286, 17.10.2012, p. 141.

- called on the Centre to analyse the data flow and tools used for budget planning and establish controls; noted, in that respect, that the Centre's budget planning is based on Excel tools and manual or system-based controls of data which could result in calculation errors and wrong expenditure planning and ultimately have a negative impact on the Centre's pricing,
 - noted that out of the 12 'very important' recommendations from the Internal Audit Service (IAS), the Centre rejected the recommendation on financial reporting; called on the Centre to inform the discharge authority about the reasons for that decision,
- C. whereas the Centre's final budget for 2011 was EUR 51 299 000, compared to EUR 55 928 077 in 2010, which represents a decrease of 8,27 %,

Budgetary and financial management

1. Notes that the Centre's budget includes revenue comprising payments made by the bodies for which the Centre works and by Union institutions and bodies with which collaboration has been agreed in return for work performed, including inter-institutional activities, and any other revenue;
2. Recalls that the Centre's 2011 budget amounted to EUR 51 299 000 and that the 2011 budget outturn decreased to EUR 1 201 339,13 in 2011, as compared to EUR 8 319 397,02 in 2010, which represents a decrease of 85,56 %; notes, moreover, from the Court of Auditors' report that the decrease mainly resulted from a 15 % decrease in revenues, reflecting the Centre's new pricing policy, which aims to align the prices of products with their costs;
3. Acknowledges from the Court of Auditors' report that the accumulated budget surplus decreased from EUR 9 231 709,81 in 2010 to EUR 2 973 348,94 in 2011 and that that reduction is the net effect of the 2011 budget surplus and allocations to reserves for pricing stability and for exceptional investments;
4. Notes from the Centre's Annual Activity Report (AAR) that in its original budget for 2011, EUR 46 956 800 was the subject of an amending budget, adopted by the Management Board on 13 October 2011; acknowledges, in particular, that the purpose of the amending budget was twofold:
 - to include the budgetary surplus from previous years, namely EUR 9 231 709,81, and to use that surplus to create two exceptional reserves, one for the development of a more effective translation demand management tool (E-CdT programme) (EUR 4 325 709,81) and the other reserve to allow the Centre to keep prices stable in 2012 and 2013 (EUR 4 906 000),
 - to rebalance the budget following a significant decrease in client forecasts;
5. Notes, moreover, that the amount of the reserve for stability pricing was lower than the one proposed because EUR 1,8 million of the surplus had to be used to compensate the fall in revenue from clients already in 2011, and therefore the final amount of the reserve was only EUR 7,4 million;

Commitments

6. Establishes from the AAR that the total commitments under Title I reached 95,12 % for 2011, which represents a significant improvement compared to 2010, when only 91,5 % of the budget was consumed (85 % in 2009); notes, moreover, that the carry-overs are limited, representing only 1,32 % of commitments;
7. Acknowledges from the AAR that the total commitments under Title II reached 94,44 % for 2011, which represents a considerable improvement compared to 2010, when only 86,30 % of the budget was committed (88 % in 2009);

8. Takes note from the AAR that for Title III, 99,4 % of the budget was committed by the year end 2011, compared to 80,5 % in 2010, that high level of budget execution being the result of cuts made in the amending budget;

Human resources

9. Acknowledges from the AAR that by the end of 2011, 205 posts of the establishment plan had been filled, which represents 91,1 % of the anticipated total number; notes, moreover, that in line with the Centre's continuous efforts to optimise working methods and reduce costs, a new screening of all the Centre's posts was performed in 2011 which led to a reduction of five posts as of 2012 (by considering that reduction, the establishment plan would be 93,18 % filled);
10. Observes that during the year, four staff members used the opportunity of internal staff mobility and changed jobs at the Centre;

Data protection

11. Takes note that in 2011, in order to increase the independence of the function, the Centre appointed a new Data Protection Officer; notes that the number of prior check notifications made to the European Data Protection Supervisor (EDPS) in 2011 was four, namely video surveillance, the disciplinary procedure, anti-harassment policy and the certification procedure; notes, moreover, that for video surveillance, the case was closed with a favourable opinion, for the disciplinary and anti-harassment procedures, complementary information was sent to the EDPS at his request and for certification, the EDPS feedback is still pending; calls on the Centre to keep the discharge authority informed about the state of play of the notifications;

Procurement procedures

12. Takes note that in compliance with Article 60 of its Financial Regulation, in 2010 the Centre established the Procurement Plan 2011 which serves as the Financing Decision of the Centre's Management Board; notes, moreover, that the plan is an integral part of the Centre's Work Programme 2011, which was approved by the Management Board on 27 October 2010;

Accounting system

13. Acknowledges that in May 2012, accrual-based accounting, the accounting system used by the Commission for budgetary accounting, has been implemented in the Centre and that the Accountant will finalise the validation of accounting system in the first quarter of 2013; calls on the Centre to inform the discharge authority of the state of play of the validation of the accounting system;
14. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its Resolution of 17 April 2013 ⁽¹⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Texts adopted, P7_TA(2013)0134 (see page 374 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****on the closure of the accounts of the Translation Centre for the Bodies of the European Union for the financial year 2011**

(2013/559/EU)

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 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the Translation Centre for the Bodies of the European Union for the financial year 2011, together with the Centre's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 — C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0069/2013),
1. Approves the closure of the accounts of the Translation Centre for the Bodies of the European Union for the financial year 2011;
 2. 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
Martin SCHULZ

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 388, 15.12.2012, p. 12.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 298, 26.10.2012, 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 17 April 2013****on discharge in respect of the implementation of the budget of the European Centre for the Development of Vocational Training for the financial year 2011**

(2013/560/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Centre for the Development of Vocational Training for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the European Centre for the Development of Vocational Training for the financial year 2011, together with the Centre's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 – C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A7-0073/2013),
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 2011;
 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

Martin SCHULZ

The Secretary-General

Klaus WELLE

⁽¹⁾ OJ C 388, 15.12.2012, p. 17.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 298, 26.10.2012, 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 17 April 2013****with observations forming an integral part of its 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 2011**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Centre for the Development of Vocational Training for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the European Centre for the Development of Vocational Training for the financial year 2011, together with the Centre's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 – C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A7-0073/2013),
- A. whereas the European Centre for the Development of Vocational Training ('the Centre'), which is located in Thessaloniki, was established by Regulation (EEC) No 337/75,
- B. whereas the Court of Auditors stated that it has obtained reasonable assurances that the Centre's annual accounts for the financial year 2011 are reliable and that the underlying transactions are legal and regular,
- C. whereas on 10 May 2012, Parliament granted the Director of the Centre discharge for the implementation of the Centre's budget for the financial year 2010 ⁽⁶⁾, and in its resolution accompanying the discharge decision, *inter alia*:
- noted the Centre's commitment to exhaust the previous years' contributions from Norway and Iceland in 2012; called on the Centre to keep the discharge authority informed of the use of those contributions,

⁽¹⁾ OJ C 388, 15.12.2012, p. 17.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 298, 26.10.2012, p. 1.⁽⁴⁾ OJ L 39, 13.2.1975, p. 1.⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.⁽⁶⁾ OJ L 286, 17.10.2012, p. 148.

- welcomed the Centre's commitment to further reduce its carry-overs by monitoring standardised templates of budget execution (commitments, payments) and procurement progress,
 - called on the Centre to put further efforts into reducing carry-over appropriations in order to respect the principle of annuality more fully; reminded the Centre that this can be done by refining its programming and monitoring system and by initiating contracts earlier in the calendar year,
 - called on the Centre to reduce the transfers of commitment appropriations made by the Centre between budget lines as much as possible, in order to apply the principle of specification,
 - noted the Centre's performance measurement system (PMS) has been fully implemented and encouraged the Centre to further develop qualitative assessments to supplement the more quantitative PMS indicators,
 - called on the Centre to inform the discharge authority of the implementation progress of the remaining recommendations received from the Internal Audit Service (IAS),
- D. whereas the Centre's final budget for the financial year 2011 was EUR 18 870 845, compared to EUR 18 250 000 in 2010, which represents an increase of 3,21 %,
- E. whereas the contribution of the Union to the Centre's budget for the financial year 2011 was EUR 16 987 000, compared to EUR 16 920 000 in 2010, which represents an increase of 0,39 %,
- F. whereas the economic result of the year was a negative one of EUR – 483 296,74,

Budgetary and financial management

1. Notes from the Centre's annual accounts for the financial year 2011 that the Centre was granted an amending budget of EUR 1 106 655, which made a total budget of EUR 18 870 845 after amendments;
2. Takes note of the Governing Board's statement in its opinion on the Centre's 2011 Annual Account that the 2011 budget financed by the Union contribution has been fully implemented;
3. Observes that the Centre receives annual contributions from two third countries which benefit from its work; notes that Norway and Iceland's contribution to the Centre's budget for the financial year 2011 amounted to EUR 407 066,59; recalls that those funds are managed as assigned revenue, requiring them to be allocated to specific projects; welcomes the fact that in 2011, the target was reached and 100 % of the planned budget was executed; calls on the Centre to keep the discharge authority informed of the use of those contributions;
4. Welcomes the development of a comprehensive set of processes to monitor and report on the implementation of the annual work programme and the deployment of resources; notes, however, that further improvements are needed given that 67 of a total of 77 budget transfers were made at the end of 2011, demonstrating weaknesses in budgetary planning and programme planning; calls for structural measures to be taken to remedy the situation;
5. Welcomes the fact that the cancelled payments appropriations fell from 14 % in 2010 to 5,2 % in 2011;

Carry-over appropriations

6. Acknowledges from the annual accounts that EUR 0,9 million (5 %) was carried over to 2012; notes, furthermore, that the carry-overs include EUR 0,6 million appropriations for Title II 'Administrative Expenditure' (37 % of total Title II appropriations); calls on the Centre to inform the discharge authority of the actions taken to address this deficiency as the excessive level of carry-overs for Title II is at odds with the budgetary principle of annuality;

7. Takes note that the Centre has had differentiated appropriations for Title III since 2004, which explains why no carry-overs of appropriations for operating activities appear in the calculation of the budget outturn, other than non-automatic carry-over approved by the Governing Board;

Transfers

8. Takes note that the Centre transferred EUR 699 920 from Title I to Titles II and III (EUR 204 620 and EUR 495 300 respectively), pursuant to Article 23 of the Financial Regulation; calls on the Centre to inform the discharge authority about actions to be taken to address this deficiency as the situation indicates weaknesses in budget planning and programming and it is at odds with the principle of specification;

Grants

9. Acknowledges from the Court of Auditors that annually, the Centre's financing of grants for vocational education and training amounts to about EUR 1 million; notes, moreover, that there were significant delays in the closing of grants for the year 2010 because beneficiaries submitted their final reports on activities late and the Centre itself was late in the verification of those reports and the processing of final payments; calls on the Centre to inform the discharge authority of the actions it has taken to address this deficiency;
10. Acknowledges that according to the Centre, delays in the payment of the final balance of the 2010 grants that occurred in 2011 are due to a particularly heavy work programme during 2010, combined with a temporary under-staffing of the team coordinating the network due to unforeseen long-term absence;

Human resources

11. Acknowledges that on 31 December 2011, 97 of the 101 posts on the establishment plan were occupied;
12. Welcomes the fact that in 2010, the Centre finalised an online tool for recruitment, namely RECON — Recruitment Online, which will help the Centre increase the speed and efficiency of its recruitment;
13. Deplores the fact that the recruitment procedure for the new director was declared unfruitful in 2011 and that this post, vacant since 15 October 2010, has not been filled in the course of 2012;

Performance

14. Notes with satisfaction that the Centre made Gantt charts for all key operational activities of 2011 available, as requested by the discharge authority;
15. Notes from the annual accounts that PMS has been fully implemented and encourages the Centre to further develop qualitative assessments to supplement the more quantitative PMS indicators;
16. Invites the Commission, together with the European Training Foundation, the European Centre for the Development of Vocational Training, European Foundation for the Improvement of Living and Working Conditions and the European Agency for Safety and Health at Work to further explore the synergies that exist between those agencies and to report to the discharge authority on the possible deeper integration of those four agencies; invites those agencies and the Commission to evaluate whether closer cooperation could lead to economies of scale and optimisation of their performance;

Cooperation with the European Training Foundation (ETF)

17. Notes that in November 2009, the cooperation agreement between the Centre and ETF was renewed for the period 2010-2013; acknowledges that each year, in the context of the cooperation framework, the Centre and ETF draft a joint work programme which is annexed to the work programmes of each Agency;
18. Establishes that in 2011, the Centre and ETF further systematised their cooperation to maximise the benefits for their respective mandates, which resulted in the organisation of knowledge sharing seminars, collaboration in the area of qualifications development and the implementation of common Union instruments, in cooperating for the preparation of the 2012 reporting progress of candidate countries, as part of the follow up to the Bruges communiqué on enhanced European Cooperation in Vocational Education and Training;

Internal audit

19. Welcomes the information provided by the Centre by letter of 23 February 2012 to the effect that all seven IAS recommendations from 2009 have been implemented by the end of December 2011; calls on the Centre to inform the discharge authority of the implementation progress of the 2010 recommendations;
20. Welcomes the information received by letter of 23 February 2012 to the effect that all baseline requirements for Internal Control Standards (ICS) 8 were fully met by the end of 2011; takes note of the Centre's commitment to meet the baseline requirements for ICS 10 during the first semester of 2012;

Internal audit capability (IAC)

21. Acknowledges, nevertheless, observations from the Centre that the IAC functions are now covered either by external contractors (for example, an audit of the Centre's financial software was contracted out and concluded in 2011) or by internal project groups, as relevant; notes, moreover, that the Centre has finished documenting all the main procedures (an external auditor has been contracted to steer this process) and trainings have been organised to ensure the implementation of the annual work programme and effective controls;
22. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its Resolution of 17 April 2013 ⁽¹⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Texts adopted, P7_TA(2013)0134 (see page 374 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****on the closure of the accounts of the European Centre for the Development of Vocational Training for the financial year 2011**

(2013/561/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Centre for the Development of Vocational Training for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the European Centre for the Development of Vocational Training for the financial year 2011, together with the Centre's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 – C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A7-0073/2013),
1. Approves the closure of the accounts of the European Centre for the Development of Vocational Training for the financial year 2011;
 2. 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
Martin SCHULZ

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 388, 15.12.2012, p. 17.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 298, 26.10.2012, 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 17 April 2013****on discharge in respect of the implementation of the budget of the European Police College for the financial year 2011**

(2013/562/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Police College for the financial year 2011,
- having regard to the Court of Auditors' report on the annual accounts of the European Police College for the financial year 2011, together with the College's replies ⁽¹⁾,
- having regard to the Council's recommendation of 12 February 2013 (05753/2013 – C7-0041/2013),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- 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 ⁽²⁾, and in particular Article 185 thereof,
- having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
- having regard to Commission Decision C(2011) 4680 of 30 June 2011 granting consent to a derogation requested by the European Police College from Regulation (EC, Euratom) No 2343/2002,
- having regard to the report of the European Police College of 12 July 2010 on the Reimbursement of Private Expenditure (10/0257/KA),
- having regard to the external audit commissioned by the European Police College (Contract Ref. No CEPOL/2010/001) on the reimbursement of private expenditure,
- having regard to the final report on the five-year external evaluation of the European Police College (Contract Ref. No CEPOL/CT/2010/002),
- having regard to the Annual Activity Report 2009 of the Directorate-General for Justice, Freedom and Security,
- having regard to the fourth progress report of the European Police College on the implementation of its Multi-annual Action Plan (MAP) for 2010–2014,

⁽¹⁾ OJ C 388, 15.12.2012, p. 23.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 298, 26.10.2012, p. 1.⁽⁴⁾ OJ L 256, 1.10.2005, p. 63.⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

- having regard to the Court of Auditors' report on the implementation of the European Police College MAP for 2010–2014,
 - having regard to the note of the Internal Audit Service (IAS) of 4 July 2011 (Ref. Ares (2011) 722479) on the third progress report on the implementation of the European Police College MAP for 2010–2014,
 - having regard to the report and annexes of the European Police College on the implementation of the European Parliament's resolution on '2009 Discharge: European Police College',
 - having regard to the report and annex of the European Police College on the application of its Procurement Manual for the period covering 1 July 2010 - 1 July 2011,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0064/2013),
1. Grants the Director of the European Police College discharge in respect of the implementation of the College's budget for the financial year 2011;
 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
Martin SCHULZ

The Secretary-General
Klaus WELLE

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Police College for the financial year 2011**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Police College for the financial year 2011,
- having regard to the Court of Auditors' report on the annual accounts of the European Police College for the financial year 2011, together with the College's replies ⁽¹⁾,
- having regard to the Council's recommendation of 12 February 2013 (05753/2013 – C7-0041/2013),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- 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 ⁽²⁾ ('the Financial Regulation'), and in particular Article 185 thereof,
- having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 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 Council Regulation (EC, Euratom) No 1605/2002, on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
- having regard to Commission Decision C(2011)4680 of 30 June 2011 granting consent to a derogation requested by the European Police College from Regulation (EC, Euratom) No 2343/2002,
- having regard to the report of the European Police College of 12 July 2010 on the Reimbursement of Private Expenditure (10/0257/KA),
- having regard to the external audit commissioned by the European Police College (Contract Ref. No CEPOL/2010/001) on the reimbursement of private expenditure,
- having regard to the final report on the five-year external evaluation of the European Police College (Contract Ref. No CEPOL/CT/2010/002),
- having regard to the Annual Activity Report 2009 of the Directorate-General Justice, Freedom and Security,

⁽¹⁾ OJ C 388, 15.12.2012, p. 23.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 298, 26.10.2012, p. 1.⁽⁴⁾ OJ L 256, 1.10.2005, p. 63.⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

- having regard to the fourth progress report of the European Police College on the implementation of its Multi-annual Action Plan (MAP) for 2010–2014,
 - having regard to the Court of Auditors' report on the implementation of the European Police College MAP for 2010–2014,
 - having regard to the note of the Internal Audit Service (IAS) of 4 July 2011 (Ref. Ares (2011) 722479) on the third progress report on the implementation of the European Police College MAP for 2010–2014,
 - having regard to the report and annexes of the European Police College on the implementation of the European Parliament's resolution on '2009 Discharge: European Police College',
 - having regard to the report and annex of the European Police College on the application of its Procurement Manual for the period covering 1 July 2010–1 July 2011,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0064/2013),
- A. whereas the European Police College ('the College'), which is located in Bramshill, was established by Council Decision No 2000/820/JHA, which was repealed and replaced in 2005 by Council Decision 2005/681/JHA,
- B. whereas the College was set up in 2001 and, with effect from 1 January 2006, was transformed into a Community body within the meaning of Article 185 of the Financial Regulation, thus coming under the provisions of the Framework Financial Regulation for agencies,
- C. whereas the Court of Auditors, in its reports on the College's annual accounts for the financial years 2006, 2007 and 2009, qualified its opinion with regard to the legality and regularity of the underlying transactions on the grounds that the procurement procedures did not comply with the provisions of the Financial Regulation,
- D. whereas the Court of Auditors, in its report on the College's annual accounts for the financial year 2008, emphasised its opinion on the reliability of the accounts, without expressly qualifying it, and qualified its opinion on the legality and regularity of the underlying transactions,
- E. whereas in its decision of 7 October 2010, Parliament refused to grant the Director of the College discharge for implementation of the College's budget for the financial year 2008 ⁽¹⁾,
- F. whereas in its Decision of 10 May 2011, Parliament decided to postpone its decision on granting the Director of the College discharge in respect of the implementation of its budget for 2009 ⁽²⁾ but then granted it in its decision of 25 October 2011 ⁽³⁾,
- G. whereas the Court of Auditors, in its report on the annual accounts of the College for the financial year 2010, stated, for the first time since the College became an agency, that it has obtained reasonable assurances that the annual accounts for the financial year 2008 are reliable and that the underlying transactions are legal and regular,
- H. whereas the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts for the financial year 2011 are reliable and that the underlying transactions are legal and regular,

⁽¹⁾ OJ L 320, 7.12.2010, p. 11.

⁽²⁾ OJ L 250, 27.9.2011, p. 260.

⁽³⁾ OJ L 313, 26.11.2011, p. 17.

- I. whereas on 10 May 2012, Parliament granted the Director of the College discharge for implementation of the College's budget for the financial year 2010 ⁽¹⁾, and in its resolution accompanying the discharge decision, *inter alia*:
- encouraged the College to introduce a clear distinction between the different components of the Union contribution to the College's budget in its final annual accounts;
 - called on the College to take action in order to avoid a repeat of deficiencies which occurred in the preparation of individual budgets;
 - recalled that failure to meet cut-off dates is one of the main factors hindering sound financial management and asked the College to keep the discharge authority informed of the implementation of Decision 34/2010/GB;
 - called on the College to inform the discharge authority of the effective implementation of the Internal Audit Service (IAS) as a 'very important' recommendation on the completion of the internal recording of mission expenses;
 - called on the College to update Parliament on the level of implementation of the new 16 Internal Control Standards (ICS) of the Commission which were adopted by the Governing Board of the College, replacing the former ICS,
- J. whereas by Decision C(2011)4680 of 30 June 2011, the Commission granted a derogation to the College from the provisions of Article 74b of Regulation (EC, Euratom) No 2343/2002,
- K. whereas the budget of the College for 2011 was EUR 8 341 000, compared to EUR 7 800 000 in 2010, which represents an increase of 6,93 %,
- L. whereas the contribution of the Union to the budget of the College for 2011 was EUR 8 341 000,
- M. whereas the balance for the outturn account for the College in 2011 was positive, totalling EUR 1 358 764,32,
1. Believes that common elements between the College and the European Police Office should be explored further, taking into account the results of the study issued by the College in 2011 (Contract Ref. No CEPOL/CT/2010/002); notes that the College is to leave its current premises in Bramshill (UK) in March 2014; requests that the Commission come up with a proposal for the relocation of the College to The Hague (NL), where the European Police Office is located, in order to share facilities and services and benefit from synergies, without jeopardising both agencies' core tasks and autonomy, and present those proposals to Parliament and the Council; emphasises that a swift decision on the relocation of the College would diminish the uncertainty that might pose adverse effects on staff and recruitment procedures;
- Budgetary and financial management**
2. Takes note that the College received its total budget of EUR 8 341 000 for 2011 from Directorate-General Home;
3. Acknowledges from the College's Final Financial Statements that financial management inefficiencies such as the use of payments on incorrect budget lines within chapters or titles took place in 2011; calls on the College to provide the discharge authority, as soon as possible, with further details on the issue, including the amounts and budget lines involved and the measures implemented in order to remedy the situation;

⁽¹⁾ OJ L 286, 17.10.2012, p. 156.

Carryover appropriations

4. Notes from the College's annual activity report (AAR) 2011 that commitment appropriations were committed at a level of almost 100 % for Title I 'staff', while the payment appropriations were consumed to the level of 93,98 %;
5. Establishes from the AAR that commitment appropriations have been committed to the level of 99,93 % for Title II 'administrative expenditure', while the payment appropriations have been consumed up to 88,86 %;
6. Takes note from the AAR that for Title III 'operational expenditure', out of a total budget of EUR 4 063 000, 93,31 % of the appropriations were committed compared to 99,56 % in 2010 and that 55,98 % of payment appropriations were consumed compared to 45,20 % in 2010;
7. Acknowledges from the Court of Auditors' report that appropriations amounting to EUR 1 772 523 (22 %) were carried over to 2012, of which EUR 208 813 relates to Title I, EUR 47 275 relates to Title II and EUR 1 516 435 relates to Title III; calls on the College to inform the discharge authority of the actions taken to address this deficiency as the high level of carryovers indicate shortcomings in budget planning and implementation and it is at odds with the budgetary principle of annuality;
8. Establishes from the Court of Auditors' report that out of the appropriations carried over from 2010 amounting to EUR 2,5 million, EUR 0,7 million (27,5 %) were cancelled in 2011; calls on the College to inform the discharge authority of the actions taken to address this deficiency as the high level of cancellations indicate shortcomings in budget planning and implementation and it is at odds with the budgetary principle of annuality;
9. Notes from the AAR that 96,74 % of the commitment appropriations have been committed; notes, furthermore, that 75,21 % of the payment appropriations have been spent (EUR 6 273 389);

Transfers

10. Takes note from the Court of Auditors' report that in 2011, the College made 38 budgetary transfers amounting to EUR 1,8 million; is of the opinion that budget planning and budget implementation procedures should be further strengthened and calls on the College to inform the discharge authority of the actions taken to address that deficiency as it indicates weaknesses in budget planning and is at odds with the principle of specification;

Procurement procedures

11. Establishes from the AAR that in 2011, efforts towards the improvement of the College's procurement continued and that overall 40 procurement procedures were completed in 2011 and one procurement procedure was on-going as of 31 December 2011;

Internal audit

12. Establishes from the AAR⁽¹⁾ that the College took measures to streamline its internal control by adopting 16 internal control standards and recruiting an internal control officer in August 2011; welcomes the compliance assessment review regarding the degree of implementation of the 16 internal control standards, which was held in the fourth quarter of 2011 and which showed that, overall, the College was in compliance with the requirements of the internal control standards;
13. Acknowledges from the AAR that the Internal Audit Panel started to be functional in 2011; welcomes the three main audits undertaken by the College in 2011: two external audits carried out by the Court of Auditors and one internal audit carried out by the IAS of the Commission;

⁽¹⁾ Annual Activity Report 2011, p. 14.

Recruitment procedures

14. Notes from the Court of Auditors' report that the College needs to improve the transparency of recruitment procedures; urges the College to inform the discharge authority of the actions taken by the College to address that deficiency; acknowledges from the College that the documentation standards and templates for each stage of recruitment procedures were revised in June 2012 to ensure better transparency and clarity in the documentation; considers that some of the provisions of the Staff Regulations may present a considerable administrative burden; encourages, therefore, the Commission to allow for a certain degree of simplification under Article 110 of the Staff Regulations in regard to the agencies;
15. Notes that 10 recruitments were completed in 2011 and that at the end of that year, the College employed 23 of the 26 temporary agents anticipated in the establishment plan following the departure of one member of staff on 15 December 2011, previously there being only two vacant posts; notes, moreover, that the College's total staff of 38 is completed by five seconded national experts;

Performance

16. Commends the College's efforts to improve its performance without a budget increase, and the results it has achieved; congratulates it, moreover, on responding comprehensively to Parliament's requirements and to the current budgetary challenges by radically reducing its governing costs;
17. Commends the College's efforts in streamlining and improving the efficiency of its governance, for example through the implementation of measures to disband committees and the reduction of the number of Governing Board meetings per year which should now focus essentially on policy and decision-making at a strategic and long-term level;
18. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 17 April 2013 ⁽¹⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Texts adopted, P7_TA(2013)0134 (see page 374 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****on the closure of the accounts of the European Police College for the financial year 2011**

(2013/563/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Police College for the financial year 2011,
- having regard to the Court of Auditors' report on the annual accounts of the European Police College for the financial year 2011, together with the College's replies ⁽¹⁾,
- having regard to the Council's recommendation of 12 February 2013 (05753/2013 – C7-0041/2013),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- 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 ⁽²⁾, and in particular Article 185 thereof,
- having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
- having regard to Commission Decision C(2011)4680 of 30 June 2011 granting consent to a derogation requested by the European Police College from Regulation (EC, Euratom) No 2343/2002,
- having regard to the report of the European Police College of 12 July 2010 on the Reimbursement of Private Expenditure (10/0257/KA),
- having regard to the external audit commissioned by the European Police College (Contract Ref. No CEPOL/2010/001) on the reimbursement of private expenditure,
- having regard to the final report on the five-year external evaluation of the European Police College (Contract Ref. No CEPOL/CT/2010/002),
- having regard to the Annual Activity Report 2009 of the Directorate-General Justice, Freedom and Security,
- having regard to the fourth progress report of the European Police College on the implementation of its Multi-annual Action Plan (MAP) for 2010-2014,
- having regard to the Court of Auditors' report on the implementation of the European Police College MAP for 2010-2014,

⁽¹⁾ OJ C 388, 15.12.2012, p. 23.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 298, 26.10.2012, p. 1.⁽⁴⁾ OJ L 256, 1.10.2005, p. 63.⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

- having regard to the note of the Internal Audit Service (IAS) of 4 July 2011 (Ref. Ares (2011) 722479) on the third progress report on the implementation of the European Police College MAP for 2010-2014,
 - having regard to the report and annexes of the European Police College on the implementation of the European Parliament's Resolution on '2009 Discharge: European Police College',
 - having regard to the report and annex of the European Police College on the application of its Procurement Manual for the period covering 1 July 2010 - 1 July 2011,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0064/2013),
1. Approves the closure of the accounts of the European Police College for the financial year 2011;
 2. 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
Martin SCHULZ

The Secretary-General
Klaus WELLE

DECISION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****on discharge in respect of the implementation of the budget of the European Aviation Safety Agency for the financial year 2011**

(2013/564/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Aviation Safety Agency for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the European Aviation Safety Agency for the financial year 2011, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 – C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EC) No 216/2008 of the European Parliament and of the Council ⁽⁴⁾ establishing a European Aviation Safety Agency, 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0075/2013),
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 2011;
 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
Martin SCHULZ

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 388, 15.12.2012, p. 53.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 298, 26.10.2012, 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 17 April 2013****with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Aviation Safety Agency for the financial year 2011**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Aviation Safety Agency for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the European Aviation Safety Agency for the financial year 2011, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 – C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EC) No 216/2008 of the European Parliament and of the Council ⁽⁴⁾ establishing a European Aviation Safety Agency, 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0075/2013),
- A. whereas the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts of the European Aviation Safety Agency ('the Agency') for the financial year 2011 are reliable and that the underlying transactions are legal and regular,
- B. whereas on 10 May 2012, Parliament granted the Executive Director of the Agency discharge for the implementation of the Agency's budget for the financial year 2010 ⁽⁶⁾, and in its resolution accompanying the discharge decision, inter alia:
- called on the Agency to take adequate measures in order to avoid deficiencies that put at risk the transparency of the procurement process as well as the principle of sound financial management,

⁽¹⁾ OJ C 388, 15.12.2012, p. 53.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 298, 26.10.2012, p. 1.⁽⁴⁾ OJ L 79, 19.3.2008, p. 1.⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.⁽⁶⁾ OJ L 286, 17.10.2012, p. 175.

- called on the Commission to ensure that the Agency applies Union rules correctly; stressed the importance of transparency in procurement and staff selection procedures,
 - called on the Agency to take the professional background of its staff members duly into consideration in order to avoid any conflict of interest; was of the opinion that the Agency's conflicts of interest policy should set out to what extent and under which conditions an Agency employee can be involved in the certification of an aircraft on which they worked prior to joining the Agency,
 - called on the Agency to adopt effective processes that duly address potential cases of allegations of conflicts of interest within the Agency; called on the Agency, moreover, to publish on its website the declarations of interest and the professional background of its experts, management staff, Management Board members and of any other persons whose activities are related to the certification process; indicated that the Agency should follow the Organisation for Economic Cooperation and Development (OECD) guidelines in the area of conflicts of interest,
 - called on the Agency to further implement the existing activity-based structure for the operational budget in order to establish a clear link between the work programme and the financial forecasts and to further improve performance monitoring and reporting,
 - called on the Agency to further improve the documentation of inspection planning and inspection programming; reminded the Agency of the importance of documenting risk assessment and the criteria used when establishing its inspection planning in order to justify its internal decision-making process for cases presenting significant deficiencies affecting Union citizens' safety,
 - also called on the Agency to further improve its effectiveness in managing key safety concerns by:
 - monitoring information,
 - reducing the length of the reporting and implementing timeframe,
 - documenting the decision-making process between the Agency and the Commission,
 - adequately mitigating the risks of any potential conflict of interest situation,
- C. whereas the Agency is financed by approximately 75 % in fees, charges and other revenues and approximately 25 % by contribution from the Union budget,
- D. whereas, according to the Court of Auditors, the Agency's budget for the financial year 2011 was EUR 138 700 000, compared to EUR 137 200 000 in 2010, which represents an increase of 1,09 %,
- E. whereas, according to the Court of Auditors, the contribution of the Union to the Agency's budget for 2011 was EUR 34 400 000, compared to EUR 34 197 000 in 2010, which represents an increase of 0,59 %,
1. Stresses the Agency's important contribution to maintaining a high and uniform level of civil aviation safety in Europe;

Budgetary and financial management

2. Takes note from the Court of Auditors' report that the Union contribution to the Agency for 2011 amounted to EUR 34,4 million, compared to EUR 34,2 million in 2010;
3. Notes from the Court of Auditors' report that the total budget of EUR 138 700 000 included:

- EUR 34,4 million, representing the Union subsidy (24,8 %),
 - EUR 75,2 million, representing the Agency's own revenue (54,2 %),
 - EUR 1,7 million, representing a contribution from third countries (1,2 %),
 - EUR 24,7 million, representing assigned revenue from fees and charges (17,8 %),
 - EUR 1,4 million, representing the Agency's other revenue (1 %),
 - EUR 1,2 million, representing other subsidies (1 %);
4. Acknowledges that budget monitoring efforts during the financial year contributed to the high budget implementation rate of 98,80 %;

Commitments and carryovers

5. Establishes from the Agency's 2011 Annual Report that in 2011, the Agency has only used non-differentiated appropriations;
6. Acknowledges from the Court of Auditors' report that the decrease in the country coefficient for Germany in June 2010 caused a significant surplus in the Agency's Title I 'Staff Expenditure' appropriations for 2011 and that about EUR 3 million (7 % of the appropriations) were transferred from Title I to various budget lines in Title III 'Operational Expenditure', despite their low implementation rate in terms of payments; notes, moreover, that this significant cross title transfer, which changed the structure of the budget considerably, was not put to the Agency's Management Board for approval; calls on the Agency to inform the discharge authority of the actions taken as this situation is at odds with the budgetary principle of specification;
7. Takes note that the transfer increased Title III appropriations to EUR 13,7 million and that at the end of 2011, EUR 7,8 million was carried over to 2012, and that the amount carried over represents 56,9 % of the increased amount; requires that the Agency informs the discharge authority of the actions taken to reduce the high level of carryovers as this is at odds with the budgetary principle of annuality;
8. Observes from the AAR that the total consumption of commitment appropriations reached EUR 148 450 344,53, of which EUR 121 966 394,59 has been committed and EUR 26 483 949,94 on credit appropriations from assigned revenue were automatically carried over in accordance with Article 10 of the Agency's Financial Regulation; observes that this carry-over represents 17,8 % of the total; calls on the Agency to inform the discharge authority of the actions taken to reduce the high level of carryovers as this is at odds with the budgetary principle of annuality; asks the Commission to come forward, as soon as possible, with a proposal to solve the contradiction between the principle of annuality and the need to finance multiannual certification projects;

Supervisory and control systems

9. Acknowledges from the Court of Auditors' report that the Agency needs to improve the management of fixed assets; calls on the Agency to inform the discharge authority as a matter of urgency of the actions taken to improve the inventory system and the financial management of internal IT projects costs;
10. Notes with concern that at the end of 2011, the Agency held bank balances of EUR 55 million (2010: EUR 49 million) in one bank only; notes the Agency's intention to open bank accounts in at least two banks, as recommended by the Court of Auditors; notes, to this purpose, its plan to launch a negotiated tender at the beginning of 2013; calls on the Agency to inform the discharge authority on the completion of the actions taken to reduce its financial risk;

Conflict of interest and transparency

11. Welcomes the fact that the Court of Auditors carried out an audit aimed at evaluating the policies and procedures for the management of conflict of interest situations for four European Agencies, including the European Aviation Safety Agency, and presented the results of the audit in the Court of Auditors' Special Report No 15/2012;
12. Regrets that according to the findings of the Court of Auditors, at the time of completion of the field work (October 2011), the Agency did not adequately manage conflict of interest situations; regrets, moreover, that the Agency had no policies in place for managing conflicts of interest;
13. Reiterates that the Agency should refrain from assigning a staff member recruited from an aircraft manufacturer to work for the certification of the aircraft he/she used to work on while employed by the manufacturer, given that this could result in a conflict of interest situation; notes that such situation occurred at least in one certification case; points out that the sole principle of collegiality for technical assessments and decision-making process is not by itself avoiding the risks of conflict of interest;
14. Notes that the Agency has taken a number of steps, following the Court of Auditors' audit and publication of the Special Report No 15/2012, and in particular:
 - on 1 August 2012, the Agency adopted a revised 'Code of Conduct for staff of EASA', including a policy on gifts and hospitality together with a policy on the prevention and mitigation of conflicts of interest, covering the recommendations of the Court of Auditors and in line with the guidelines of the OECD; notes that the Conflict of Interest policy requires all managers, members of the Executive Committee and staff members having sensitive positions and external experts involved in the Agency's core activities to complete a Declaration of Interest; requests that in addition to the Declarations of Interest of the staff, those of the managers and of the external experts are also made public on EASA's website;
 - on 1 August 2012, the Agency created an Ethical Committee to ensure independent, impartial and objective assessment of declarations of interests of Agency staff, to provide support to managers in the assessment of the completed declaration of interest form and to deal with any related matter brought before the Ethical Committee; the Ethical Committee is now fully operational upon having adopted its rules of procedure, including detailed criteria for the evaluation and assessment of the Declarations of Interests of staff of the Agency; notes that the members of the Management Board are not willing to sign a declaration of interest; calls for action to be taken on this issue and urges the Chair of the Management Board to inform the discharge authority on this situation;
 - at present (January 2013), the Agency is implementing the Conflict of Interests policy, including mandatory training provided by an external consultant for all Agency staff members, as well as regular induction training for newly arrived Agency staff,
 - on 1 August 2012, a similar code of conduct was released for the Board of Appeal and training will be provided by an external consultant to the Members of the Board of Appeal before the end of February 2013;
 - in June 2012, the Agency released a proposal for a code of conduct for its Management Board; subsequently the Commission took the lead, with the support of the Agency, on that code of conduct to be adopted by the Management Board;

Requires the Agency to continue to act on the recommendations of the Court of Auditors in order to avoid any conflict of interests among its various governing and operational structures and to report to the discharge authority on the implementation of the abovementioned policies and procedures, as well as on any further developments as regards the management of conflicts of interest;

15. Calls on the Agency to introduce in its annual activity reports a special section describing the actions taken to prevent and manage conflict of interest, which shall include inter alia:
- the number of conflict-of-interest cases verified,
 - the number of revolving door cases,
 - the measures taken in each category of cases,
 - the number of breach of trust procedures launched and their outcomes;
 - the sanctions applied;
16. Acknowledges that the curriculum vitae of the Agency's Executive Director and four other Directors are now available on its website, together with their respective declarations of interest; notes the Agency's efforts for greater transparency but remains of the opinion that those provisions should also apply to any expert/staff member involved in the certification process of aircrafts as expressed during the 2010 discharge procedure; calls on the Agency to inform the discharge authority of the progress made on this matter as soon as possible;
17. Regrets that neither the curriculum vitae (including at least the professional background) nor the declaration of interest of the Management Board Members and Observers are publicly available on the website of the Agency as requested during the previous discharge procedure; urges the Agency and its Management Board to take immediate measures to remediate this issue;

Internal audit

18. Acknowledges from the Annual Report on Internal Audit for 2011 that in 2011, the Internal Audit Service (IAS) performed an assessment of the progress made by the Agency in implementing their recommendations resulting from their 2006 audit on the implementation of the Commission's internal control standards, the subsequent follow-up in 2007, the 2008 audit of Revenues and Direct Costs and the 2009 audit of Human Resources Management; notes, moreover, that the IAS confirmed that 16 of the 18 recommendations have been adequately and effectively implemented; calls on the Agency to keep the discharge authority informed on the actions undertaken to complete the two remaining recommendations;

Recruitment procedures

19. Notes from the AAR that in 2011, the Agency concluded 85 new contracts of employment and that at year-end it employed a total of 642 staff members;
20. Acknowledges from the Court of Auditors' report the Agency's further need to improve the transparency of staff selection procedures; calls on the Agency to inform the discharge authority of actions taken to improve the recruitment procedures;
21. Reminds the Agency of the importance to ensure adequate training and qualification criteria for inspection teams and team leaders; calls on the Agency to continue to make efforts in this respect;
22. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 17 April 2013 ⁽¹⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Texts adopted, P7_TA(2013)0134 (see page 374 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****on the closure of the accounts of the European Aviation Safety Agency for the financial year 2011**

(2013/565/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Aviation Safety Agency for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the European Aviation Safety Agency for the financial year 2011, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 – C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EC) No 216/2008 of the European Parliament and of the Council ⁽⁴⁾ establishing a European Aviation Safety Agency, 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0075/2013),
1. Approves the closure of the accounts of the European Aviation Safety Agency for the financial year 2011;
 2. 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
Martin SCHULZ

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 388, 15.12.2012, p. 53.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 298, 26.10.2012, 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 17 April 2013****on discharge in respect of the implementation of the budget of the European Banking Authority for the financial year 2011**

(2013/566/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Banking Authority for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the European Banking Authority for the financial year 2011, together with the Authority's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 – C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC ⁽⁴⁾, and in particular Article 64 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Economic and Monetary Affairs (A7-0113/2013),
1. Grants the Executive Director of the European Banking Authority discharge in respect of the implementation of the Authority's budget for the financial year 2011;
 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 Banking 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
Martin SCHULZ

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 388, 15.12.2012, p. 60.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 331, 15.12.2010, p. 12.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Banking Authority for the financial year 2011**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Banking Authority for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the European Banking Authority for the financial year 2011, together with the Authority's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 – C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC ⁽⁴⁾, and in particular Article 64 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Economic and Monetary Affairs (A7-0113/2013),
- A. whereas the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts of the European Banking Authority ('the Authority') for the financial year 2011 are reliable and that the underlying transactions are legal and regular,
- B. whereas the Authority, a newly created Agency which is located in London, was established by Regulation (EU) No 1093/2010 and officially started its operations on 1 January 2011 as an independent authority,

⁽¹⁾ OJ C 388, 15.12.2012, p. 60.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 298, 26.10.2012, p. 1.⁽⁴⁾ OJ L 331, 15.12.2010, p. 12.⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

- C. whereas the Authority should be considered in the context of its legal transition from its predecessor, the Committee of European Banking Supervisors (CEBS), and as a result, apart from its new mandate, it has taken over all existing and ongoing tasks and responsibilities from the CEBS,
- D. whereas the Authority is an integral part of the European System of Financial Supervisors and works in close cooperation with its sister authorities, the European Insurance and Occupational Pensions Authority and the European Securities and Markets Authority, within a Joint Committee, and with the European Systemic Risks Board,
- E. whereas the Authority's overall budget for 2011 was EUR 12 685 000,
- F. whereas in accordance with its Founding Regulation ⁽¹⁾, 60 % of the 2011 budget was financed by contributions from the Member States and the European Free Trade Association (EFTA) countries and 40 % was financed by the Union budget,
- G. whereas at the end of 2011, the Authority recorded a positive budget outturn of EUR 3 579 861 ⁽²⁾, which was then recorded in the accounts as a liability towards the Commission,

Budgetary and financial management

1. Takes note from the annual accounts ⁽³⁾ that the initial Union contribution to the Authority's budget for 2011 was EUR 5 073 000; notes that this was the first year of the Authority's activities;
2. Acknowledges from the annual accounts that the Authority's overall budget for 2011 amounted to EUR 12 865 000 (including a contribution of EUR 7 413 000 from national supervisory authorities and a contribution of EUR 199 000 from observers);
3. Calls on the Commission to evaluate the possibility of coming up with a proposal ensuring that the budgets of the three European Supervisory Authorities (ESAs) are fully funded by the Union budget;
4. Notes with concern that the provisions of the Financial Regulation are not fully adapted to the Authority's financing scheme as 60 % of its budget is financed by contributions from Member States and EFTA countries; believes that that issue should be addressed, at the latest, in the course of the next revision of the Financial Regulation as regards agencies, and calls on the Commission evaluate this situation and to report on this issue to the discharge authority;
5. Notes from the annual accounts that in 2011, the major focus of the Authority was its establishment and further extension;
6. Stresses the importance of adequately matching the allocated budget and available posts on one hand and the tasks entrusted to the Authority on the other hand, as a mismatch may result in unbalanced staffing as regards the recruitment of the Authority's staff on one hand and the involvement of national experts on the other; expresses concern about the fact that the Commission has altered the establishment plan, as proposed by the Authority without clearly indicating this; urges the Commission to be fully transparent on this and other issues;
7. Notes the concerns that were raised in the preliminary conclusions of the IMF financial sector assessment of December 2012 on the Union in which it is recommended to increase the resources and powers of the ESAs in order to enable them to successfully fulfil their mandates, while enhancing their operational independence;

⁽¹⁾ OJ L 331, 15.12.2010, p. 12, Article 62(1).

⁽²⁾ Annual accounts 2011, p. 19.

⁽³⁾ Annual accounts 2011, p. 18.

8. Acknowledges from the annual accounts that in its inauguration meeting on 12 January 2011, the Authority's Management Board adopted and approved the principal financial rules and the Authority's Financial Regulation in order to enable it to execute its powers as a European authority;
9. Notes that the two rented offices, with a total area of 1 089 m², incurred expenditure of EUR 1 016 512,64 and calls on the Authority to ensure that office rentals and expenditure do not exceed normal local market prices and also to seek to reduce costs year on year as market conditions improve;

Accounting system

10. Takes note from the annual accounts ⁽¹⁾ that the standard and general budget structure adopted by the Authority at the beginning of 2011 needed to be adapted according to its needs (as the budget was prepared before the first year of the activity, there was no previous experience available);
11. Observes from the annual accounts that on 10 June 2011, the Authority introduced accrual based accounting (ABAC), the accounting system used by the Commission for budgetary accounting; notes, furthermore, that during the transition period from 1 January to 10 June 2011, the Authority used an Excel-based tool for its budgetary accounting and at the time of transition, a report with commitments and payments loaded in ABAC was drawn up;
12. Takes note of the fact that payments made prior to the implementation of ABAC are only reflected in the transition system and not reflected in ABAC; notes that each time a report on budgetary consumption and execution is tracked from ABAC, a manual aggregation is made in an Excel spreadsheet to fully reflect the initial budget and the consumption of commitments and payments for the entire financial year;
13. Acknowledges from the annual accounts that from 2012 onwards, all financial transactions are fully represented in ABAC;
14. Observes from the annual accounts that for general accounting, the Authority implemented SAP on 10 June 2011, a system directly linked to ABAC which is the system used by the Commission; notes, furthermore, that until this date, the Authority used SAGE ⁽²⁾, the system established by CEBS, for financial accounting, and that as of 10 June 2011 a transition balance was established;
15. Notes that on 28 August 2011, the Authority established the asset registration system of the Commission (ABAC Assets) in order physically to track the individual items of the fixed assets (ABAC Assets is integrated in the Authority's accounting system); notes, furthermore, that no system existed for that purpose in CEBS;
16. Observes from the annual accounts ⁽³⁾ that during the months of August and September 2011, the Authority proceeded with a physical inventory of the fixed assets received from CEBS and concluded that no significant variances have been identified;
17. Welcomes the validation of the Authority's accounting system carried out by the external auditor, Deloitte Consulting ⁽⁴⁾; notes that the review of the Authority's accounting system took place in November 2012;
18. Observes from Deloitte's report that 'on the basis of the compliance validation procedures performed, Deloitte overall conclusion is that EBA accounting system is compliant with the criteria specified by the European Commission (DG Budget). A number of internal controls are already in place and are adequately executed by the EBA responsible for the accounting process, and for granting access to the key involved IT infrastructure elements, in line with good practices';

⁽¹⁾ Annual accounts 2011, p. 31.

⁽²⁾ SAGE is a tailor-made accounting system for small and medium-sized business companies, organisations and institutions.

⁽³⁾ Annual accounts 2011, p. 26.

⁽⁴⁾ European Banking Authority (EBA), Validation of accounting systems, 7.12.2012, Deloitte.

Commitments

19. Observes from the annual accounts that the Authority registered a budget execution ratio of 71 % for commitments and of 59 % for payments at the end of 2011;
20. Notes that the commitment execution rate for Title I (Staff expenditure) is 91 % and is in line with the number of positions filled on 31 December 2011 (41 out of 46 foreseen in the establishment plan); also notes that the lower rate in terms of payments (83 %) is mainly due to late invoicing of the seconded staff by national supervisory authorities; calls on the Authority to inform the discharge authority of the actions taken to address this deficiency;
21. Observes from the annual accounts that the lower level of execution in Title III (Operational expenditure) relates mainly to the information technology (IT) area, which is explained by both a longer than expected recruitment of the necessary IT staff and length in the procurement procedure; calls on the Authority to inform the discharge authority of the actions taken to improve the level of execution in Title III;
22. Observes from the Authority's Annual Report ⁽¹⁾ that in 2011, it used only non-differentiated appropriations; also notes that commitments amounted to EUR 9 054 030 or 71 % of the 2011 budget, of which EUR 7 436 217 has been paid and EUR 1 617 813 was automatically carried over, as per Article 10 of the Authority's Financial Regulation;
23. Notes with concern the observation by the Court of Auditors that the commitments rates were low, especially for Title II (Administrative expenditure) (57 %) and Title III (Operational expenditure) (46 %), which impacted on the Authority's IT objectives, which were not entirely achieved; calls on the Authority to inform the discharge authority of the measures taken to improve these rates, as the low execution rates shows difficulties in budget planning and implementation;
24. Notes that the Court of Auditors pointed out weaknesses as regards three legal commitments made in advance of budget commitments (EUR 742 000); calls on the Authority to inform the discharge authority of the actions it has taken to address this deficiency;

Procurement procedures

25. Notes that according to the Authority's Annual Report ⁽²⁾, in 2011, a number of procurement procedures for goods and services were initiated; notes, furthermore, that the Authority has made use of existing Commission framework contracts, especially in the IT area where it deployed a number of internal IT systems, such as e-mail and intranet, as well as an IT platform for collecting and analysing data from national supervisory authorities;
26. Acknowledges that the Authority has made significant progress in updating its procurement procedures so as to comply with Union procurement rules; notes that the backlog of outstanding procurement procedures was substantially reduced and that according to the Authority, the remaining backlog/areas of non-compliance will be corrected in 2013; calls on the Authority to follow up this issue and to report to the discharge authority on the progress achieved;
27. Acknowledges that some exceptions to the procurement rules were granted; notes, however, that the number was much lower in 2012 than in 2011 and that most areas of significant non-compliance have been corrected; calls on the Authority to inform the discharge authority of any further actions taken to address this deficiency;

⁽¹⁾ Annual Report 2011, p. 41.

⁽²⁾ Annual Report 2011, p. 36.

Recruitment procedures

28. Takes note from the Court of Auditors that the Authority needs to improve the transparency of recruitment procedures; urges the Authority to inform the discharge authority of the actions it has taken to address this deficiency; considers that some of the provisions of the Staff Regulations may present a considerable administrative burden; therefore encourages the Commission to allow for a certain degree of simplification under Article 110 of the Staff Regulations in regard to the agencies;
 29. Observes from the Authority's Annual Report ⁽¹⁾ that 2011 was a crucial year for the Authority in setting up and extending the human resources team in order to adequately source its new functions and tasks; also notes that 33 recruitment procedures have been conducted in total, and that the Authority's staff increased from 31 to 52 between 1 January and 31 December 2011 and is comprised of 19 nationalities;
 30. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its Resolution of 17 April 2013 ⁽²⁾ on the performance, financial management and control of the agencies.
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⁽¹⁾ Annual Report 2011, p. 36.

⁽²⁾ Texts adopted, P7_TA(2013)0134 (see page 374 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT
of 17 April 2013
on the closure of the accounts of the European Banking Authority for the financial year 2011
(2013/567/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Banking Authority for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the European Banking Authority for the financial year 2011, together with the Authority's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 – C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC ⁽⁴⁾, and in particular Article 64 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Economic and Monetary Affairs (A7-0113/2013),
1. Approves the closure of the accounts of the European Banking Authority for the financial year 2011;
 2. Instructs its President to forward this Decision to the Executive Director of the European Banking 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
Martin SCHULZ

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 388, 15.12.2012, p. 60.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 331, 15.12.2010, p. 12.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

DECISION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****on discharge in respect of the implementation of the budget of the European Centre for Disease Prevention and Control for the financial year 2011**

(2013/568/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Centre for Disease Prevention and Control for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the European Centre for Disease Prevention and Control for the financial year 2011, together with the Centre's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 – C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EC) No 851/2004 of the European Parliament and of the Council of 21 April 2004 establishing a European Centre for Disease Prevention and Control ⁽⁴⁾, and in particular Article 23 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0082/2013),
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 2011;
 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

Martin SCHULZ

The Secretary-General

Klaus WELLE

⁽¹⁾ OJ C 388, 15.12.2012, p. 66.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 298, 26.10.2012, 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 17 April 2013****with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget for the European Centre for Disease Prevention and Control for the financial year 2011**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Centre for Disease Prevention and Control for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the European Centre for Disease Prevention and Control for the financial year 2011, together with the Centre's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 – C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾ (the 'Financial Regulation'), and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EC) No 851/2004 of the European Parliament and of the Council of 21 April 2004 establishing a European Centre for Disease Prevention and Control ⁽⁴⁾, and in particular Article 23 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0082/2013),
- A. whereas the European Centre for Disease Prevention and Control ('the Centre'), which is located in Stockholm, was established by Regulation (EC) No 851/2004,
- B. whereas on 10 May 2012, Parliament granted the Director of the Centre discharge for implementation of the Centre's budget for the financial year 2010 ⁽⁶⁾, and in its resolution accompanying the discharge, *inter alia*:
- urged the Centre to put in place sufficient measures to guarantee the transparency of its recruitment procedures,

⁽¹⁾ OJ C 388, 15.12.2012, p. 66.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 298, 26.10.2012, p. 1.⁽⁴⁾ OJ L 142, 30.4.2004, p. 1.⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.⁽⁶⁾ OJ L 286, 17.10.2012, p. 184.

- was concerned that the high level of carryforward, matched by a low level of accrued expenditure, was excessive and at odds with the principle of annuality,
 - considered the Centre as an important Union body to strengthen and develop European disease surveillance, to assess and communicate current and emerging threats to human health posed by infectious diseases and to pool Europe's health knowledge,
- C. whereas the Court of Auditors, in its report on the Centre's annual accounts for the financial year 2011, qualified its opinion with regard to irregularities in the management of one framework contract concluded in 2009 due to the fact that the Centre subsequently amended the contract, which led to payments above the set ceiling which were considered irregular and their amount exceeded the materiality threshold,
- D. whereas the Centre's budget for the year 2011 was EUR 56 656 000, compared to EUR 57 800 000 in 2010, which represents a decrease of 2 %,
- E. whereas the contribution of the Union to the Centre's budget for 2011 was EUR 55 400 000,

Budgetary and financial management

1. Notes that 2011 was the first year that the Centre received a qualified opinion from the Court of Auditors;
2. Notes with concern the Court of Auditors' remarks, in particular 'the Centre concluded a framework contract (FWC) in 2009 for a maximum amount of EUR 9 million, allowing it to sign specific contracts with selected suppliers up to this amount. [...] Subsequent amendments increased these contracts' values to EUR 14,9 million. By the end of 2011 payments made totalled EUR 12,2 million, of which EUR 3,2 million in 2011. Commitments and payments above the EUR 9 million ceiling set in the framework contract are irregular';
3. Takes into account that, according to the Centre:
 - the published FWC notice stated a 'minimum of EUR 3 000 000 a year', while the FWCs signed did not state a value of contracts to be awarded, and Article I.1, titled 'Subject' in each signed contract, specified that 'signature of the contract imposes no obligation on the Centre to purchase';
 - delivery of contracted services has been verified and accounts paid in accordance with the procedures laid down in the Financial Regulation, all payments have been legally made for services provided and no funds have been lost;
 - FWCs were awarded following a public procurement procedure compliant with the 'open call' procedure defined in the Financial Regulation and in accordance with the Centre's internal procedure to ensure best value for money, genuine competition and transparency; also takes into account that no parties who may have been disadvantaged by either the procurement procedure or subsequent contracts awarded may be identified;
4. Notes that the Centre consulted the Court of Auditors on further action once it discovered the irregularity and took steps to rectify the situation by centralising all ICT services, as well as taking further steps to prevent possible irregularities in the future;
5. Recalls that the overall budget of the Centre for 2011 was EUR 56 656 000, of which EUR 1 256 000 represented a contribution from the European Free Trade Association countries;
6. Acknowledges, from the 2011 annual accounts that the budget execution at the end of 2011 increased slightly and reached 96 %, compared to 95 % in 2010, in terms of commitment appropriations, equivalent to EUR 54,5 million;

Performance

7. Takes note that the budget execution, in terms of payments, increased by 8 % compared to 2010 and reached 76 % of the total budget compared to 68 % in 2010; acknowledges, nevertheless, that this is already an improvement, compared to 68 % in 2010 but considers that further efforts need to be done by the Centre in this respect;

Accounting system

8. Notes from the annual accounts that 2010 was the first full year that the Centre implemented its budget for the entire year through accrual-based accounting WF (the Commission integrated budgetary and accounting system);

Carry-over appropriations

9. Expresses serious concern that the Court of Auditors' report showed that, as in the previous year, a high level of carry-over was reported for 2011; notes that out of the total budget for 2011, EUR 11 million (20 %) was carried over to 2012, including 38 % of Title III 'operational expenditure' appropriations; calls on the Centre to inform the discharge authority of the actions taken to address this deficiency as this high level of carry-over, coupled with a low level of accrued expenditure (EUR 5,4 million), is at odds with the budgetary principle of annuality;

Grants

10. Takes note from the Court of Auditors' report that one agreement for an amount of EUR 0,2 million was signed in 2011, more than four months after the start of activities; welcomes the Centre's improved contract management procedures;

Procurement

11. Observes from the annual accounts that in 2011, the procurement office supported 60 open procedures, 59 calls for tenders and one call for proposal, as well as 46 reopening procedures (IT Framework Contracts); observes, moreover, that 14 negotiated procedures with a value above EUR 25 000 were concluded, among which one was above EUR 60 000;
12. Acknowledges from the report of the Director to the discharge authority on the measures taken in the light of the discharge authority's observations for the financial year 2010 that of the open procurement procedures, all but 10 were successfully concluded with the award of one or multiple contracts and that of the negotiated procedures, all but five resulted in successful contract awards; calls on the Centre to provide the discharge authority with further results concerning the procurement procedures;

Recruitment procedures

13. Notes from the annual accounts that the total number of temporary agents in place at the Centre as of 31 December 2011 was 177, out of 200 posts provided for in the Establishment Table 2011; considers that some of the provisions of the Staff Regulations may present a considerable administrative burden; encourages, therefore, the Commission to allow for a certain degree of simplification under Article 110 of the Staff Regulation in regard to the agencies;
14. Welcomes the Centre's introduction of the revised internal procedure on recruitment in January 2012;
15. Considers it important that the Centre has revised its internal procedures on recruitment and staff selection procedures which had been noticed by the Court of Auditors as improvable; encourages the strict application of the new set of rules and will further monitor the implementation;
16. Asks the Centre for additional information on the vacancy rate;

Internal audit

17. Observes that a review of the implementation of the Internal Control System was performed as part of the work for the Annual Report 2011; acknowledges, in particular, that one of the standards regarding evaluation of activities has not been implemented, and three others have only been partly implemented, while the rest are mainly or fully implemented; calls on the Centre to take prompt action in this respect and inform the discharge authority on the progresses made;
 18. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 17 April 2013 ⁽¹⁾ on the performance, financial management and control of the agencies.
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⁽¹⁾ Texts adopted, P7_TA(2013)0134 (See page 374 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****on the closure of the accounts of the European Centre for Disease Prevention and Control for the financial year 2011**

(2013/569/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Centre for Disease Prevention and Control for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the European Centre for Disease Prevention and Control for the financial year 2011, together with the Centre's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 – C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EC) No 851/2004 of the European Parliament and of the Council of 21 April 2004 establishing a European Centre for Disease Prevention and Control ⁽⁴⁾, and in particular Article 23 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0082/2013),
1. Approves the closure of the accounts of the European Centre for Disease Prevention and Control for the financial year 2011;
 2. 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

Martin SCHULZ

The Secretary-General

Klaus WELLE

⁽¹⁾ OJ C 388, 15.12.2012, p. 66.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 298, 26.10.2012, 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 17 April 2013****on discharge in respect of the implementation of the budget of the European Chemicals Agency for the financial year 2011**

(2013/570/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Chemicals Agency for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the European Chemicals Agency for the financial year 2011, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 – C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EC) No 1907/2006 of the European Parliament and of the Council ⁽⁴⁾ establishing a European Chemicals Agency, and in particular Article 97 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0097/2013),
1. Grants the Executive Director of the European Chemicals Agency discharge in respect of the implementation of the Agency's budget for the financial year 2011;
 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 Chemicals 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

Martin SCHULZ

The Secretary-General

Klaus WELLE

⁽¹⁾ OJ C 388, 15.12.2012, p. 73.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 298, 26.10.2012, p. 1.⁽⁴⁾ OJ L 396, 30.12.2006, p. 1.⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Chemicals Agency for the financial year 2011**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Chemicals Agency for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the European Chemicals Agency for the financial year 2011, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 – C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EC) No 1907/2006 ⁽⁴⁾ of the European Parliament and of the Council establishing a European Chemicals Agency, and in particular Article 97 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0097/2013),
- A. whereas the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts of the European Chemicals Agency ('the Agency') for the financial year 2011 are reliable and that the underlying transactions are legal and regular,

⁽¹⁾ OJ C 388, 15.12.2012, p. 73.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 396, 30.12.2006, p. 1.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

- B. whereas on 10 May 2012, Parliament granted the Executive Director of the Agency discharge for implementation of the Agency's budget for the financial year 2010 ⁽¹⁾, and in its resolution accompanying the discharge decision, inter alia:
- underlined that as the Agency works with non-dissociated credits in all its Titles, it is unrealistic to expect that all operations budgeted for one calendar year could both be committed and paid up within the same budgetary year, especially for project-type operational expenditure (e.g. IT systems developments),
 - called on the Agency to improve the planning of its human resources activities and projects at the time of establishing its Annual Work Programme,
 - welcomed the establishment by the Agency of a separate registration and submission unit, as well as a contingency task force,
 - called on the Agency to respect a stringent top down/bottom up methodology for reporting and clear guiding principles in order to define the relevant indicators and tools to be used,
- C. whereas according to the Court of Auditors' report, the Agency's overall budget for the financial year 2011 was of EUR 93 200 000 compared to EUR 75 500 000 in 2010, which represents an increase of 23,44 %,
- D. whereas during the financial year 2011, the Agency operated as a self-financed agency and did not receive any reimbursable subsidy from the Commission,

Budgetary and financial management

1. Acknowledges from the Agency's 2011 annual activity report (AAR), that in accordance with Regulation (EC) No 1907/2006, the Agency is financed through fees paid by industry for registrations of chemical substances, and possibly by Union subsidy as referred to in Article 185 of the Financial Regulation;
2. Takes note that in 2011, the Agency was effectively fully financed through fee income and did not receive any Union subsidy; notes, however, that the Agency was supported by the Union with an amount of only EUR 500 000 from the Commission (Directorate-General Environment) as contractual compensation for undertaking certain preparatory activities for the upcoming Regulation (EU) No 528/2012 of the European Parliament and of the Council ⁽²⁾ on biocidal products;
3. Notes that the initial budgetary payment appropriations for 2011, as concluded by the Management Board in December 2010, amounted to EUR 99 800 000;
4. Notes from the AAR that in 2010, the Agency received a balancing subsidy of EUR 36 000 000 registered as a pre-financing liability from the Commission; notes, moreover, that the amount was entirely reimbursed to the Commission in 2011 as the foreseen high level of own fee income of the Agency in 2011 was reached;

⁽¹⁾ OJ L 286, 17.10.2012, p. 192.

⁽²⁾ OJ L 167, 27.6.2012, p. 1.

5. Acknowledges that in 2011, the Management Board adopted two amending budgets, as follows:
 - the first amending budget increased the revenue with the surplus resulting from 2010 by EUR 280 565 807,25; notes that it also entered the amount of EUR 500 000 on earmarked revenue for the service contract established between the Agency and DG Environment for the preparatory work for Regulation (EU) No 528/2012;
 - the second amending budget decreased the budget expenditure by EUR 7 142 500 (7 %);
6. Observes from the AAR that the budget execution rate for 2011 was 96 %;

Commitments and payments

7. Acknowledges from the AAR that the total amount of carry-over of commitment and payment appropriations was of EUR 14 421 314,76, representing 16,2 % of the established commitments; calls on the Agency to inform the discharge authority of the actions taken to address that deficiency as the level of carry-over is excessive and at odds with the budgetary principle of annuality;
8. Takes note from the AAR that the adopted budget for Title I in 2011 (EUR 54 508 000) was increased via transfers from Title III by 4,25 % (EUR 2 316 781,90), out of which EUR 2 005 138,33 was related to expenditure for staffing; notes, moreover, that as a result, the execution rate for Title I reached 99,16 %;
9. Notes that a total amount of EUR 1 758 060,98 was cancelled from the total amount of EUR 12 254 740,59 of commitment and payment appropriations that were carried over from the budget of 2010;
10. Welcomes the Agency's efforts in improving the planning and the monitoring of resources and the fact that it introduced Agency-wide guidelines to foster the principle of annuality; acknowledges, in particular, that the Agency managed to reduce the carry-over rate from 29 % in 2009 to 17 % in 2010 and to 16,2 % in 2011;

Supervisory and control systems

11. Acknowledges from the Court of Auditors' report that the results of the latest physical inventory carried out in 2011 show several shortcomings, notably as regards the low proportion of Information and Communication Technology (ICT) assets checked in terms of value; notes, moreover, that no formal policy on the inventory of fixed assets is in place; calls on the Agency to inform the discharge authority of the actions taken to implement a formal policy on the inventory of fixed assets;
12. Notes that the Agency records costs related to ICT projects that are already in use as expenditure instead of recognising them as fixed assets; notes furthermore that the policy is expected to be formalised and formally approved in the first quarter of 2013; calls on the Agency to inform the discharge authority of the state of play of that policy;

Recruitment procedures

13. Notes that the Court of Auditors identified shortcomings in the recruitment procedures; calls, therefore, on the Agency to inform the discharge authority of the actions taken to address that deficiency; considers that some of the provisions of the Staff Regulations may present a considerable administrative burden; therefore encourages the Commission to allow for a certain degree of simplification under Article 110 of the Staff Regulations in regard to the agencies;

14. Notes from the AAR that the Agency continued to attract highly qualified personnel, with 88 new staff recruited in 2011, which resulted in the completion of 98 % of the Agency's establishment plan;
15. Acknowledges that as of 31 December 2011, the total number of positions occupied by temporary agents positions was 441 out of 456 available posts and 101 contract agents and seconded national experts were employed by the end of 2011; notes that the total number of positions occupied by contract agents was 62 and the total number of other staff was 46 (seconded national experts, interims, trainees);
16. Monitors closely the improved recruitment and selection procedures which have been put into place in the last year; considers the full application of rules and procedures a necessity to ensure the best reputation of the Agency;

Conflict of interest

17. Welcomes the fact that the Court of Auditors carried out an audit aimed at evaluating the policies and procedures for the management of conflict of interest situations for four European agencies, including the Agency, and presented the results of the audit in the Court of Auditors' Special Report No 15/2012;
18. Regrets that according to the findings of the Court of Auditors, at the time of completion of the field work (October 2011), the Agency did not adequately manage situations involving conflicts of interest; notes, moreover, that the Agency's policies for managing conflict of interest were incomplete, declarations of interest were neither screened nor published but sealed and training on conflict of interest was absent;
19. Welcomes the fact that the Agency is to take a number of steps following the Court of Auditors' audit, in particular:
 - an Agency policy for the management of potential conflicts of interest, adopted in September 2011,
 - a new, more detailed template for declarations of interest,
 - a new guidance for filling in declarations of interests, adopted in November 2011,
 - publication of declarations of interest of the Agency's managers on its website since January 2012,
 - conflicts of interest advisory committee established in June 2012, with a constituent meeting in August 2012,
 - a code of conduct for the Management Board members, adopted in March 2012,
 - provisional eligibility criteria for the bodies of the Agency, adopted in September 2012,
 - implementing rules on prevention of conflicts of interest and on processing information on potential conflicts of interest of the Agency staff, adopted in June 2012 and October 2012 respectively,
 - guidance for managers on the prevention of conflicts of interest, including concrete assessment criteria, adopted in November 2012,

— revised guidelines on gifts and hospitality for staff, adopted in December 2012;

urges the Agency to continue to act on the recommendations made by the Court of Auditors in order to avoid any conflict of interests among its various governing and operational structures and to report to the discharge authority on the implementation of the abovementioned policies and procedures, as well as on any further developments as regards management of conflict of interest;

20. Calls on the Agency to introduce in its annual activity reports a special section describing the actions taken to prevent and manage conflicts of interest, which shall include, inter alia:

— the number of conflicts of interest cases verified,

— the number of revolving door cases,

— the measures taken in each category of cases,

— the number of breach of trust procedures launched and their outcomes,

— the sanctions applied;

21. Points out that all Management Board members' declarations of interest are available on the Agency's website, yet not all curriculum vitae of the Management Board members are available; calls on the Agency to inform the discharge authority of the progress made on this matter as soon as possible;

22. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its Resolution of 17 April 2013 ⁽¹⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Texts adopted, P7_TA(2013)0134 (See page 374 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****on the closure of the accounts of the European Chemicals Agency for the financial year 2011**

(2013/571/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Chemicals Agency for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the European Chemicals Agency for the financial year 2011, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 – C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EC) No 1907/2006 of the European Parliament and of the Council ⁽⁴⁾ establishing a European Chemicals Agency, and in particular Article 97 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0097/2013),
1. Approves the closure of the accounts of the European Chemicals Agency for the financial year 2011;
 2. Instructs its President to forward this Decision to the Executive Director of the European Chemicals 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
Martin SCHULZ

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 388, 15.12.2012, p. 73.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 396, 30.12.2006, p. 1.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

DECISION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****on discharge in respect of the implementation of the budget of the European Environment Agency for the financial year 2011**

(2013/572/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Environment Agency for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the European Environment Agency for the financial year 2011, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 – C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EC) No 401/2009 of the European Parliament and of the Council of 23 April 2009 on the European Environment Agency and the European Environment Information and Observation Network ⁽⁴⁾, and in particular Article 13 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0070/2013),
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 2011;
 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

Martin SCHULZ

The Secretary-General

Klaus WELLE

⁽¹⁾ OJ C 388, 15.12.2012, p. 80.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 298, 26.10.2012, p. 1.⁽⁴⁾ OJ L 126, 21.5.2009, p. 13.⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Environment Agency for the financial year 2011**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Environment Agency for the financial year 2011,
- having regard to the Court of Auditors' report on the annual accounts of the European Environment Agency for the financial year 2011, together with the Agency's replies ⁽¹⁾,
- having regard to the Council's recommendation of 12 February 2013 (05753/2013 – C7-0041/2013),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- 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 ⁽²⁾, and in particular Article 185 thereof,
- having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
- having regard to Regulation (EC) No 401/2009 of the European Parliament and of the Council of 23 April 2009 on the European Environment Agency and the European Environment Information and Observation Network ⁽⁴⁾, and in particular Article 13 thereof,
- having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
- having regard to Rule 77 of, and Annex VI 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 (A7-0070/2013),

A. whereas the Court of Auditors has stated that it has obtained reasonable assurances that the annual accounts of the European Environment Agency ('the Agency') for the financial year 2011 are reliable and that the underlying transactions are legal and regular,

B. whereas the budget of the Agency for the financial year 2011 was EUR 62,2 million,

C. whereas the European Anti-Fraud Office (OLAF) opened an internal investigation concerning the Agency,

Budgetary and financial management

1. Takes note from the final annual accounts that the Commission's subsidy to the Agency for 2011 amounted to EUR 35 445 155,69, compared to EUR 34 674 450,58 in 2010, and that the total

⁽¹⁾ OJ C 388, 15.12.2012, p. 80.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 126, 21.5.2009, p. 13.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

revenue was EUR 44 447 489,45 (EUR 45 550 051,50 in 2010); is satisfied that 132 of 134 available posts had been occupied and notes that 82 contract agents and seconded national experts were employed by the end of 2011;

2. Notes from the Court of Auditors' report that the Agency made a payment to an international environmental organisation amounting to EUR 6 061 which was related to the participation of Agency staff in expeditions organised by that organisation in February and May 2011; notes that no procurement procedure had taken place and no contract had been drawn up for those expeditions; notes that the Agency bore the travel costs, amounting to EUR 11 625; notes the Court of Auditors' findings that the Agency's Executive Director was a member of the international environmental organisation's board of trustees until April 2011 and that this could constitute a conflict of interest;
3. Acknowledges that the Executive Director resigned from the board of trustees of the other organisation on being informed, in April 2011, of a potential perception of a conflict of interests by the Court of Auditors;

Public procurement

4. Received for further clarification on the Agency's contractual relationships with Ace&Ace, a Danish video production company situated in Copenhagen; notes that in 2011, the Agency awarded Ace&Ace a video-production contract (EEA/COM/10/001 – lot 5) with a budget ceiling up to EUR 1 000 000 following an open tendering procedure; emphasises that the awarding criteria differed greatly from those used for the previous tender on video-production (EEA/CCA/07/001 – lot 1) and included narrowed criteria such as 'access to editing services in the EEA vicinity'; acknowledges the Executive Director's statement ⁽⁶⁾ that 16 companies located in the Agency's vicinity applied to this tender procedure and that 15 fitted all criteria; received from the Agency a list of all applicants, including names and addresses, to the call for tender EEA/COM/10/001;
5. Notes that following an open call for tenders, a framework contract was awarded in 2007 to N1 Creative, a London-based company which subcontracted some services to Ace&Ace; points out that already between 2007 and 2008, two service contracts were concluded between the Agency and Ace&Ace for a total value of EUR 101 000, without passing through a public procurement procedure, but in line with the implementing rules of the Financial Regulation (exclusive rights); takes note of the details on the number and type of projects performed under this contract by N1 Creative on the one hand and by Ace&Ace on the other hand as received by the discharge authority;
6. Has been informed by the Agency's Executive Director ⁽⁷⁾ that OLAF is currently investigating these video-production contracts;

Transparency

7. Notes the Court of Auditors' observation that the Agency had improved the transparency of recruitment procedures over the years; notes, however, that the Court of Auditors' report still found confusion between eligibility and selection criteria as regards the relevant years of professional experience required; notes, furthermore, that there was no evidence that the content of, and the thresholds for, written tests were determined before applications were examined;
8. Notes that the Agency had initiated the process to implement the Court of Auditors' recommendations;

Performance

9. Emphasises that the Commission must exercise its supervisory role though its participation in the Management Board and Bureau of the Agency, within the limits set by Regulation (EC) No 401/2009 and with due respect to the Agency's legal autonomy; emphasises that Parliament is to be kept regularly informed;

⁽⁶⁾ See replies of the Executive Director of the European Environment Agency at the hearing on the 2011 discharge of the EU decentralised agencies organised by the Committee on Budgetary Control on 24 January 2013.

⁽⁷⁾ Ibid.

10. Welcomes the fact that the Agency staff and management activities, quality control processes, products and services, administrative and building services are brought together under the strategic area in the 'EEA Strategy 2009-2013';

Conflicts of interest

11. Acknowledges that the Management Board and the Agency's administration have strengthened the Agency's conflicts of interest policy in order to avoid any problems in the future; notes the introduction of an *ex ante* approval by the Management Board for the Executive Director's acceptance of membership on external boards and advisory bodies;
12. Notes the introduction of a form to be signed by consultants and contractors on their rights and obligations, whereby they acknowledge that they refrain from any behaviour or action that may impair their independence or reflect adversely upon their position, their work or the image of the Union;
13. Welcomes the new procedures, as approved by the Agency's Management Board at its 65th meeting on 12 December 2012, and in particular:
- training on the prevention of conflicts of interest in the induction programme for new staff,
 - a requirement for signature of the form A1 'Obligations of European Environment Agency officials and other servants under the Staff Regulations and Conditions of Employment' and acknowledgment of receipt of a copy of the Staff Regulations and Conditions of Employment of Other Servants of the European Union,
 - training on ethics and integrity regarding staff obligations and duties and a procedure for reporting improprieties (a 'whistleblower' mechanism),
 - receipt by staff members of a copy of the European Code of Good Administrative Behaviour and a copy of the Decision of the Management Board of 22 June 2004 for the implementation of that Code in the Agency,
- acknowledges the information received from the Agency on the implementation of the abovementioned procedures, as well as on any further developments as regards the management of conflicts of interest;
14. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its Resolution of 17 April 2013 ⁽⁸⁾ on the performance, financial management and control of the agencies.

⁽⁸⁾ Texts adopted, P7_TA(2013)0134 (see page 374 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****on the closure of the accounts of the European Environment Agency for the financial year 2011**

(2013/573/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Environment Agency for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the European Environment Agency for the financial year 2011, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 – C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EC) No 401/2009 of the European Parliament and of the Council of 23 April 2009 on the European Environment Agency and the European Environment Information and Observation Network ⁽⁴⁾, and in particular Article 13 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0070/2013),
1. Approves the closure of the accounts of the European Environment Agency for the financial year 2011;
 2. 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

Martin SCHULZ

The Secretary-General

Klaus WELLE

⁽¹⁾ OJ C 388, 15.12.2012, p. 80.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 298, 26.10.2012, p. 1.⁽⁴⁾ OJ L 126, 21.5.2009, p. 13.⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

DECISION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****on discharge in respect of the implementation of the budget of the Community European Fisheries Control Agency for the financial year 2011**

(2013/574/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Community Fisheries Control Agency for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the European Fisheries Control Agency for the financial year 2011, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 – C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Council Regulation (EC) No 768/2005 of 26 April 2005 establishing a Community Fisheries Control Agency and amending Regulation (EEC) No 2847/93 establishing a control system applicable to the common fisheries policy ⁽⁴⁾, and in particular Article 36 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Fisheries (A7-0109/2013),
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 2011;
 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 Fisheries Control Agency (previously referred to as 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
Martin SCHULZ

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 388, 15.12.2012, p. 86.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 298, 26.10.2012, 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 17 April 2013****with the observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the Community Fisheries Control Agency for the financial year 2011**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Community Fisheries Control Agency for the financial year 2011,
- having regard to the Court of Auditors' report on the annual accounts of the European Fisheries Control Agency for the financial year 2011, together with the Agency's replies ⁽¹⁾,
- having regard to the Council's recommendation of 12 February 2013 (05753/2013 – C7-0041/2013),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- 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 ⁽²⁾, and in particular Article 185 thereof,
- having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
- having regard to Council Regulation (EC) No 768/2005 of 26 April 2005 establishing a Community Fisheries Control Agency and amending Regulation (EEC) No 2847/93 establishing a control system applicable to the common fisheries policy ⁽⁴⁾, and in particular Article 36 thereof,
- having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
- having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
- having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Fisheries (A7-0109/2013),
- A. whereas the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts of the Community Fisheries Control Agency ('the Agency') for the financial year 2011 are reliable and that the underlying transactions are legal and regular,
- B. whereas on 10 May 2012, Parliament granted the Executive Director of the Agency discharge for the implementation of its budget for the financial year 2010 ⁽⁶⁾, and in its resolution accompanying the discharge decision, *inter alia*:

⁽¹⁾ OJ C 388, 15.12.2012, p. 86.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 298, 26.10.2012, p. 1.⁽⁴⁾ OJ L 128, 21.5.2005, p. 1.⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.⁽⁶⁾ OJ L 286, 17.10.2012, p. 169.

- urged the Agency to improve its Annual Work Programme by including specific measurable objectives, both at policy area level and at operational level, establishing SMART indicators,
 - urged the Executive Director to fully fulfil his obligations to include in his report to the discharge authority summarising the Internal Audit Service (IAS) report, all the recommendations made and all actions taken as a result of those recommendations,
 - called on the Agency to review its Internal Control System (ICS), to underpin its Executive Director's annual declaration of assurance and to review all its procedures, both administrative and operational, with subsequent documentation of the work flow and key control,
- C. whereas the Agency's overall budget for 2011 was EUR 12 850 000, compared with EUR 11 013 000 in 2010, which represents an increase of 16,7 %,
- D. whereas the initial contribution of the Union to the Agency's budget for 2011 was EUR 11 850 000 ⁽¹⁾, which represents an increase of 40,90 % compared with its initial contribution in 2010 (EUR 8 410 000),

Budgetary and financial management

1. Recalls that the total contribution of the Union to the Agency's budget for 2011 amounted to EUR 12 850 000;
2. Notes from its annual accounts for the financial year 2011 that the Agency committed 99 % of the contributions granted and paid out 89 % of the available payment appropriations (excluding expenditure from other sources of revenue); welcomes the fact that in its Annual Activity Report for 2011 (AAR) ⁽²⁾, the Agency provided the discharge authority with data showing its overall budget execution rate in terms of commitments and payments; recalls that in 2010, the Agency committed 98,3 % of the subsidy granted and paid 85,6 % of available payment appropriations;

Carry-over appropriations

3. Notes from the annual accounts that EUR 1 160 170 of the commitment appropriations contracted by the end of 2011 but not yet paid were carried forward to 2012; notes, furthermore, that the cancellation of unused payment appropriations carried over ⁽³⁾ from the previous year represents EUR 151 710;
4. Acknowledges from the AAR that for the financial year 2011, the Agency's automatic carry forward to 2012 amounted to EUR 2 161 172; notes, furthermore, that in terms of the share of payments in compliance with the time limits of the Financial Regulation, 87 % of all payments were made within the legal targets. For commercial invoices, 79 % were paid within the 30 legal days and around 91 % of cost claims (reimbursements to staff and experts) were paid within the 45 legal days; encourages the Court of Auditors to mention information on carry-overs in its report on the annual accounts of the Agency for the financial year 2012;

Accounting system

5. Observes from its annual accounts ⁽⁴⁾ for the financial year 2011 that the budget accounts of the Agency are managed by the accrual based accounting (ABAC) system and the general accounts are maintained by the SAP system, which has a direct interface with the General Accounting System of the Commission;

⁽¹⁾ Final annual accounts 2011, June 2012, p. 26.

⁽²⁾ Annual Activity Report 2011, p. 125.

⁽³⁾ Final annual accounts 2011, June 2012, p. 27.

⁽⁴⁾ Final annual accounts 2011, June 2012, p. 18.

Procurement procedures

6. Calls on the Agency to improve procurement procedures; observes that the Court of Auditors noted weaknesses in this respect (i.e. the Agency did not adequately document the estimation of contract values in the procurement files);
7. Acknowledges from the Court of Auditors that the Agency should improve the transparency of procedures by implementing some more specific selection criteria for tenderers;
8. Notes with concern from the Court of Auditors that the Agency does not yet have adequate procedures in place to record and account for costs related to the generation of internal intangible assets;

Recruitment procedures

9. Notes from the Court of Auditors that the Agency should further improve staff selection procedures (i.e. vacancy notices did not provide information on complaints about appeal procedures; meetings of the Selection Board were insufficiently documented and in one recruitment case, the Appointing Authority did not follow the order of the Selection Board's list without providing a reason); considers that some of the provisions of the Staff Regulations may present a considerable administrative burden; therefore encourages the Commission to allow for a certain degree of simplification under Article 110 of the Staff Regulations in regard to the agencies;
10. Notes from the AAR ⁽¹⁾ that four Temporary Agents (TA) and one Contract Agent (CA) have been recruited, while four TA and one CA left the Agency, resulting in 97 % occupancy of the posts envisaged by the establishment plan in 2011;
11. Expresses its satisfaction that the Court of Auditors has declared the transactions underlying the annual accounts of the Agency for the financial year 2011 to be, in all material respects, legal and regular;
12. Acknowledges from the Agency's follow up report that the documentation concerning recruitment procedures has been revised in 2012, in order to take the comments of the Court of Auditors into account;

Governance

13. Acknowledges from the Court of Auditors that in the course of the appointment procedure of the Executive Director, a member of the Administrative Board contravened the regulations governing appointments to key posts by announcing the candidate the Commission intended to vote for; recognises that the actions of Members of the Administrative Board are not under the control of the Agency and that the Executive Director is, therefore, not responsible for the proceedings;

Performance

14. Welcomes the Agency's initiative to continue the preparation of its Multiannual and Annual Work Programmes; emphasises the importance of such a document to enable the Agency to make effective organisational arrangements to implement its strategy and achieve its goals; notes that the Agency follows a multi-annual perspective for its work programme and its resource planning by drawing up a Multiannual Work Programme, its Multiannual Staff Policy Plan and a multiannual IT strategic plan; notes, moreover, that the Agency has an IT strategic plan in place since 2010, which is reviewed and updated annually;
15. Underlines the importance of the Agency's tasks and welcomes its efficient and effective performance, which the Committee on Fisheries was able to observe during its visit to the Agency in June 2010 and

⁽¹⁾ Annual Activity Report 2011, p. 122.

during its visit on 29-30 October 2012; takes note that during its visit on 29-30 October 2012, important issues such as creating 'Regional Control Areas' in order to create European added value were discussed;

Internal audit

16. Welcomes the Agency's initiative for having set up an internal audit function dedicated to providing support and advice to the Executive Director and management of internal control, risk assessment and internal audit in 2008; notes that the Agency does not employ a full-time Internal Audit Capability (IAC) but shares this service with the European Maritime Safety Agency (EMSA) in Lisbon; acknowledges, to this end, that a service level agreement between the Agency and EMSA was signed on 17 June 2008;
17. Notes from the Agency's IAS that the Agency reviewed both the implementation of internal control standards (2008) and its first follow up (2009); acknowledges that the Agency considers that the results have been adequately and effectively implemented;
18. Acknowledges that in 2011, the IAC performed, at the special request of the Executive Director, a limited audit on salary payments in order to assess the internal controls on the salary payment cycle with special emphasis on the documentation of the payment files; notes from the IAS ⁽¹⁾ that the IAC also performed an audit focused on inventory management at the Agency, in order to provide the Executive Director with an independent assurance about the adequacy and effective application of the ICS related to the registration of assets;
19. Notes from the AAR that the IAS, in line with the 2010-2012 strategic plan, carried out an audit of the budget execution process, as well as an IT risk assessment exercise, in 2010;
20. Acknowledges that in 2011, the IAS performed an audit on 'Capacity Building — Training and Development' in order to assess and provide the Executive Director and the Administrative Board with an independent assurance concerning the adequacy and effective application of the ICS as regards 'Capacity Building — Training and Development';
21. Observes from the IAS that in 2011, the IAC also performed a full review of the implementation of the internal control standards within the Agency;
22. Notes that the IAS was invited to present the state of play and the IAS strategic plan 2013-2015 to the Board of the Agency, in October 2011;
23. Acknowledges from the IAS that the Agency appointed the Internal Control Coordinator in 2011 and established internal guidelines for risk management, including the procedure for the regular review of the ICS and the regular update of the Agency's risk register; calls, nevertheless, on the Agency to inform the discharge authority of the further actions it has taken and the results achieved;
24. Recognises that the Agency has taken the necessary measures on the following issues:
 - ABAC access rights for the Authorising Officers by Delegation (AODs),
 - payment delays,
 - policy for the handling of exceptions and the establishment of a central Register of Exceptions,notes that the two very important recommendations of the IAS, namely the adaptation of ABAC access rights for AODs and the establishment and implementation of a policy for the handling of exceptions and a central Register of Exceptions are now considered closed by the IAS;

⁽¹⁾ Annual report on internal activity 2011, p. 4.

25. Notes from the Agency's follow up report ⁽¹⁾ that as far as reporting on exceptions is concerned, all the workflows have been documented and checklists are already available for the majority of the processes, the role and duties of each actor involved during a transaction are clearly defined and this, together with timely reporting on exceptions, will ensure adequate follow up on potential irregularities;
 26. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its Resolution of 17 April 2013 ⁽²⁾ on the performance, financial management and control of the agencies.
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⁽¹⁾ Report on the measures taken in the light of the European Parliament recommendations in its decision of 10 May, 2012, p. 5.

⁽²⁾ Texts adopted, P7_TA(2013)0134 (see page 374 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****on the closure of the accounts of the Community Fisheries Control Agency for the financial year 2011**

(2013/575/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Community Fisheries Control Agency for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the European Fisheries Control Agency for the financial year 2011, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 – C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Council Regulation (EC) No 768/2005 of 26 April 2005 establishing a Community Fisheries Control Agency and amending Regulation (EEC) No 2847/93 establishing a control system applicable to the common fisheries policy ⁽⁴⁾, and in particular Article 36 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Fisheries (A7-0109/2013),
1. Approves the closure of the accounts of the Community Fisheries Control Agency for the financial year 2011;
 2. Instructs its President to forward this Decision to the Executive Director of the European Fisheries Control Agency (previously referred to as 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

Martin SCHULZ

The Secretary-General

Klaus WELLE

⁽¹⁾ OJ C 388, 15.12.2012, p. 86.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 298, 26.10.2012, p. 1.⁽⁴⁾ OJ L 128, 21.5.2005, p. 1.⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

DECISION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****on discharge in respect of the implementation of the budget of the European Food Safety Authority
for the financial year 2011**

(2013/576/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Food Safety Authority for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the European Food Safety Authority for the financial year 2011, together with the Authority's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 – C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EC) No 178/2002 of the European Parliament and of the Council ⁽⁴⁾ establishing a European Food Safety Authority, and in particular Article 44 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0074/2013),
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 2011;
 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

Martin SCHULZ

The Secretary-General

Klaus WELLE

⁽¹⁾ OJ C 388, 15.12.2012, p. 92.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 298, 26.10.2012, 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 17 April 2013****with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Food Safety Authority for the financial year 2011**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Food Safety Authority for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the European Food Safety Authority for the financial year 2011, together with the Authority's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 – C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾ ('the Financial Regulation'), and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EC) No 178/2002 of the European Parliament and of the Council ⁽⁴⁾ establishing a European Food Safety Authority, and in particular Article 44 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0074/2013),
- A. whereas the Court of Auditors has stated that it has obtained reasonable assurances that the annual accounts of the European Food Safety Authority ('the Authority') for the financial year 2011 are reliable and that the underlying transactions are legal and regular,
- B. whereas the Authority's budget for the financial year 2011 was EUR 77 309 800, compared to EUR 74 700 000 in 2010, which represents an increase of 3,49 %; whereas the Authority is wholly financed by a contribution from the Union,

Budgetary and financial management

1. Acknowledges that budget monitoring efforts during the financial year continue to contribute to the consistently high budget implementation rate of 98,47 % (98,8 % in 2010);

⁽¹⁾ OJ C 388, 15.12.2012, p. 92.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 31, 1.2.2002, p. 1.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

2. Notes that the payment appropriations execution rate was 82,05 %, which represents a minor decrease in comparison to the previous year (83,51 %);
3. Notes that in 2011 an amount of EUR 78 800 000 was made available from the Union budget to the Authority; takes note that 334 posts out of 355 had been filled by the end of 2011 and that 109 contract agents and seconded national experts were employed by the Authority; asks the Authority to improve the occupation rate but is fully aware that the Authority is faced with certain shortcomings concerning transport, due to its location;
4. Reminds the Authority to respect in an improved way the principle of annuality; considers the year 2011 special, due to the movement to the new headquarters and the delayed settlement of payments in this respect;

Building's policy

5. Notes that the Authority purchased a new headquarters building in December 2011 for EUR 36,8 million which will be paid in quarterly instalments over 25 years, resulting in interest payments of EUR 18,5 million; notes, moreover, that the Court of Auditors questioned whether a more economic alternative could have been sought from the budgetary authority in accordance with the principle of sound financial management and ensuring full respect of the Financial Regulation;
6. Acknowledges from the Authority that it submitted the building project to the budgetary authority in 2005 with a deferred purchase price payment agreement over 25 years, and the budgetary authority approved the building project; notes that at the Court of Auditors' suggestion, a request was made to the Commission to seek additional payment credits in order to cover the full purchase with only one down-payment; notes, however, that there was no possibility to increase the appropriations towards the Authority to cover a single down-payment in the current climate of tight expenditure; notes that the modalities adopted for that purchase led to a reduction of the cost of the Authority's premises in comparison to the rent solution previously used;

Transfers

7. Notes from the Court of Auditors' report and the Authority's annual activity report (AAR) that in 2011, 13 budgetary transfers were made; notes that, in particular, EUR 2,46 million was transferred from Title I to the infrastructure and IT budget lines of Title II, aiming to provide the resources for the adaptation of IT systems and financial systems related to the reorganisation and the migration to the accrual-based accounting financial system, and to reinforce the resources available for the move to the final seat and equipment for the final seat; notes, moreover, that transfers were carried out within Titles II and III; notes with concern the Court of Auditors' remark that the situation indicates weaknesses in budget planning and implementation and is at odds with the principle of specification;

Conflict of interest and transparency

8. Welcomes the fact that the Court of Auditors carried out an audit aimed at evaluating the policies and procedures for the management of conflict of interest situations for four European agencies, including the European Food Safety Authority and presented the results of the audit in the Court of Auditors' Special Report No 15/2012;
9. Notes with concern that according to the findings of the Court of Auditors, at the time of completion of the field work (October 2011), the Authority did not adequately manage conflict of interest situations; notes, however, that in the meantime, the Authority had already developed advanced policies for managing conflicts of interest; is concerned, nevertheless, that these policies have not led to the desired results;
10. Welcomes the organisation of a mandatory session on ethics and integrity for all members of the Management Board in October 2012; calls on the Management Board to enforce effectively its Code of Conduct and adopt provisions preventing and sanctioning revolving door cases in order to avoid situations similar to that of its former Chairperson in the future;

11. Notes that the Authority scheduled an evaluation of its independence policy by the end of 2013 and committed to consider, *inter alia*, the possibility of publishing the outcomes of breaches of trust procedures, including the outcomes of the procedure verifying the integrity of the scientific review and to broaden and reinforce the mandate of its Committee on Conflict of Interests, for instance with a similar mandate to the Committee for Ethical Standards and Prevention of Conflict of Interest of the French Agency for Food, Environmental and Occupational Health and Safety (ANSES); expects the Authority to inform the discharge authority on this matter before October 2013 if possible;
12. Calls on the Authority to start a structured dialogue with civil society on matters relating to conflicts of interest and to invite those organisations concerned to openly discuss matters of common interest based on a agreed agenda and to inform the discharge authority on the outcome of these deliberations at least twice a year; notes that the Authority has intensified this dialogue with stakeholders and civil society; considers that those dialogues need to be institutionalised and taken into account by the Management Board of the Authority;
13. Is concerned that the Authority was criticised for a lack of transparency with respect to the publication of annual declarations of interest and the absence of training on conflicts of interest; demands that action be taken on those issues and urges the Authority to report back to the discharge authority on the activities taken; welcomes the fact that all annual declarations of interests of the Authority's experts are now published and accessible on the Authority's website;
14. Urges the Authority to keep conflicts of interest high on the priority list in order to protect its credibility and to safeguard the public's trust in food safety, and to indicate, as detailed and precisely as possible, how it will implement the main recommendations from the report of the Court of Auditors and from Parliament's resolutions; urges the Authority to consider conflicts of interest with the utmost care, given the start of the revision of its founding regulation, which provides an opportunity to reach the highest governance standards as described by the Organisation for Economic Cooperation and Development (OECD), and which would influence positively the Authority's governance structure, independence and scientific quality; considers that the revision of the founding regulation of the Authority is a major opportunity to initiate radical change at the Authority, who is responsible for objective scientific advice on food and environmental safety at Union level;
15. Strongly suggests that in order to prevent the Authority's staff from moving directly from their position to work in a similar post in industry or related lobby-agency, or vice versa, an adequate cooling off period should be established and respected for the specific areas of work, in order to avoid conflicts of interest;
16. Notes that the Authority has taken a number of steps following the Court of Auditors' audit and publication of the Special Report No 15/2012, *inter alia*:
 - in 2007, the Authority introduced a comprehensive framework for avoiding potential conflicts of interest, and since then, it has regularly reviewed and updated it,
 - since 2011, the Authority has strengthened that framework with the adoption of its revised policy on independence and scientific decision-making processes; is, however, concerned about the adequacy of the revised policy, pointing to numerous cases of conflict of interests exposed in 2012 by two watchdog non-governmental organisations (NGOs) - Corporate Europe Observatory and Earth Open Source; demands that further improvements, including the banning of links with industry-related bodies, be made to the Authority's independence policy,
 - at the end of 2013, a review of the Authority's policy and implementing rules on independence is scheduled,
 - in July 2012, the Authority applied the framework provided by the Commission on ethics and integrity and has adopted a specific gift policy,
 - in 2012, an ethics adviser was appointed;

urges the Authority to continue to act on the recommendations of the Court of Auditors in order to avoid any conflicts of interest among its various governing and operational structures and to report to the discharge authority on the implementation of the abovementioned policies and procedures, as well as on any further developments as regards the management of conflicts of interest before October 2013;

17. Acknowledges the Authority's efforts to improve its prevention and management of conflict of interests; notes, however, that the independence and competence of its external experts remain questioned by watchdog NGOs or even fellow food safety experts as for instance in the case of the working group on endocrine disruptors experts; emphasises the fact that as a consequence, the Authority's work is challenged such as during the Joint JRC-NIEHS Workshop on Low Dose Effects of Endocrine Active Chemicals in Berlin in December 2012;
18. Notes that the Management Board elected its Chair in a publicly-held meeting; recalls, however, that in the 2010 discharge procedure, Parliament called for an open ballot for electing the Management Board's Chair and expects its request to be implemented;
19. Notes that the OECD guidelines, on which the Court of Auditors has based its work on the Special Report No 15/2012, while offering an international benchmark on the issue, are not designed for an agency and do not meet the specific needs of the decentralised agencies; commends the Commission's intention to come up with guidelines on the management of conflicts of interest, as provided for in its 'Roadmap on the follow-up to the Common Approach on EU decentralised agencies';
20. Underlines the Authority's commitment to launch its first evaluation of a random sample of declarations of interest in October 2012 to verify their coherence with its newly adopted independence policy and implementing rules; notes however that protocols still needed to be completed, which led to the postponement of the evaluation; calls on the Authority to inform the discharge authority on the reasons behind this delay and on the calendar foreseen for the organisation of the evaluation;
21. Welcomes the Authority's plans to start a pilot project in 2013 to source part of the scientific work that is currently carried out by external experts within Working Groups in the area of regulated products; notes that this initiative will kick-off in the areas of food ingredients and GMO; requests that the Authority provide the discharge authority with more information on progress made;
22. Notes with satisfaction that since 2011, the Authority has introduced in its AAR a special section describing the actions taken to implement its independence policy, thus partly answering the recommendation formulated in Parliament's resolution of 23 October 2012 on discharge to the Authority for the financial year 2010 ⁽¹⁾;
23. Welcomes the fact that the curricula vitae of the Authority's Executive Director, Senior management and panel experts are now available on its website together with their respective declaration of interest; notes the Authority's efforts for greater transparency but remains of the opinion that these provisions should also apply to any in-house expert, as expressed during the 2010 discharge procedure; understands that work on this issue is ongoing; calls on the Authority to inform the discharge authority of the progress made on this matter as soon as possible;

Internal audit

24. Notes from the Authority that in 2011 the Internal Audit Service (IAS) of the Commission carried out an assurance audit of operational planning and budgeting, while the Internal Audit unit (IA) carried out three assurance audits, namely the process of selection of panel members, a special review of expert contributions to scientific opinions (post conflict of interest), as well as an interim review of the cost claimed in relation to the final seat of the Authority;

⁽¹⁾ OJ L 350, 20.12.2012, p. 77.

25. Notes with satisfaction that out of 11 recommendations (none 'critical', two 'very important', seven 'important' and two 'desirable') made by the IAS audit, all have been accepted by management and five out of six outstanding 'very important' recommendations have been implemented and await follow-up by IAS, and implementation of the remaining one is in progress; also notes that the IA had made one very important and two important recommendations, and among its 11 outstanding very important recommendations five are implemented and six are in progress; notes that no critical recommendations remain open;
26. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 17 April 2013 ⁽¹⁾ on the performance, financial management and control of the agencies.
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⁽¹⁾ Texts adopted, P7_TA(2013)0134 (See page 374 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT
of 17 April 2013
on the closure of the accounts of the European Food Safety Authority for the financial year 2011
(2013/577/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Food Safety Authority for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the European Food Safety Authority for the financial year 2011, together with the Authority's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 – C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EC) No 178/2002 of the European Parliament and of the Council ⁽⁴⁾ establishing a European Food Safety Authority, and in particular Article 44 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0074/2013),
1. Approves the closure of the accounts of the European Food Safety Authority for the financial year 2011;
 2. 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
Martin SCHULZ

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 388, 15.12.2012, p. 92.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 298, 26.10.2012, 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 17 April 2013****on discharge in respect of the implementation of the budget of the European Institute for Gender Equality for the financial year 2011**

(2013/578/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Institute for Gender Equality for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the European Institute for Gender Equality for the financial year 2011, together with the Institute's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 – C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EC) No 1922/2006 of the European Parliament and of the Council of 20 December 2006 on establishing a European Institute for Gender Equality ⁽⁴⁾, and in particular Article 14 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Women's Rights and Gender Equality (A7-0081/2013),
1. Grants the Director of the European Institute for Gender Equality discharge in respect of the implementation of the Institute's budget for the financial year 2011;
 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 Institute for Gender Equality, 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

Martin SCHULZ

The Secretary-General

Klaus WELLE

⁽¹⁾ OJ C 388, 15.12.2012, p. 98.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 298, 26.10.2012, p. 1.⁽⁴⁾ OJ L 403, 30.12.2006, p. 9.⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Institute for Gender Equality for the financial year 2011**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Institute for Gender Equality for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the European Institute for Gender Equality for the financial year 2011, together with the Institute's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 – C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EC) No 1922/2006 of the European Parliament and of the Council of 20 December 2006 on establishing a European Institute for Gender Equality ⁽⁴⁾, and in particular Article 14 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Women's Rights and Gender Equality (A7-0081/2013),
- A. whereas the European Institute for Gender Equality ('the Institute') was established on the basis of Regulation (EC) No 1922/2006 and gained its independence on 15 June 2010,
- B. whereas the Court of Auditors has stated that it has obtained reasonable assurances that the annual accounts of the Institute for the financial year 2011 are reliable and that the underlying transactions are legal and regular,
- C. whereas 2011 was the first complete operational year for the Institute since it gained its financial and administrative independence in June 2010,

⁽¹⁾ OJ C 388, 15.12.2012, p. 98.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 298, 26.10.2012, p. 1.⁽⁴⁾ OJ L 403, 30.12.2006, p. 9.⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

- D. whereas the Institute's structure is based on the mandate and tasks defined in the basic regulation establishing the Agency and on the objectives approved by the Institute's Management Board in the Mid-term Work Programme 2010-2012 and the Annual Work Programme,
- E. whereas the overall budget of the Institute for the financial year 2011 was EUR 7 530 000, compared to an overall budget of EUR 5 678 123,09 for the financial year 2010, which shows a 32,6 % increase; whereas the budget of the Institute is entirely financed by the Union's contribution,
- F. whereas at the end of 2011, the Institute recorded a positive budget outturn of EUR 1 156 400,29 ⁽¹⁾, after deduction of exchange rate differences equal to EUR 2 650,64, which was then recorded in the accounts as a liability towards the Commission,

Budgetary and financial management

1. Recalls that the Institute was granted administrative and financial autonomy on 15 June 2010; notes that as a result of this, all 2010 procurement procedures were launched mainly in the last quarter of 2010;
2. Notes that the budget execution is prepared on the basis of modified cash accounting, which means that payment appropriations carried over are recorded together with payments made and revenue received;
3. Takes note from the annual accounts that the execution of payments during 2011 was more effective than in 2010, showing a considerable improvement under all the Titles; establishes from the annual accounts that the Institute registered a budget execution ratio of 44,19 % for payments and of 88,54 % for commitments at the end of 2011;
4. Acknowledges from the annual accounts ⁽²⁾ that the payment ratio under Title I 'Staff Expenditure' increased to 88,49 % in 2011, compared to 49,19 % in 2010; calls on the Institute to inform the discharge authority of the further actions taken to improve the ratio;
5. Takes note from the annual accounts that the executed payments under Title II 'Administrative Expenditure' increased to 34,71 % in 2011, compared to 28,99 % in 2010; calls on the Institute to inform the discharge authority of the actions taken to improve the ratios as the low execution ratios show difficulties in budget planning and implementation;
6. Observes from the annual accounts the very low execution ratio of 18,36 % for payments under Title III 'Operational Expenditure'; notes that this is due to a significant number of procurements which were launched in the last part of 2010, once the Institute became administratively autonomous in June of that year; calls on the Institute to inform the discharge authority of the actions taken since then to improve the ratios as the low execution ratios show difficulties in budget planning and implementation;
7. Notes from the annual accounts that EUR 3 339 551,93 of commitment appropriations contracted by the end of 2011 but not yet paid were carried forward to 2012, which represents 50 % of total commitments; notes, furthermore, that the total amount of carried forward appropriations which were cancelled (i.e. carried forward from 2010 and not paid in 2011) represents EUR 295 741,61 due to this being the first full year of operation in which staff undertook different kinds of procurement procedures for the first time, initiated measures including a late request for a Presidency event, and other actions, in the second half of the year; calls on the Institute to inform the discharge authority of the actions taken to ensure a satisfactory budget execution rate in the future;

⁽¹⁾ Annual accounts 2011, p. 22.

⁽²⁾ Annual accounts 2011, p. 34.

8. Acknowledges from the annual accounts that at the end of 2010, the Institute did not proceed with the necessary de-commitment exercise and that all automatic carry-overs took place;

Accounting

9. Establishes that in 2010, the Institute defined the responsibilities of financial actors for staff members and developed financial circuits for commitments; notes, moreover, that the Institute nominated all financial actors defining their roles and responsibilities by the end of 2010;
10. Acknowledges that the Institute received three financial transfers from the Commission for a total amount of EUR 7 530 000 (respectively EUR 3 390 000 in the first transfer, EUR 2 070 000 in the second transfer and EUR 2 070 000 in the third transfer);

Public procurement

11. Takes note from the Annual Report that in 2011, the Institute registered six exceptions for the financial transactions which were discussed with the management, team leaders and relevant staff to avoid future mistakes; calls on the Institute to inform the discharge authority of the actions taken to address this deficiency;
12. Observes that in 2011, 123 procurement procedures in Operations and Administration were finalised and that the overall procurement represented around 50 % of Institute's overall budget; also observes that the procurement activities of 2011 have been carried out in line with the Work Programme 2011;

Human resources

13. Takes note from the annual accounts that in 2011, the Institute has concluded the recruitment of three temporary agents and three contract agents (while in 2010, the Institute recruited 23 temporary agents) and reached 94 % of its Establishment Plan occupancy, compared to 92,3 % in 2010; welcomes the improvement of the occupancy rate of the Institute's establishment plan, which shall contribute to its the effective functioning;
14. Acknowledges from the IAS that a range of policies, strategies, procedures and guidelines support the implementation of the Staff Regulation provisions in the Institute; notes that some points are still under development and should be completed at a later stage; particularly with the adoption of IT tools for human resources management (namely issues like the preparation of job descriptions, setting up personal objectives and formalising individual training plans); calls on the Institute to inform the discharge authority of the actions taken to address the above-mentioned issues;

Performance

15. Welcomes the Institute's second *ex ante* evaluation report of 8 September 2011, focusing on the Institute's specific objectives and operations and aiming to provide guidance to the Institute's management in finalising objectives and activities; points out that, at a time of economic crisis and austerity, it is vital that the Institute offers the best value for money without jeopardising the successful fulfilment of its important remit;
16. Welcomes the Institute's establishment of the Resource and Documentation Centre as a unique European source of institutional and methodological gender equality knowledge;
17. Stresses that the objectives and the tasks of the Institute require that a separate, dedicated entity is maintained within the institutional framework;

Location

18. Notes from the Annual Report that on 1 March 2010, the Institute's staff was relocated from its temporary premises in Brussels to its permanent seat in Vilnius, Lithuania;
19. Acknowledges from the Annual Report that the Government of the Republic of Lithuania ensured the payment of the Institute's office rent for a period of two years until 15 December 2011;
20. Welcomes the unique initiative, in coordination with the other representations of Union institutions in Vilnius (the Commission's Representation and the European Parliament's Information Office), to identify and select common premises; notes that the newly established 'EU House' proved necessary and will benefit synergies, increase the Union's visibility, cost saving and sharing;

Internal audit

21. Welcomes the first audit activities conducted in 2011 in the Institute by the Internal Audit Service (IAS); notes from the IAS report ⁽¹⁾ that there are neither open 'critical' nor open 'very important' recommendations stemming from the IAS reports of 31 December 2011;
 22. Notes that the IAS carried out a limited review of the implementation of Internal Control Standards at the Institute in December 2011; notes that the Institute accepted the recommendation to finalise the procedure for the implementation of the Internal Control Standards and management adopted an action plan to be implemented in 2012; calls on the Institute to inform the discharge authority of the actions taken in respect of the recommendations;
 23. Acknowledges that the IAS risk analysis identified certain processes ⁽²⁾ which could not be considered within the IAS audit plan, as the controls were assessed as absent or insufficient;
 24. Notes from the observations of the Court of Auditors that the Institute needs to improve the documentation of physical inventory taking for fixed assets and the estimation of accrued charges;
 25. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 17 April 2013 ⁽³⁾ on the performance, financial management and control of the agencies.
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⁽¹⁾ Annual Internal Audit report for 2011, p. 6.

⁽²⁾ Annual Internal Audit report for 2011, p. 4.

⁽³⁾ Texts adopted, P7_TA(2013)0134 (See page 374 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****on the closure of the accounts of the European Institute for Gender Equality for the financial year 2011**

(2013/579/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Institute for Gender Equality for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the European Institute for Gender Equality for the financial year 2011, together with the Institute's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 – C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EC) No 1922/2006 of the European Parliament and of the Council of 20 December 2006 on establishing a European Institute for Gender Equality ⁽⁴⁾, and in particular Article 14 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Women's Rights and Gender Equality (A7-0081/2013),
1. Approves the closure of the accounts of the European Institute for Gender Equality for the financial year 2011;
 2. Instructs its President to forward this Decision to the Director of the European Institute for Gender Equality, 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

Martin SCHULZ

The Secretary-General

Klaus WELLE

⁽¹⁾ OJ C 388, 15.12.2012, p. 98.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 298, 26.10.2012, p. 1.⁽⁴⁾ OJ L 403, 30.12.2006, p. 9.⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

DECISION OF THE EUROPEAN PARLIAMENT

of 17 April 2013

on discharge in respect of the implementation of the budget of the European Insurance and Occupational Pensions Authority for the financial year 2011

(2013/580/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Insurance and Occupational Pensions Authority for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the European Insurance and Occupational Pensions Authority for the financial year 2011, together with the Authority's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 – C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EU) No 1094/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Insurance and Occupational Pensions Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/79/EC ⁽⁴⁾, and in particular Article 64 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Economic and Monetary Affairs (A7-0114/2013),
1. Grants the Executive Director of the European Insurance and Occupational Pensions Authority discharge in respect of the implementation of the Authority's budget for the financial year 2011;
 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 Insurance and Occupational Pensions 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
Martin SCHULZ

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 388, 15.12.2012, p. 104.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 331, 15.12.2010, p. 48.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Insurance and Occupational Pensions Authority for the financial year 2011**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Insurance and Occupational Pensions Authority for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the European Insurance and Occupational Pensions Authority for the financial year 2011, together with the Authority's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 – C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EU) No 1094/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Insurance and Occupational Pensions Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/79/EC ⁽⁴⁾, and in particular Article 64 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Economic and Monetary Affairs (A7-0114/2013),
- A. whereas the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts of the European Insurance and Occupational Pensions Authority ('the Authority') for the financial year 2011 are reliable and that the underlying transactions are legal and regular,
- B. whereas the Authority, a newly created Agency which is located in Frankfurt am Main, was established by Regulation (EU) No 1094/2010 and officially started its operations on 1 January 2011 as an independent authority,
- C. whereas the Authority should be considered in the context of its legal transition from its predecessor, the Committee of European Insurance and Occupational Pensions Supervisors (CEIOPS), and as a result, apart from its new mandate, it has taken over all existing and ongoing tasks and responsibilities from the CEIOPS (all assets, liabilities and all pending operation of CEIOPS were automatically transferred to the newly created Authority),

⁽¹⁾ OJ C 388, 15.12.2012, p. 104.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 298, 26.10.2012, p. 1.⁽⁴⁾ OJ L 331, 15.12.2010, p. 48.⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

- D. whereas the Authority is an integral part of the European System of Financial Supervisors and works in close cooperation with its sister authorities, the European Banking Authority and the European Securities and Markets Authority, within a Joint Committee, and with the European Systemic Risks Board,
- E. whereas the Authority's overall allocated budget for the year 2011 was EUR 10 667 000,
- F. whereas in accordance with its Founding Regulation ⁽¹⁾, 55 % of the 2011 budget was financed by contributions from the Member States and the European Free Trade Association (EFTA) countries, and 45 % was financed from the Union budget,
- G. whereas at the end of 2011, the Authority recorded a positive budget outturn of EUR 2 804 969,81 ⁽²⁾, after deduction of exchange rate differences equal to EUR 2 437,59, which was then recorded in the accounts as a liability towards the Commission,

Budgetary and financial management

1. Takes note from the Budget report ⁽³⁾, that the initial Union contribution to the Authority's budget for 2011 was EUR 4 267 000; notes that that was the first year of the Authority's activities;
2. Acknowledges from the annual accounts that the Authority's overall allocated budget for 2011 amounted to EUR 10 667 000; also notes that the total budgetary income was equal to EUR 9 387 070,78 (including EUR 5 120 035,36 representing 80 % of the Member States' budget cashed in 2011);
3. Recalls, from the annual accounts, that the allocated contribution from national supervisory authorities was EUR 6 400 200, while the effectively cashed contribution was EUR 5 120 035,36; invites the Member States to inform the discharge authority of the reasons why the contributions were limited to 80 % of what was initially anticipated; invites the Member States to contribute their full share in the future, when the Authority will be fully set up, as doing otherwise could jeopardise its capacity to carry out properly its assigned tasks;
4. Notes with concern that the provisions of the Financial Regulation are not fully adapted to the Authority's financing scheme, as 55 % of the budget is financed by contributions from Member States and EFTA countries; believes that that issue should be addressed, at the latest, in the course of the next revision of the Financial Regulation as regards agencies, and calls on the Commission evaluate this situation and to report on this to the discharge authority;
5. Calls on the Commission to explore all the options for a new long term sustainable financing of the Authority that safeguards its independence in the context of the next review of the agencies' work and financing arrangements by the Commission, which will be presented by 2 January 2014 at the latest;
6. Calls on the Commission to evaluate the possibility of coming up with a proposal ensuring that the budgets of the three European Supervisory Authorities (ESAs) are fully funded by the Union budget;
7. Notes from the annual accounts that the major focus of the authority in 2011 was its establishment and further extension;
8. Stresses the importance of adequately matching the allocated budget and available posts on one hand and the tasks entrusted to the Authority on the other hand, as a mismatch may result in unbalanced staffing as regards the recruitment of the Authority's staff on one hand and the involvement of national experts on the other; expresses concern about the fact that the Commission altered the establishment plan as proposed by the Authority without clearly indicating this; urges the Commission to be fully transparent on this and other issues;
9. Notes the concerns that were raised in the preliminary conclusions of the IMF financial sector assessment of December 2012 on the Union, in which it is recommended to increase the resources and powers of the ESAs in order to enable them to successfully fulfil their mandates, while enhancing their operational independence;

⁽¹⁾ OJ L 331, 15.12.2010, p. 12, Article 62(1).

⁽²⁾ Annual accounts 2011, p. 36.

⁽³⁾ Budget report for 2011, p. 2.

10. Acknowledges from the annual accounts that in the Authority's inauguration meeting on 10 January 2011, the Management Board adopted and approved the principal financial rules and the Authority's Financial Regulation in order to enable it to execute its powers as a European authority;

Accounting system

11. Takes note from the annual accounts ⁽¹⁾ that the standard and general budget structure adopted by the Authority at the beginning of 2011 needed to be adapted according to its real needs;
12. Notes from the annual accounts that on 19 April 2011, the Authority introduced accrual based accounting (ABAC), the accounting system used by the Commission for budgetary accounting; notes, furthermore, that during the transition period, from 1 January to 19 April 2011, the Authority used an Excel-based tool for its budgetary accounting and that, at the time of transition, a report with commitments and payments loaded in ABAC was drawn up;
13. Takes note of the fact that payments made prior to the implementation of ABAC are only reflected in the transition system and not reflected in ABAC; notes that each time a report on budgetary consumption and execution is tracked from ABAC, a manual aggregation is made in an Excel spreadsheet to fully reflect the initial budget and the consumption of commitments and payments for the entire financial year;
14. Acknowledges from the annual accounts that from 2012 onwards, all financial transactions are fully represented in ABAC;
15. Observes from the annual accounts that for general accounting, the Authority implemented SAP on 19 April 2011, a system directly linked to ABAC, which is the system used by the Commission; also notes that until that date, the Authority used SAGE ⁽²⁾, the system established by CEIOPS for financial accounting, and a transition balance as of 19 April 2011 was established;
16. Notes that in September 2011, the Authority established the asset registration system of the Commission (ABAC Assets) in order to physically track the individual items of the fixed assets (ABAC Assets is integrated in the Authority's accounting system);
17. Welcomes the validation of the Authority's accounting system carried by the external auditor, Deloitte Consulting ⁽³⁾; notes that the review of the Authority's accounting system took place in October 2012;
18. Acknowledges from Deloitte's report that on the basis of the compliance validation procedures performed, the Authority's accounting system is, in general, compliant with the criteria specified by the Commission (DG Budget);
19. Notes from Deloitte's report that a number of improvement areas (relating to the Authority's user access rights in ABAC not being in line with current responsibilities, the user access management process and the ABAC training related aspects) were identified, which will be addressed by the Authority in 2013; notes, furthermore, that those improvements do not have a significant impact on the overall compliance noted;

Budget execution

20. Establishes from the annual accounts that the Authority registered a budget execution ratio of 61,68 % for commitments and of 58,84 % for payments at the end of 2011;
21. Notes that the commitment execution rate for Title I ('Staff expenditure') was 92,79 % and it represents the main driver of the execution ratio; notes, furthermore, that the high percentage budget execution in Title I, in particular in the first year of the Authority activities, reflects the link between its staff requests and its objectives, and reinforces the case for staff requests in 2012 and in 2013;

⁽¹⁾ Annual accounts 2011, p. 31.

⁽²⁾ SAGE is a tailor-made accounting system for small and medium-sized business companies, organisations and institutions.

⁽³⁾ European Banking Authority (EBA), Validation of accounting systems, 19.11.2012, Deloitte.

22. Takes note from the annual accounts that the main driven factor of the high budget execution ratio was the 100 % realisation of the establishment plan in 2011;
23. Acknowledges from the annual accounts the low commitment execution ratio of 60,41 % for Title II ('Administrative expenditure'); notes that 2011 was a transitional year from CEIOPS to the Authority and a preparatory year for new procedures and requests; calls on the Authority to inform the discharge authority of the actions taken to address that deficiency; calls on the Authority to inform the discharge authority of the actions taken to improve the ratios, as the low execution ratio show difficulties in budget planning and implementation;
24. Notes that according to the Authority, it is expected that a large volume of translations, regulations and procedures in all official languages of the Union will be processed from 2012 onwards; notes, furthermore, that the Authority has reduced, where possible, the cost of organising meetings, in particular those of the Board of Supervisors and the Management Board, and that that was also the approach followed regarding information and publication costs (the CEIOPS Annual Report 2010 was only published on its website, in order to further cut costs);
25. Notes that according to the Authority, the commitment execution ratio for Title II was average because the Authority's idea was to find areas where costs could be cut, and that idea prevailed over the fact that there were resources available;
26. Acknowledges from the annual accounts the extremely low commitment execution ratio of 11,73 % for Title III ('Operational expenditure'); calls on the Authority to inform the discharge authority of the actions taken to improve that ratio, as the low execution ratio shows difficulties in budget planning and implementation;
27. Notes that, according to the Authority, the commitment execution ratio for Title III was very low due to the decision not to start spending, nor to carry forward, the resources allocated to the information technology (IT) projects in such core areas without a clear strategic decision from the Board of Supervisors; notes, furthermore, that in October 2011, the Board of Supervisors adopted the Authority's Data Specifications Report, including the exchange of individual information for identified needs, and mandated the Information Technology and Data Committee (ITDC) to further develop the Data Specifications Report;
28. Acknowledges that, according to the annual accounts, the ITDC had to commence procurement and implementation of IT systems in February 2012;
29. Notes that in 2011, according to the Authority's annual report ⁽¹⁾, commitments amounted to EUR 6 579 663 or 62 % of the 2011 budget, of which EUR 6 276 158,59 have been paid and EUR 303 504,79 were automatically carried over to 2012;

Procurement procedures

30. Acknowledges from the Court of Auditors that the audited procurement procedures were not fully consistent with the provisions of the Financial Regulation; calls on the Authority to ensure that all new contracts are awarded in full compliance with Union procurement rules;
31. Notes that the Authority has recruited a Procurement Officer as of 1 June 2012 and that procurement workflows have been established, staff members have received awareness and training sessions related to Union procurement rules, procurement related templates have been developed and all tender procedures are launched according to the relevant Union procurement rules;

Recruitment procedures

32. Takes note that the Authority has brought its recruitment procedures in line with the Court of Auditors' recommendations; calls on the Authority to inform the discharge authority of any further actions it will take to improve the recruitment procedures; considers that some of the provisions of the Staff Regulations may present a considerable administrative burden; therefore encourages the Commission to allow for a certain degree of simplification under Article 110 of the Staff Regulations in regard to the agencies;

⁽¹⁾ Annual report 2011, p. 38.

33. Notes from the annual accounts ⁽¹⁾ that 2011 was a crucial year for the Authority in setting up and extending the human resources team in order to adequately source its new functions and tasks; notes that at 31 December 2012, the Authority's staff included 46 temporary agents, six contract agents and four seconded national experts, which makes a total of 56 agents;
 34. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 17 April 2013 ⁽²⁾ on the performance, financial management and control of the agencies.
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⁽¹⁾ Annual accounts 2011, p. 47-48.

⁽²⁾ Texts adopted, P7_TA(2013)0134 (See page 374 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****on the closure of the accounts of the European Insurance and Occupational Pensions Authority for the financial year 2011**

(2013/581/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Insurance and Occupational Pensions Authority for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the European Insurance and Occupational Pensions Authority for the financial year 2011, together with the Authority's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 – C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EU) No 1094/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Insurance and Occupational Pensions Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/79/EC ⁽⁴⁾, and in particular Article 64 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Economic and Monetary Affairs (A7-0114/2013),
1. Approves the closure of the accounts of the European Insurance and Occupational Pensions Authority for the financial year 2011;
 2. Instructs its President to forward this Decision to the Executive Director of the European Insurance and Occupational Pensions 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
Martin SCHULZ

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 388, 15.12.2012, p. 104.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 331, 15.12.2010, p. 48.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

DECISION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****on discharge in respect of the implementation of the budget of the European Institute of Innovation and Technology for the financial year 2011**

(2013/582/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Institute of Innovation and Technology for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the European Institute of Innovation and Technology for the financial year 2011, together with the Institute's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 – C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EC) No 294/2008 of the European Parliament and of the Council of 11 March 2008 establishing the European Institute of Innovation and Technology ⁽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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0108/2013),
1. Grants the Director of the European Institute of Innovation and Technology discharge in respect of the implementation of the Institute's budget for the financial year 2011;
 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 Institute of Innovation and Technology, 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

Martin SCHULZ

The Secretary-General

Klaus WELLE

⁽¹⁾ OJ C 388, 15.12.2012, p. 110.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 298, 26.10.2012, p. 1.⁽⁴⁾ OJ L 97, 9.4.2008, p. 1.⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Institute of Innovation and Technology for the financial year 2011**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Institute of Innovation and Technology for the financial year 2011,
- having regard to the Court of Auditors' report on the annual accounts of the European Institute of Innovation and Technology for the financial year 2011, together with the Institute's replies ⁽¹⁾,
- having regard to the Council's recommendation of 12 February 2013 (05753/2013 – C7-0041/2013),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- 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 ⁽²⁾, and in particular Article 185 thereof,
- having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
- having regard to Regulation (EC) No 294/2008 of the European Parliament and of the Council of 11 March 2008 establishing the European Institute of Innovation and Technology ⁽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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
- having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
- having regard to the report of the Committee on Budgetary Control (A7-0108/2013),
- A. whereas the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts of the European Institute of Innovation and Technology ('the Institute') for the financial year 2011 are reliable and that the underlying transactions are legal and regular,
- B. whereas the Institute, which is located in Budapest, was established by Regulation (EC) No 294/2008,
- C. whereas the Commission granted financial autonomy to the Institute on 8 June 2011,
- D. whereas 2011 was the Institute's first year that the Court of Auditors published a report on its annual accounts; whereas the audited period runs from 8 June to 31 December 2011,
- E. whereas the Institute's overall budget for 2011 was EUR 64 294 640,

⁽¹⁾ OJ C 388, 15.12.2012, p. 110.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 298, 26.10.2012, p. 1.⁽⁴⁾ OJ L 97, 9.4.2008, p. 1.⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

- F. whereas grants represent about 90 % of the Institute's budget and their impact on budget execution is, therefore, significant; whereas the Knowledge and Innovation Communities grants (KIC grants) were EUR 56 847 080,
- G. whereas in accordance with its Foundation Regulation, the Institute's 2011 budget was financed by a subsidy granted by the Union, a contribution granted by the European Free Trade Association (EFTA) countries and a contribution granted by the host Member State,
- H. whereas the Institute signed a host agreement with the Government of the Republic of Hungary on 23 March 2010,
- I. whereas at the end of 2011, the Institute recorded a negative budget outturn of EUR 1 824 955,81 ⁽¹⁾; whereas the Institute recognises the outturn as a contingent asset; whereas according to the guidelines issued by the accounting services of the Commission, the negative budgetary outturn should not be booked as receivable against the Commission since the amounts carried forward are usually cancelled partially,
- J. whereas in 2010 and 2011, the Institute and its partner DG, Directorate-General for Education and Culture (DG EAC), worked together to set up the appropriate internal structures and procedures to enable the Institute to manage Union funds in accordance with the principles of sound financial management and to fulfil the minimum conditions for its financial autonomy; whereas those conditions ⁽²⁾ were defined as establishing:
- an effective segregation of duties of the authorising officer and the accounting officer,
 - an operational accounting system enabling the use of the funds to be verified and reflected in Union accounts,
 - an adequate procedure for payments to ensure sound financial management of Union funds,
1. Welcomes the Court of Auditors' report on the annual accounts of the Institute for the financial year 2011;

Budgetary and financial management

2. Recalls from the annual accounts that the Institute's overall budget for 2011 amounted to EUR 64 294 640;
3. Acknowledges from the annual accounts that the Institute's budget in 2011, for the period of financial autonomy (June-December), was EUR 9 794 873,70;
4. Takes note from the annual accounts that the Union's contribution was EUR 8 234 873,70 for the period of financial autonomy; notes, furthermore, that that contribution includes EUR 191 433,87 granted by the EFTA countries, a contribution which is collected by the Commission who transfers it to the Institute, together with the Union's subsidy;
5. Recalls that the Institute signed a host agreement with the Government of the Republic of Hungary on 23 March 2010; recalls that according to the agreement, the host Member State undertakes to contribute to the Institute's staff costs to cover the wage costs of 20 employees for five years; notes, furthermore, that the contribution from 2011 is due in five annual instalments of EUR 1 560 000;

Accounting system

6. Acknowledges from the annual accounts that on 8 June 2011, the Institute introduced accrual based accounting (ABAC) workflow, the accounting system used by the Commission for budgetary accounting; notes, furthermore, that on 8 June 2011, the contract management system was provided by ABAC contract;

⁽¹⁾ Annual accounts 2011, p. 23.

⁽²⁾ Commission Decision C (2009) 10145 of 17 December 2009.

7. Notes from the annual accounts that for general accounting, the Institute implemented SAP on 8 June 2011, which is the system used by the Commission, a system directly linked to ABAC; notes, furthermore, that between 1 January and 7 June 2011, the Institute used the accounting system of its partner DG;
8. Takes note from the annual accounts that from 19 December 2011, the assets management system was provided by ABAC assets;

Commitments

9. Observes from the annual accounts ⁽¹⁾ that the execution rate for the entire year stands at 97,21 % for commitment appropriations, 83,83 % for payment appropriations and 67,33 % for payments against commitment;
10. Takes note that the execution rate for the period of financial autonomy stands at 92,81 % for commitment appropriations, 24,70 % for payment appropriations against commitment and 11,48 % for payment against the commitment; calls on the Institute to inform the discharge authority of the actions it will take to address this deficiency as the low execution rates show difficulties in budget planning and implementation;
11. Acknowledges that the execution rate of commitments for Title I ('Staff Expenditure') for the entire year represents 73,28 % and the execution rate of payments against committed appropriations stands at 92,79 %;
12. Notes that the execution rate of commitments for Title I ('Staff Expenditure') for the period of financial autonomy represents 63,36 % and the execution rate of payments against the committed appropriations stands at 88,56 %; calls on the Institute to inform the discharge authority of the actions it will take to address this deficiency as the low execution rates show difficulties in budget planning and implementation;
13. Acknowledges from the annual accounts that the execution rate of commitments for Title II ('Operating Expenditure') was 72,41 % at the end of 2011 and that for payment appropriations the execution rate was 47,77 %; calls on the Institute to inform the discharge authority of the actions it will take to address this deficiency as the low execution rates show difficulties in budget planning and implementation;
14. Notes that the execution rate of commitments for Title II ('Operating Expenditure') for the period of financial autonomy represents 70,32 % and the execution rate of payments against the committed appropriations stands at 42,13 %; calls on the Institute to inform the discharge authority of the actions it will take to address this deficiency as the low execution rates show difficulties in budget planning and implementation;
15. Takes note that the execution rate of commitments for Title III ('Operational Expenditure') for the entire year represents 99,32 % and the execution rate of payments against the committed appropriations stands at 66,39 %; notes, furthermore, that the execution rate of commitments for both KIC grants and the Institute's Foundation stands at 100 % and that the ratio of 66,39 % for payments against commitments for operational expenditure is a result of the fact that no pre-financing payment was executed for the additional grants coming from the second transfer in August;
16. Acknowledges that the execution rate of commitments for Title III ('Operational Expenditure') for the period of financial autonomy represents 98,09 % and that the execution rate of payments against the committed appropriations is very low at 3,46 %; calls on the Institute to inform the discharge authority of the actions it will take to address this deficiency as the low execution rates show difficulties in budget planning and implementation;

⁽¹⁾ Annual accounts 2011, p. 34.

17. Takes note from the Court of Auditors that grant agreements resulting in payments in 2011 were systematically signed by the Commission (DG EAC) and the Institute after most of the activities had already been implemented; notes, furthermore, that between September and December 2011, the Institute made final payments amounting to EUR 4 200 000 related to three grant agreements that were signed well after the start of activities; calls on the Institute to inform the discharge authority of the actions it will take to address this deficiency as this represents an issue in terms of good financial management;

Carry-overs

18. Acknowledges that an amount of EUR 4 500 000 of payment appropriations was carried over on budget line 3 100 (KIC grants) from 2010 to 2011; notes, furthermore, that EUR 3 780 634,25 was paid which amounted to an execution rate of payments against the committed appropriations of 84,01 % at the end of 2011;
19. Takes note that EUR 21 903 441,85 of appropriations were automatically carried over from 2011 to 2012 as follows: 0,97 % for staff expenses, 2,25 % for administrative expenses and the major part of it, 96,79 %, for operational expenses; calls on the Institute to inform the discharge authority of the actions it will take to address this deficiency as the high level of carry-over is at odds with the budgetary principle of annuality;
20. Observes that EUR 3 778 942,31 of payment appropriations was carried over non-automatically from 2011 to 2012, as at the end of 2011, the Institute had several commitments corresponding to obligations duly contracted for which no payment or partial payment was executed in 2011; calls on the Institute to inform the discharge authority the actions it will take to address this deficiency;

Recruitment procedures

21. Notes from the Annual Activity Report that by the end of 2011, 40 posts (23 temporary agents and 17 contract agents) were filled, which shows an increase of 66 %, compared to 24 posts filled by the end of 2010;
22. Acknowledges that in addition to the staff increase, a new organisational structure was established in September 2011 to allocate a sufficient number of effectives to reinforce, in particular, administrative and horizontal tasks, budget planning and implementation, human resources management, and accounting and internal audit tasks, thus creating a solid supportive service base for the Institute;
23. Acknowledges from the Annual Activity Report that the new Director joined the Institute on 1 July 2011;
24. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its Resolution of 17 April 2013 ⁽¹⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Texts adopted, P7_TA(2013)0134 (see page 374 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****on the closure of the accounts of the European Institute of Innovation and Technology for the financial year 2011**

(2013/583/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Institute of Innovation and Technology for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the European Institute of Innovation and Technology for the financial year 2011, together with the Institute's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 – C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EC) No 294/2008 of the European Parliament and of the Council of 11 March 2008 establishing the European Institute of Innovation and Technology ⁽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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0108/2013),
1. Approves the closure of the accounts of the European Institute of Innovation and Technology for the financial year 2011;
 2. Instructs its President to forward this Decision to the Director of the European Institute of Innovation and Technology, 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
Martin SCHULZ

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 388, 15.12.2012, p. 110.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 97, 9.4.2008, p. 1.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

DECISION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****on discharge in respect of the implementation of the budget of the European Medicines Agency for the financial year 2011**

(2013/584/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Medicines Agency for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the European Medicines Agency for the financial year 2011, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 – C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EC) No 726/2004 of the European Parliament and of the Council ⁽⁴⁾ establishing a European Medicines Agency, and in particular Article 68 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0098/2013),
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 2011;
 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

Martin SCHULZ

The Secretary-General

Klaus WELLE

⁽¹⁾ OJ C 388, 15.12.2012, p. 116.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 298, 26.10.2012, 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 17 April 2013****with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Medicines Agency for the financial year 2011**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Medicines Agency for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the European Medicines Agency for the financial year 2011, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 – C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EC) No 726/2004 of the European Parliament and of the Council ⁽⁴⁾ establishing a European Medicines Agency, and in particular Article 68 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0098/2013),
- A. whereas the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts of the European Medicines Agency ('the Agency') for the financial year 2011 are reliable and that the underlying transactions are legal and regular,

⁽¹⁾ OJ C 388, 15.12.2012, p. 116.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 136, 30.4.2004, p. 1.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

- B. whereas on 23 October 2012, Parliament granted the Executive Director of the Agency discharge for the implementation of its budget for the financial year 2010 ⁽¹⁾, and in its resolution accompanying the discharge, *inter alia*:
- called on the Agency to inform the discharge authority about the timeframe and outcomes for the remaining 46 % of the screening process concerning declarations of interest of its experts and committee members who have been actively involved in the Agency's activities between 1 January and 31 May 2012 against their curriculum vitae by the start of the next discharge procedure,
 - asked the Agency to provide the discharge authority with a precise timetable for the implementation of a new *ex ante* and *ex post* system for declarations of interest, notably by means of random comparison with curriculum vitae and information furnished by experts at national level,
 - called on the Agency to introduce a special section describing the actions taken to prevent and manage conflict of interest in each of its future annual activity reports (AARs), which should include, *inter alia*:
 - the number of alleged conflict of interest cases verified,
 - the number of revolving door cases,
 - the measures taken in each category of cases,
 - the number of breach of trust procedures launched and their outcomes,
 - the sanctions applied,
 - requested the Agency to inform the discharge authority of the detailed measures taken,
- C. whereas the Agency's budget for 2011 was EUR 208 863 000, which represents a nominal increase of 0,22 % over the financial year 2010,
- D. whereas the overall contribution of the Union to the Agency's budget for 2011 was EUR 39 765 191,39, compared to EUR 36 755 652,07 in 2010,

Follow-up of 2010 discharge

1. Acknowledges from the Agency that as regards an *ex post* check of the declarations of interest of its experts and committee members, a representative sample of the remaining 46 % of the experts will be included in the *ex post* check currently being performed; notes that a new, more thorough check is being developed as a result of lessons learned from the *ex post* control check performed in the context of the 2010 discharge; takes note of the timetable as communicated by the Agency and awaits to be duly informed on the outcome of the check;
2. Notes with satisfaction that a special section describing the actions taken to prevent and manage conflicts of interest is to be introduced in each of the Agency's AARs, starting with the 2012 AAR;

⁽¹⁾ OJ L 350, 20.12.2012, p. 82.

Budgetary and financial management

3. Recalls that the total Union contributions amounted to EUR 39 765 191,39 for 2011, which represents an 8,65 % increase compared to the previous year;
4. Acknowledges that the Agency's budget is financed by both the Union budget and fees paid by the pharmaceutical industry when applying for, obtaining or maintaining Union marketing authorisations; finds from the annual accounts that in 2011, 77,7 % of the Agency's revenue is estimated to have derived from the fee revenue, which continues to increase year on year, the relative percentage income from the Union contribution 18,3 % in 2011 (18,8 % in 2010, or 14 % if the recovery of surplus was deduced from the total Union contribution);
5. Observes that in terms of committed and paid appropriations, the Agency's execution rate stands at 95,21 % and 81,97 % respectively, compared with 95,65 % and 79,10 % in 2010; calls on the Agency to continue its efforts to improve its execution rate of payment;
6. Notes with concern that as in its previous reports, the Court of Auditors has noted the need to introduce a system of remuneration for services provided by Member States authorities, based on their real costs; regrets that no progress has been made on this issue since 2009, when a proposal for a new payment system was presented to the Management Board but no agreement was reached; notes that the Agency will present a new proposal for a new payment system to the Management Board in March 2013; acknowledges the efforts made by the Agency's executives to encourage a decision by the Management Board to revise the system of remuneration of Member States services based on real costs; is fully aware of the fact that the little progress made is due to the lack of decision taken by the Management Board; welcomes, therefore, the approach by the Agency's administration to call upon the Commission for further assistance in this matter; urges the Agency to inform the discharge authority about the developments on this issue, inter alia, on the state of play as regards the new action plan and the Management Board's position on it;

Carry-over appropriations

7. Is concerned that once again, the Court of Auditors reported that payment appropriations for Title II ('Administrative expenditure') amounting to EUR 9 600 000 have been carried over to 2012, representing 29 % of the Title II budget, as well as payment appropriations amounting to EUR 10 300 000 for Title III ('Operational expenditure'), representing 34 % of the Title III budget; believes the level of carry-over to be excessive and at odds with the principle of annuality;
8. Notes with concern the difference between the Court of Auditors' conclusion and the Agency's reply as regards the framework contract for Information Technology (IT) services concluded in 2009, for which the Court had qualified its opinion on the legality and regularity of the transactions underlying the Agency's 2009 accounts; notes that the Court of Auditors considers the increase of the original contract ceiling to be irregular, while the Agency considers that the IT framework contract was not irregular, and therefore does not consider its extension as irregular either; urges the Agency to provide further information on the matter and to take steps in order to resolve the contradiction;

Procurement procedures

9. Acknowledges from the Court of Auditors that there is scope for improving the transparency of procurement procedures as regards the justification of the estimated contract volumes and the definition, publication and application of selection criteria; notes with satisfaction that the Agency has taken note of the Court of Auditors' comments and updated its procedures with a view to transparency and documentation;

Recruitment procedures

10. Notes that in 2011, the Agency advertised 15 vacancies for temporary agent positions and that at year-end, the total number of staff at the Agency increased from 656 to 689;

11. Acknowledges from the Court of Auditors the need to improve the transparency of staff selection procedures; notes with concern that Selection Board members did not always complete their conflict of interest declarations or did not do so in a timely manner and there was no evidence of any action taken to address the issues raised by those declarations; regrets that the documentation of the Selection Board's proceedings was not always adequate and that there is no evidence as to how the method for the short-listing of candidates was established and that the questions for the written tests or interviews were set before the examinations;
12. Notes from the Agency that it has taken note of the Court of Auditors' comments and updated its procedures with a view to transparency and timely documentation; considers that some of the provisions of the Staff Regulations may present a considerable administrative burden; therefore encourages the Commission to allow for a certain degree of simplification under Article 110 of the Staff Regulations in regard to the agencies;

Conflict of interest

13. Welcomes the fact that the Court of Auditors carried out an audit to evaluate the policies and procedures for the management of conflict of interest situations for four European agencies, including the European Medicines Agency, and presented its results in its Special Report 15/2012;
14. Notes that according to the findings of the Court of Auditors, at the time of completion of the field work (October 2011), the Agency did not adequately manage conflict of interest situations but has developed one of the most advanced policies and procedure for declaring, assessing and managing conflicts of interest;
15. Welcomes the fact that the Agency has taken a number of steps following the discharge authority's recommendations for 2010, the Court of Auditors' audit and the publication of Special Report 15/2012, in particular:
 - the policy on the handling of conflicts of interests of members and experts of scientific committees, an already revised system which came into effect on 29 September 2011, was further revised in 2012 (mainly to give clearer guidance) and became effective on 3 April 2012,
 - compulsory screening of the declared conflicts of interests of scientific committees' members was introduced on 29 September 2011; the possibility, moreover, of pre-screening any expert prior to the formal Agency's evaluation for involvement in its activities is offered to all nominating authorities,
 - a revised policy on the handling of conflicts of interests of the Management Board (in line with the policy for scientific committees' members/experts) came into effect on 3 April 2012,
 - breach of trust procedures were developed for both scientific committees' members/experts (which came into effect on 3 April 2012) and Management Board members (which came into effect on 7 June 2012),
 - as regards transparency, the recording of declared interests has been further fine-tuned in so far as all restricted involvements put in place vis-à-vis the agenda points of the meeting are now recorded (undertaken before December 2012);
16. Urges the Agency to continue implementing the Court of Auditors' recommendations in order to avoid any conflict of interest in its various structures of governance and operation, and to report to the discharge authority on a six months basis on the implementation of the abovementioned policies and procedures, as well as on any further developments regarding management of conflict of interest;

17. Calls on the agency to start a structured dialogue with civil society on matters relating to conflicts of interest, to invite the organisations concerned at least twice a year to discuss matters of common interest based on an agreed agenda and to inform the discharge authority on the outcome of those deliberations;
18. Welcomes the Agency's commitment to undertake in the first half of 2013 a review of the implementation of its revised policy on the handling of conflicts of interests and that an *ex ante* and *ex post* check on the handling of conflicts of interests is currently being developed for implementation in the second quarter of 2013; calls on the Agency to keep the discharge authority informed on their respective outcomes;
19. Welcomes the fact that after the former Head of the Legal Service left the Agency in June 2012 to join a US-based law firm having a number of pharmaceutical industry companies as clients as senior counsel, the Executive Director of the Agency launched a review of his work as Head of the Legal Service, Chair of the Joint Committee, Chair of the Disciplinary Committee and as a member of the Advisory Committee on Procurement and Contracts; acknowledges that no evidence of conflicts of interest nor breach of obligations provided in Articles 11 and 11a of the Staff Regulations could be identified; welcomes the fact that in accordance with Article 16 of the Staff Regulations, the Executive Director imposed some restrictions to the activities of the former Head of Legal Service for a period of two years following his leaving the Agency; calls on the Agency to provide the discharge authority with detailed information on those restrictions;

Internal audit

20. Takes note that an in-depth risk assessment was conducted to determine the audit priorities and as a result, the audit topic agreed for 2012 was 'Planning and Budgeting', and the Internal Audit Service (IAS) carried out an audit entitled 'Operational Business Continuity in the European Medicines Agency';
21. Notes that, based on the results of that audit, the IAS raised 13 recommendations, seven of which were rated as 'very important', five as 'important' and one as 'desirable'; notes with satisfaction that all the recommendations were accepted by the Management Board and that the action plan prepared by the Agency to rectify those recommendations was considered to be adequate by the IAS;
22. Notes that the IAS also carried out an IT risk assessment exercise in a form of a risk self-assessment, providing an overview of IT risk exposures;
23. Acknowledges that as regards earlier recommendations issued by the IAS and their implementation by the Agency by 31 December 2011, there are nine 'very important' recommendations open from previous audits, eight of which have been implemented by the Agency and are under review by IAS, and that no critical recommendations remained open on 31 December 2011;
24. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its Resolution of 17 April 2013 ⁽¹⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Texts adopted, P7_TA(2013)0134 (see page 374 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT
of 17 April 2013
on the closure of the accounts of the European Medicines Agency for the financial year 2011
(2013/585/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Medicines Agency for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the European Medicines Agency for the financial year 2011, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 – C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EC) No 726/2004 of the European Parliament and of the Council ⁽⁴⁾ establishing a European Medicines Agency, and in particular Article 68 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0098/2013),
1. Approves the closure of the accounts of the European Medicines Agency for the financial year 2011;
 2. 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
Martin SCHULZ

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 388, 15.12.2012, p. 116.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 298, 26.10.2012, 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 17 April 2013

**on discharge in respect of the implementation of the budget of the European Monitoring Centre for
Drugs and Drug Addiction for the financial year 2011**

(2013/586/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2011, together with the Centre's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 – C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0071/2013),
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 2011;
 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
Martin SCHULZ

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 388, 15.12.2012, p. 123.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 298, 26.10.2012, 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 17 April 2013****with observations forming an integral part of its 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 2011**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2011, together with the Centre's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 – C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0071/2013),
- A. whereas the European Monitoring Centre for Drugs and Drug Addiction ('the Centre'), which is located in Lisbon, was established by Council Regulation (EEC) No 302/93 ⁽⁶⁾,
- B. whereas the Court of Auditors has stated that it has obtained reasonable assurances that the annual accounts of the Centre for the financial year 2011 are reliable and that the underlying transactions are legal and regular,
- C. whereas on 10 May 2012, Parliament granted the Director of the Centre discharge for implementation of the Centre's budget for the financial year 2010 ⁽⁷⁾, and in its resolution accompanying the discharge decision, *inter alia*:

⁽¹⁾ OJ C 388, 15.12.2012, p. 123.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 376, 27.12.2006, p. 1.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

⁽⁶⁾ OJ L 36, 12.2.1993, p. 1.

⁽⁷⁾ OJ L 286, 17.10.2012, p. 206.

- called on the Centre to take immediate action to increase the execution rate for payment appropriations in the future and to keep the discharge authority informed of the progress achieved,
 - called on the Centre to consolidate its financial management; recognises that drug-related issues should be adequately represented in the new multiannual financial framework (2014-2020),
 - urged the Centre to implement five 'very important' recommendations of the internal audit service (IAS) without delay and inform the discharge authority of the progress made,
- D. whereas the overall budget of the Centre for the year 2011 was EUR 16 274 205,07 compared to EUR 15 900 323 in 2010, which represents an increase of 2,35 %,
- E. whereas the contribution of the Union to the Centre's budget for 2011 was EUR 15 400 000,
- F. whereas the 2011 economic outturn account had a negative result of EUR – 203 404,85,

Budgetary and financial management

1. Acknowledges from the Annual Activity Report (AAR) that the financial and budget management demonstrated by the Centre led to a budget execution of almost 100 % in commitments and payments as follows:
 - Title 1: 99,92 % in commitments and 99,40 % in payments;
 - Title 2: 99,49 % in commitments and 90,08 % in payments; and
 - Title 3: 97,18 % in commitments and 99,86 % in payments;
2. Observes from its final annual accounts that the Centre relies on the following revenue for its budget:
 - EUR 15 400 000 to be provided by the Commission's subsidy to the Centre;
 - EUR 379 934,67 to be provided by Norway for its participation in the Centre;
 - EUR 400 000 assigned revenue from the Instrument for Pre-Accession 3;
3. Establishes from the AAR that an assessment of the procurement and contracting processes was carried out in 2011; takes note of the Centre's statement that it developed actions based on the results of that assessment, namely on (i) the rationalisation of the tendering procedures and the reduction of negotiated procedures, (ii) the implementation of specific measures to ensure the proper execution of contracts and (iii) the conducting of tendering processes earlier than in 2010;
4. Takes note of the comments made by the Court of Auditors regarding the costs of approximately EUR 275 000 for unused office space borne by the Centre; takes note of the Centre's reply that it 'is pursuing and increasing its efforts in this field'; requests to be thoroughly updated on further developments on the issue; requests that this matter be solved with urgency;

Performance

5. Acknowledges from the AAR that in 2011, as part of its development of an integrated system for activity-based management and budgeting, the Centre started to implement an analytical accounting system; notes, furthermore, that the Centre increased its capacity for further improving its planning and monitoring system, with special focus on the development of performance indicators, which will be developed further for the 2013 to 2015 programming period;

6. Acknowledges that the third external evaluation of the Centre was launched by the Commission in 2011 in accordance with Article 23 of Regulation (EC) No 1920/2006 and was due to be completed in 2012; calls on the Centre to inform the discharge authority on the measures implemented in light of the recommendations made by the abovementioned external evaluation;

Carry-over appropriations

7. Is concerned that the Court of Auditors identified 51 cases, with a total value of EUR 90 053, in which appropriations carried over to 2012 were not related to existing legal commitments and should have been de-committed and paid back to the Commission by the end of 2011; notes that the Centre initiated the process too late and as a consequence, due to restrictions imposed by the IT system, the funds will be blocked for one year and will only be de-committed and paid back at the end of 2012; calls on the Centre to improve its planning in order to avoid such situations in the future;

Location

8. Acknowledges from the Court of Auditors' report that the Centre currently bears the annual cost of about EUR 275 000 for unused office space in its former building and in the new headquarters; calls on the Centre to continue, in cooperation with the Commission and national authorities, to seek adequate solutions for the unused office space and to keep the discharge authority informed;

Treasury policy

9. Is concerned by the Court of Auditors' finding that the Centre has not yet adopted and implemented a treasury policy to minimise and spread financial risk while aiming at adequate returns; notes the Centre's replies announcing action on all those matters; calls on the Centre to take all remedial measures as announced without delay and to inform the discharge authority of the actions taken to address that deficiency;
10. Is concerned that the Centre has not yet adopted a comprehensive policy on exceptions and deviations from established processes and procedures; notes the Centre's replies announcing action on all those matters; calls on the Centre to take without delay all remedies as announced and to inform the discharge authority of the actions taken to address that deficiency;

Recruitment procedures

11. Acknowledges from the Court of Auditors' report that the Centre could improve the recruitment procedures; calls on the Centre to inform the discharge authority of the actions taken to improve the recruitment procedures; considers that some of the provisions of the Staff Regulations may present a considerable administrative burden; therefore encourages the Commission to allow for a certain degree of simplification under Article 110 of the Staff Regulations in regard to the agencies;

Accounting system

12. Acknowledges from the Final Annual Accounts that the Centre implemented a new income structure created in accrual-based accounting (ABAC) in order to simplify and better manage the recovery orders;
13. Notes also that the Centre revised its activity based management system and defined its cost based accounting system; acknowledges in particular that the relevant ABAC and SAP CO applications have been configured accordingly;

Internal audit

14. Acknowledges that in 2011, the IAS performed a compliance audit on 'Annual Activity Report and building blocks of assurance'; notes that based on the results of the abovementioned audit, the IAS raised eight recommendations, two of which were rated as 'very important ' and six as 'important'; calls on the Centre to implement the 2011 IAS recommendations, together with those from prior IAS audits which remain open and to keep the discharge authority informed;
15. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 17 April 2013 ⁽¹⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Texts adopted, P7_TA(2013)0134 (See page 374 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT
of 17 April 2013
on the closure of the accounts of the European Monitoring Centre for Drugs and Drug Addiction
for the financial year 2011

(2013/587/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2011, together with the Centre's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 – C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0071/2013),
1. Approves the closure of the accounts of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2011;
 2. 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
Martin SCHULZ

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 388, 15.12.2012, p. 123.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 298, 26.10.2012, 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 17 April 2013****on discharge in respect of the implementation of the budget of the European Maritime Safety Agency for the financial year 2011**

(2013/588/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Maritime Safety Agency for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the European Maritime Safety Agency for the financial year 2011, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 – C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EC) No 1406/2002 of the European Parliament and of the Council of 27 June 2002 establishing a European Maritime Safety Agency ⁽⁴⁾, and in particular Article 19 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0078/2013),
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 2011;
 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

Martin SCHULZ

The Secretary-General

Klaus WELLE

⁽¹⁾ OJ C 388, 15.12.2012, p. 129.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 298, 26.10.2012, 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 17 April 2013****with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Maritime Safety Agency for the financial year 2011**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Maritime Safety Agency for the financial year 2011,
- having regard to the Court of Auditors' report on the annual accounts of the European Maritime Safety Agency for the financial year 2011, together with the Agency's replies ⁽¹⁾,
- having regard to the Council's recommendation of 12 February 2013 (05753/2013 – C7-0041/2013),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- 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 ⁽²⁾, and in particular Article 185 thereof,
- having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
- having regard to Regulation (EC) No 1406/2002 of the European Parliament and of the Council of 27 June 2002 establishing a European Maritime Safety Agency ⁽⁴⁾, and in particular Article 19 thereof,
- having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
- having regard to Rule 77 of, and Annex VI 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 (A7-0078/2013),

A. whereas the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts of the European Maritime Safety Agency ('the Agency') for the financial year 2011 are reliable and that the underlying transactions are legal and regular,

⁽¹⁾ OJ C 388, 15.12.2012, p. 129.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 208, 5.8.2002, p. 1.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

Budgetary and financial management

1. Notes that the Agency's 2011 budget amounted to EUR 56,4 million, compared to EUR 54,4 million in the previous year;
2. Notes with concern the Court of Auditors' finding that budget commitments amounting to EUR 0,9 million were not related to existing legal commitments and the Agency should have decommitted and paid back the amount to the Commission at the beginning of 2012; notes, however, that the Agency initiated the process too late and as a result, due to restrictions imposed by the IT system, the funds will be blocked for one year and will only be decommitted and paid back at the end of 2012;
3. Acknowledges that the Agency took steps in order to ensure outstanding balances on commitments not related to existing legal obligations were decommitted before the end of the year, and had instructed its Authorising Officers to initiate the decommitment procedure as soon as there is certainty that a measure is not or will not be fully implemented; calls on the Agency to report to the discharge authority whether the measures have been sufficient for avoiding the recurrence of a similar situation;
4. Regrets that the Court of Auditors identified the need to improve the Agency's asset management; it found, in particular, unexplained differences between the recorded annual and cumulated depreciation and that for internally created intangible assets, accounting procedures and information on costs were not reliable; notes that evidence of a physical inventory of administrative equipment within the required period was lacking;
5. Acknowledges from the Agency that it has addressed all the issues concerning its asset management, in particular, in the course of 2012, detailed rules and procedures as regards asset management were developed and implemented, the correctness of the inventory was verified and as anticipated, a full inventory of physical assets has been completed in the course of the second half of 2012; notes that the asset register supporting accrual-based accounting for assets, the Agency's tool to keep track of all its assets, has finally been fully updated;
6. Notes with concern the Court of Auditors' finding that the Agency sold two sets of sweeping arms systems for at-sea oil recovery services in December 2011, aiming to obtain at least the equipment's net book value of EUR 319 050; notes that as a result of the minimum price being wrongly set below net book value, the equipment was sold at a loss of EUR 93 950; believes that as the price obtained was the result of a tender process, this should indicate that depreciation rates used may need examination;
7. Acknowledges from the Agency that it has established a number of guidelines and procedures with regard to managing its marine pollution response assets, acknowledges that they have been consolidated in a consistent manner in a compendium, and that compendium includes a chapter on the public sale procedure and a detailed procedure for the establishment of the relevant depreciated book value;

Recruitment

8. Notes from the Court of Auditors' report that there was room to improve the transparency of recruitment procedures, in particular, the thresholds which candidates had to meet in order to be invited to interview, the questions for written tests and interviews and the corresponding weightings for the evaluation of candidates were not set before the applications were examined; acknowledges that the Agency has updated its recruitment procedures accordingly;

Conflicts of interest

9. Calls on the Agency to scrutinise and prohibit possible conflicts of interest when hiring experts and staff from the sector it supervises;

Internal audit

10. Notes that in 2011, the Commission's Internal Audit Service (IAS) performed the audit of 'Inspection at EMSA', and that following the audit, the Agency prepared a detailed action plan, which according to IAS, adequately addressed the very important risks; notes that IAS also followed up the status of implementation of the open 'very important' recommendation of previous audits and found that the Agency has implemented all those recommendations; notes that by the end of 2011, the Agency considered closed 26 out of a total of 30 recommendations, made by both the IAS and the Agency's Internal Auditor (Internal Audit Capability);
 11. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its Resolution of 17 April 2013 ⁽¹⁾ on the performance, financial management and control of the agencies.
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⁽¹⁾ Texts adopted, P7_TA(2013)0134 (see page 374 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****on the closure of the accounts of the European Maritime Safety Agency for the financial year 2011**

(2013/589/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Maritime Safety Agency for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the European Maritime Safety Agency for the financial year 2011, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 – C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EC) No 1406/2002 of the European Parliament and of the Council of 27 June 2002 establishing a European Maritime Safety Agency ⁽⁴⁾, and in particular Article 19 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0078/2013),
1. Approves the closure of the accounts of the European Maritime Safety Agency for the financial year 2011;
 2. 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

Martin SCHULZ

The Secretary-General

Klaus WELLE

⁽¹⁾ OJ C 388, 15.12.2012, p. 129.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 298, 26.10.2012, 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 17 April 2013****on discharge in respect of the implementation of the budget of the European Network and Information Security Agency for the financial year 2011**

(2013/590/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Network and Information Security Agency for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the European Network and Information Security Agency for the financial year 2011, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 – C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EC) No 460/2004 of the European Parliament and of the Council of 10 March 2004 establishing the European Network and Information Security Agency ⁽⁴⁾, and in particular Article 17 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0100/2013),
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 2011;
 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

Martin SCHULZ

The Secretary-General

Klaus WELLE

⁽¹⁾ OJ C 388, 15.12.2012, p. 135.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 298, 26.10.2012, 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 17 April 2013****with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Network and Information Security Agency for the financial year 2011**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Network and Information Security Agency for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the European Network and Information Security Agency for the financial year 2011, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 – C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EC) No 460/2004 of the European Parliament and of the Council of 10 March 2004 establishing a European Network and Information Security Agency ⁽⁴⁾, and in particular Article 17 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0100/2013),
- A. whereas the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts for the financial year 2011 are reliable and that the underlying transactions are legal and regular,
- B. whereas on 10 May 2012, Parliament granted the Executive Director of the European Network and Information Security Agency ('the Agency') discharge for the implementation of the Agency's budget for the financial year 2010 ⁽⁶⁾, and in its resolution accompanying the discharge, inter alia:
- expressed its concern that the Court of Auditors reported appropriations carrying forward 19 % of the total budget of the Agency to the following year,
 - urged the Agency to:

⁽¹⁾ OJ C 388, 15.12.2012, p. 135.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 77, 13.3.2004, p. 1.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

⁽⁶⁾ OJ L 286, 17.10.2012, p. 221.

- put an exhaustive physical inventory list in place and ensure the correctness of the accounting records,
 - improve the transparency of estimates and clarify who has responsibility,
 - strengthen its procurement authorisation at a financing decision and work-programme level,
 - ensure that the disclosure of exceptions in its Annual Activity Report is made in a comprehensive manner,
 - ensure adequate follow up of potential irregularities,
 - develop and report on *ex-post* controls,
- C. whereas the overall budget of the Agency for the year 2011 was EUR 8 102 921, which is 0,003 % less than its budget for 2010 (EUR 8 133 188); whereas for 2011, the initial contribution of the Union to the budget of the Agency amounted to EUR 7 931 858 ⁽¹⁾, compared to EUR 7 928 200 in 2010,

Budgetary and financial management

1. Recalls that the initial Union contribution was EUR 7 931 858 for 2011; notes that the budget implementation improved compared with the previous year;
2. Acknowledges from the annual accounts that the initial 2011 budget of the Agency amounted to EUR 7 931 858; notes, however, that the Management Board amended the budget in order to reflect a contribution from European Free Trade Association countries of EUR 171 063;
3. Establishes from the annual accounts that appropriations were committed at a rate of 100 %, compared to 99,95 % in 2010, while payments reached 85,82 % of the total appropriations managed, compared to 75,46 % in 2010;

Carry-over appropriations

4. Notes from the annual accounts that EUR 1 166 895 of the commitment appropriations contracted by the end of 2011 but not yet paid were carried forward to 2012; notes, furthermore, that the total of carried forward appropriations cancelled (i.e. carried forward from 2010 and not paid in 2011) in 2011 represents EUR 130 133;
5. Is concerned that, once again, the Court of Auditors reported 33 % of carryovers from the Agency's operational budget (Title III); expresses concern that this situation indicates delays in the implementation of the Agency's activities that are financed by Title III and is at odds with the budgetary principle of annuality; once more, urges the Agency to inform the discharge authority of the actions it has taken to address this deficiency; notes, furthermore, that the situation has improved, as compared to the previous year (52 %);
6. Recalls that the Court of Auditors reported 34 % of carryovers from the Agency's administrative budget (Title II); notes that this situation is at odds with the budgetary principle of annuality; once more, urges the Agency to inform the discharge authority of the actions it has taken to address this deficiency;

Procurement procedures

7. Acknowledges from the Court of Auditors' report that the Agency needs to improve the documentation of fixed assets as purchases of fixed assets are recorded at invoice and not at item level; urges the Agency to inform the discharge authority of the actions it has taken to address this deficiency;

⁽¹⁾ Annual accounts for the financial year 2011, p. 20.

Recruitment procedures

8. Notes that no adequate measures have been taken to address the lack of transparency of recruitment procedures reported by the Court of Auditors in 2010 and that the Court has once again reported that the Agency needs to improve the transparency of those procedures; calls on the Agency to inform the discharge authority of the actions it has taken to address this deficiency; considers that some of the provisions of the Staff Regulations may present a considerable administrative burden; therefore encourages the Commission to allow for a certain degree of simplification under Article 110 of the Staff Regulations in regard to the agencies;
9. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its Resolution of 17 April 2013 ⁽¹⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Texts adopted, P7_TA(2013)0134 (see page 374 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****on the closure of the accounts of the European Network and Information Security Agency for the financial year 2011**

(2013/591/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Network and Information Security Agency for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the European Network and Information Security Agency for the financial year 2011, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 – C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EC) No 460/2004 of the European Parliament and of the Council of 10 March 2004 establishing the European Network and Information Security Agency ⁽⁴⁾, and in particular Article 17 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0100/2013),
1. Approves the closure of the accounts of the European Network and Information Security Agency for the financial year 2011;
 2. 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
Martin SCHULZ

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 388, 15.12.2012, p. 135.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 298, 26.10.2012, 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 17 April 2013****on discharge in respect of the implementation of the budget of the European Railway Agency for the financial year 2011**

(2013/592/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Railway Agency for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the European Railway Agency for the financial year 2011, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 – C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 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 (Agency Regulation) ⁽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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0103/2013),
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 2011;
 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

Martin SCHULZ

The Secretary-General

Klaus WELLE

⁽¹⁾ OJ C 388, 15.12.2012, p. 145.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 298, 26.10.2012, 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 17 April 2013****with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Railway Agency for the financial year 2011**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Railway Agency for the financial year 2011,
- having regard to the Court of Auditors' report on the annual accounts of the European Railway Agency for the financial year 2011, together with the Agency's replies ⁽¹⁾,
- having regard to the Council's recommendation of 12 February 2013 (05753/2013 – C7-0041/2013),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- 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 ⁽²⁾, and in particular Article 185 thereof,
- having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 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 (Agency Regulation) ⁽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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
- having regard to Rule 77 of, and Annex VI 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 (A7-0103/2013),
- A. whereas the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts of the European Railway Agency ('the Agency') for the financial year 2011 are reliable and that the underlying transactions are legal and regular,
- B. whereas on 10 May 2012, Parliament granted the Executive Director of the Agency discharge for the implementation of the Agency's budget for the financial year 2010 ⁽⁶⁾, and in its resolution accompanying the discharge, *inter alia*:
 - regretted the fact that errors in budgetary forecasts resulted in the cancellation or delay of certain investments; urged the Agency to inform the discharge authority immediately of the measures implemented in order to allow for better expenditure forecasts,

⁽¹⁾ OJ C 388, 15.12.2012, p. 145.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 298, 26.10.2012, p. 1.⁽⁴⁾ OJ L 164, 30.4.2004, p. 1.⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.⁽⁶⁾ OJ L 286, 17.10.2012, p. 229.

- recalled that the Agency already carried over a substantial amount of appropriations in the financial years 2008 and 2009 to the financial year 2010; considered that those serious breaches of the budgetary principle of annuality can no longer be accepted in the future and that discharge should be refused on the next occasion, in the event that there is a further breach of that budgetary principle; called on the Agency to take the measures required to remedy the situation without delay,
 - considered that the Agency did not adequately address the problem of appropriations being carried forward from one year to the next; recalled the importance of the budgetary principle of annuality; called on the Agency to inform the discharge authority about actions taken to improve the annual budget implementation and to decrease the carryovers of budget appropriations,
 - urged the Agency to create a multiannual plan translating long-term objectives into multiannual tasks and associated key performance indicators; emphasised that this would provide stakeholders with better information on the Agency's objectives, activities, strategic priorities and resource allocation,
 - called on the Agency to implement the Internal Audit Service (IAS) recommendations related to the audit on human resources management undertaken by the IAS in 2009,
- C. whereas, according to the Agency's 2011 Annual Accounts Report ⁽¹⁾, the budget for the Agency for the year 2011 was EUR 25 988 665, compared to EUR 24 147 240 in 2010, which accounts for an increase of 7,62 % compared to the previous year,

Budgetary and financial management

1. Notes from the Agency's Annual Activity Report (AAR) that 95 % of appropriations were committed and 81 % have been used for payments; notes in particular that:
 - under Title I 'Staff Expenditure', the total committed appropriations amounted to EUR 15 930 664 (100 %), of which 99 % has been used for payment execution (EUR 15 710 948) while 1 % of the appropriations were carried forward to 2012 (EUR 219 716);
 - under Title II 'Administrative Expenditure', the total committed appropriations amounted to EUR 2 212 548 (nearly 100 %), of which 75 % has been used for payment execution (EUR 1 649 635) while 25 % of the appropriations were carried forward to 2012 (EUR 562 913);
 - under Title III 'Operational Expenditure', the total committed appropriations amounted to EUR 6 495 020 (83 %), of which 47 % has been used for payment execution (EUR 3 659 761) while 36 % of the appropriations were carried forward to 2012 (EUR 2 835 259);
2. Acknowledges that the level of payments against budget appropriations improved for all titles, but remained low for Title III with 47 % (39 % in 2010); demands that the Agency take further actions to address this deficiency as the situation is at odds with the budgetary principle of annuality and report back to the budgetary authority forthwith;

Staff

3. Observes from the Court of Auditors' report that the Agency will have to replace half of its operational staff in the period 2013–15; calls on the Agency to inform the discharge authority on the actions taken to manage this difficult situation which may cause major disruptions in the Agency's operational activities;

Two locations

4. Takes note that the Agency recognises that the use of two locations leads to inefficiencies and additional costs; notes, moreover, that all efforts are made by the Agency to minimise the negative impact of the decision on the Agency's seat;

⁽¹⁾ Annual Accounts Report for 2011, p. 6.

5. Acknowledges from the AAR that the preparatory phase of the project to increase the capacity of headquarters in Valenciennes was completed; notes moreover that the improvement of the Lille premises was postponed due to the lack of resources;

Accounting system

6. Observes from the AAR that the Agency updated its Manual for Financial Procedures according to the use of the modules of accrual-based accounting (ABAC) workflow and ABAC assets; notes, moreover, that the ABAC assets module was implemented in 2011;
7. Welcomes the Agency's implementation, as of 1 September 2010, of a centralised system for the registration of incoming invoices; stresses that this measure is necessary to ensure the timely recording of all invoices and contributes to avoiding delays in processing payments;

Carryovers

8. Acknowledges from the Court of Auditors' report that the appropriations carried forward to 2012 amounted to EUR 3 617 887; calls on the Agency to take further action to address this deficiency as the situation is at odds with the budgetary principle of annuality;

Recruitment procedures

9. Acknowledges from the Court of Auditors' report that the Agency could improve its recruitment procedures in order to fully ensure transparency and equal treatment of candidates; calls on the Agency to inform the discharge authority of the actions taken to improve the recruitment procedures; considers that some of the provisions of the Staff Regulations may present a considerable administrative burden; encourages, therefore, the Commission to allow for a certain degree of simplification under Article 110 of the Staff Regulations in regard to the agencies;
10. Takes note from the AAR that staff had been recruited as planned with a vacancy rate of 2,78 % at the end of the year; notes, moreover, that the total number of staff at the end of 2011 was 140 temporary agents and 14 other staff (contractual agents and seconded national experts);

Conflicts of interest

11. Calls on the Agency to scrutinise and prohibit possible conflicts of interest when hiring experts and staff from the sector it supervises;

Internal audit

12. Acknowledges from the Agency that the IAS carried out an audit 'Expert Management in Interoperability' in 2011 in order to provide reasonable assurance on the adequacy and effectiveness of the internal control system regarding expert management in interoperability in the Agency; notes that based on the results the IAS raised six recommendations, out of which two as 'very important', three as 'important' and one as 'desirable'; calls on the Agency to implement the IAS recommendations and to inform the discharge authority of the actions taken;
13. Welcomes the Agency's initiative of setting up an Internal Audit Capability (IAC) at the end of 2007 that is dedicated to providing support and advice to its Executive Director and management on internal control, risk assessment and internal audit; notes, moreover, that the IAC activity during 2011 was aimed at providing management support as regards the annual assessment of the 16 Internal Control Standards, the revision of the risk management framework, the coordination of the 2011 risk assessment exercise, and the development of a specific policy on the management of conflicts of interest within the Agency;
14. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 17 April 2013 ⁽¹⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Texts adopted, P7_TA(2013)0134 (see page 374 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****on the closure of the accounts of the European Railway Agency for the financial year 2011**

(2013/593/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Railway Agency for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the European Railway Agency for the financial year 2011, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 – C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 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 (Agency Regulation) ⁽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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0103/2013),
1. Approves the closure of the accounts of the European Railway Agency for the financial year 2011;
 2. 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
Martin SCHULZ

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 388, 15.12.2012, p. 145.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 298, 26.10.2012, 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 17 April 2013****on discharge in respect of the implementation of the budget of the European Securities and Markets Authority for the financial year 2011**

(2013/594/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Securities and Markets Authority for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the European Securities and Markets Authority for the financial year 2011, together with the Authority's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 – C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC ⁽⁴⁾, and in particular Article 64 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Economic and Monetary Affairs (A7-0115/2013),
1. Grants the Executive Director of the European Securities and Markets Authority discharge in respect of the implementation of the Authority's budget for the financial year 2011;
 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 Securities and Markets 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
Martin SCHULZ

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 388, 15.12.2012, p. 157.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 331, 15.12.2010, p. 84.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Securities and Markets Authority for the financial year 2011**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Securities and Markets Authority for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the European Securities and Markets Authority for the financial year 2011, together with the Authority's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 – C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC ⁽⁴⁾, and in particular Article 64 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Economic and Monetary Affairs (A7-0115/2013),
- A. whereas the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts of the European Securities and Markets Authority ('the Authority') for the financial year 2011 are reliable and that the underlying transactions are legal and regular,
- B. whereas the Authority, a newly created Agency which is located in Paris, was established by Regulation (EU) No 1095/2010 and officially started its operations on 1 January 2011 as an independent authority,

⁽¹⁾ OJ C 388, 15.12.2012, p. 157.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 298, 26.10.2012, p. 1.⁽⁴⁾ OJ L 331, 15.12.2010, p. 84.⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

- C. whereas the Authority should be considered in the context of its legal transition from its predecessor, the Committee of European Securities Regulators (CESR), a French association, and as a result, apart from its new mandate, it has taken over all existing and ongoing tasks and responsibilities from the CESR (all assets, liabilities and all pending operation of CESR were automatically transferred to the newly created Authority),
- D. whereas the Authority is an integral part of the European System of Financial Supervisors and works in close cooperation with its sister authorities, the European Banking Authority and the European Insurance and Occupational Pensions Authority, within a Joint Committee, and with the European Systemic Risks Board,
- E. whereas the Authority's overall allocated budget for 2011 was EUR 16 964 913,92,
- F. whereas in accordance with its Founding Regulation⁽¹⁾, 60 % of the 2011 budget was financed by contributions from the Member States and the European Free Trade Association (EFTA) countries, and 40 % was financed by the Union budget,
- G. whereas, at the end of 2011, the Authority recorded a positive budget outturn of EUR 4 457 244,82⁽²⁾, after deduction of exchange rate differences equal to EUR 4 645,56, which was then recorded in the accounts as a liability towards the Commission,

Budgetary and financial management

- 1. Takes note from the annual accounts that the initial Union contribution to the Authority's budget for 2011 was EUR 6 784 000; notes that this was the first year of the Authority's activities;
- 2. Acknowledges from the annual accounts that the Authority's overall budget for 2011 amounted to EUR 16 964 913,92 (including EUR 9 857 457,23 from Member States, EUR 257 288,76 as a contribution from observers and EUR 66 167,93 representing 'Other revenue');
- 3. Calls on the Commission to explore all the options for a new long term sustainable financing of the Authority that safeguards its independence in the context of the next review of the agencies' work and financing arrangements by the Commission, which will be presented by 2 January 2014 at the latest;
- 4. Calls on the Commission to evaluate the possibility of coming up with a proposal ensuring that the budgets of the three European Supervisory Authorities (ESAs) are fully funded by the Union budget;
- 5. Notes with concern that the provisions of the Financial Regulation are not fully adapted to the Authority's financing scheme as 60 % of its budget is financed by contributions from Member States and EFTA countries; believes that that issue should be addressed, at the latest, in the course of the next revision of the Financial Regulation as regards agencies, and calls on the Commission to evaluate this situation and to report on this issue to the discharge authority;
- 6. Notes from the annual accounts that the major focus of the Authority in 2011 was its establishment and further extension;
- 7. Stresses the importance of adequately matching the allocated budget and available posts on one hand and the tasks entrusted to the Authority on the other hand, as a mismatch may result in unbalanced staffing as regards the recruitment of the Authority's staff on one hand and the involvement of national experts on the other; expresses concern about the fact that the Commission has altered the establishment plan as proposed by the Authority without clearly indicating this; urges the Commission to be fully transparent on this and other issues;

⁽¹⁾ OJ L 331, 15.12.2010, p. 12, Article 62(1).

⁽²⁾ Annual accounts 2011, p. 27.

8. Notes the concerns that were raised in the preliminary conclusions of the IMF financial sector assessment of December 2012 on the Union, in which it is recommended to increase the resources and powers of the ESAs in order to enable them to successfully fulfil their mandates, while enhancing their operational independence;
9. Acknowledges from the annual accounts that in the Authority's inauguration meeting on 11 January 2011, the Management Board adopted and approved the principal financial rules and the Authority's Financial Regulation in order to enable it to execute its powers as a European authority;

Transition from CESR

10. Acknowledges from the annual accounts that the political decision to transform CESR into the Authority in January 2011 was taken in September 2010, which allowed only four months to set up the Authority, whereas the usual time for such tasks is estimated at two years;
11. Notes that the first quarter of 2011 was dedicated to the transfer of assets from CESR to the Authority and the implementation of, as well as training on, Union rules in terms of financial circuits, recruitments and procurements; takes note, furthermore, that the second quarter was marked by the Authority moving into its premises, following the signature of a new lease contract in December 2010; notes that works were being executed from March to June 2011 in the new premises;
12. Acknowledges from the annual accounts that in the third and fourth quarters, when the Authority's organigram and recruitment were revised, new managers were recruited (a new Chair in April 2011 and a new Executive Director in June 2011) and its operations started to build up;
13. Takes note that according to the Authority, the above mentioned issues and the limited preparation time setting up its operations explain the budgetary under spending in 2011;

Accounting system

14. Takes note from the annual accounts that the standard and general budget structure adopted by the Authority at the beginning of 2011 needed to be adapted according to its real needs;
15. Notes from the annual accounts that in April 2011, the Authority introduced accrual based accounting (ABAC), the accounting system used by the Commission for budgetary accounting; notes, furthermore, that during the transition period, from January to April 2011, the Authority used a system based on spreadsheets and in April converted to the final ABAC/SAP system used by the Commission;
16. Acknowledges from the annual accounts that budget accounts are managed by the ABAC system and the general accounts are maintained by the SAP system, which has a direct interface with the General Accounting System of the Commission; also notes that the various budgetary and financial reports are produced using the Business Objects reporting tool;
17. Takes note that according to the Authority, it has implemented the validation of its accounting system by a full control approach in 2011, and urges the Authority to provide the discharge authority with the 2012 follow-up report on the 'Validation of accounting systems' compliant with the criteria specified by the Commission (DG Budget);

Budget execution

18. Establishes from the annual accounts that the Authority registered a budget execution ratio of 75,7 % for commitments and 62,5 % for payments at the end of 2011;

19. Acknowledges from the annual accounts ⁽¹⁾ that EUR 1 901 218,61 of commitments were carried forward from 2011 to 2012, of which approximately EUR 250 000 may need to be decommitted later;
20. Notes that the commitment execution rate for Title I ('Staff expenditure') was 84,95 % and 82,46 % for Title II ('Administrative expenditure'); notes that 2011 was a transitional year from CESR to a European authority and a preparatory year for new procedures and requests; calls on the Authority to inform the discharge authority of the actions taken to improve the ratios, as the low execution ratio shows difficulties in budget planning and implementation;
21. Takes note that the Authority is in its initial growth period; notes that the budget for salaries was, therefore, higher than needed as not all staff could be recruited at the beginning of the year; notes, furthermore, that having a smaller staff than originally budgeted for had a corresponding effect on the execution of Title II;
22. Acknowledges that all budget transfers were made within the same title, apart from a EUR 250 000 net transfer which was moved from Title I to Title II to help cover the costs of the renovation of the new premises;
23. Takes note from the annual accounts of the low commitment execution ratio of 46,92 % for Title III ('Operational expenditure'); notes that approximately EUR 1 000 000 of commitments for Title III was carried forward to cover information technology (IT) projects that were part of the 2011 work programme but due to delays in the legislative process, had their start dates delayed; calls on the Authority to inform the discharge authority of the actions taken to improve the ratio, as the low execution ratio shows difficulties in budget planning and implementation;
24. Notes that the commitments where it was particularly difficult to judge expenditure were related to taxes due to the French authorities, travel agent fees and training for supervisors not run by the Authority directly;
25. Acknowledges that the Authority has taken into account the expenditure pattern for 2011 and the fact that the 2012 budget has been reprofiled and that for the 2013 budget, for both Titles I and II, the Authority has taken account of the fact that during a growth period, not all posts on the establishment plan will be filled at the beginning of the year;
26. Takes note that according to the Authority, due to technical difficulties and the late implementation of ABAC, the corresponding budget commitments were only registered in the accounts in late 2011;
27. Notes that the Court of Auditors identified a number of cases, with a total value of EUR 207 442, in which payment appropriations carried over to 2012 did not correspond to legal commitments made; calls on the Authority to inform the discharge authority of the actions taken to assess this deficiency, as these carry-overs were irregular and should be cancelled;
28. Acknowledges that the Authority's management of fixed assets has been improved; notes, furthermore, that as far as intangible assets are concerned, the Authority implemented timesheets for internal staff working on IT projects as of 1 January 2012 and that it is in the process of improving the relevant procedures;

Control systems

29. Acknowledges that the Authority's internal control standards have been adopted in 2012 and that an Internal Control Coordinator has also been appointed in 2012;

⁽¹⁾ Annual accounts 2011, p. 42.

30. Welcomes the Decision of the Management Board, adopted on 11 January 2011, concerning the terms and conditions for internal investigations in relation to the prevention of fraud, corruption and illegal activity detrimental to the Union's interests; stresses that this Decision follows closely the text of the model decision annexed to the Interinstitutional Agreement of 25 May 1999, and represents the accession of the Authority to that agreement;
31. Acknowledges that the majority of the Authority's implementing rules to the Staff Regulation have been adopted, but some have yet to be confirmed or finalised;
32. Takes note of the current state of play, which is identical for the three ESAs:
- 14 implementing rules were adopted in 2011,
 - five implementing rules were adopted in 2012,
 - seven implementing rules are awaiting confirmation by the college of the Commission or DG HR,
 - four implementing rules that finally required the three ESAs to revise the rules based on new templates in line with the new Staff Regulation have not been approved by the Commission;

Recruitment procedures

33. Takes note that the Authority has brought its recruitment procedures in line with the Court of Auditors' recommendations; calls on the Authority to inform the discharge authority of which further actions it has taken to improve the recruitment procedures; considers that some of the provisions of the Staff Regulations may present a considerable administrative burden; therefore encourages the Commission to allow for a certain degree of simplification under Article 110 of the Staff Regulations in regard to the agencies;
34. Notes from the annual accounts ⁽¹⁾ that 2011 was a crucial year for the Authority in setting up and extending the human resources team in order to adequately source its new functions and tasks; notes that on 31 December 2012, the Authority's staff was represented by 50 temporary agents, three staff members employed under French contracts taken over from the preceding organisation, five contractual agents, two seconded national experts and two trainees;
35. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its Resolution of 17 April 2013 ⁽²⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Annual accounts 2011, p. 46.

⁽²⁾ Texts adopted, P7_TA(2013)0134 (see page 374 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****on the closure of the accounts of the European Securities and Markets Authority for the financial year 2011**

(2013/595/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Securities and Markets Authority for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the European Securities and Markets Authority for the financial year 2011, together with the Authority's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 — C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC ⁽⁴⁾, and in particular Article 64 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Economic and Monetary Affairs (A7-0115/2013),
1. Approves the closure of the accounts of the European Securities and Markets Authority for the financial year 2011;
 2. Instructs its President to forward this Decision to the Executive Director of the European Securities and Markets 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
Martin SCHULZ

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 388, 15.12.2012, p. 157.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 331, 15.12.2010, p. 84.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

DECISION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****on discharge in respect of the implementation of the budget of the European Training Foundation
for the financial year 2011**

(2013/596/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Training Foundation for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the European Training Foundation for the financial year 2011, together with the Foundation's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 – C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EC) No 1339/2008 of the European Parliament and of the Council of 16 December 2008 establishing a European Training Foundation ⁽⁴⁾, and in particular Article 17 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A7-0080/2013),
1. Grants the Director of the European Training Foundation discharge in respect of the implementation of the Foundation's budget for the financial year 2011;
 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
Martin SCHULZ

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 388, 15.12.2012, p. 165.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 354, 31.12.2008, p. 82.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****with observations forming an integral part of its decision on discharge in respect of the implementation of the budget of the European Training Foundation for the financial year 2011**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Training Foundation for the financial year 2011,
- having regard to the Court of Auditors' report on the annual accounts of the European Training Foundation for the financial year 2011, together with the Foundation's replies ⁽¹⁾,
- having regard to the Council's recommendation of 12 February 2013 (05753/2013 – C7-0041/2013),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- 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 ⁽²⁾, and in particular Article 185 thereof,
- having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
- having regard to Regulation (EC) No 1339/2008 of the European Parliament and of the Council of 16 December 2008 establishing a European Training Foundation ⁽⁴⁾, and in particular Article 17 thereof,
- having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
- having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
- having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A7-0080/2013),
- A. whereas the European Training Foundation ('the Foundation'), which is located in Turin, was established by Council Regulation (EEC) No 1360/90 ⁽⁶⁾,
- B. whereas the Court of Auditors stated that it has obtained reasonable assurances that the Foundation's annual accounts for the financial year 2011 are reliable and that the underlying transactions are legal and regular,
- C. whereas on 10 May 2012, Parliament granted the Foundation's Director discharge for the implementation of the Foundation's budget for the financial year 2010 ⁽⁷⁾, and in its resolution accompanying the discharge decision, inter alia:
 - called on the Foundation and the Commission to inform the discharge authority of the actual contribution granted to the Foundation for the financial year 2010,
 - urged the Foundation to focus on cost-effective reporting relevant to the Foundation's Governing Board and key stakeholders allowing them to check the Foundation's performance,

⁽¹⁾ OJ C 388, 15.12.2012, p. 165.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 298, 26.10.2012, p. 1.⁽⁴⁾ OJ L 354, 31.12.2008, p. 82.⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.⁽⁶⁾ OJ L 131, 23.5.1990, p. 1.⁽⁷⁾ OJ L 286, 17.10.2012, p. 238.

- called on the Foundation to implement the remaining recommendations of the Internal Audit Service (IAS) from previous audits,
 - called on the Foundation to inform the discharge authority of the revision of its original budget for 2010,
- D. whereas the commitments appropriations ⁽¹⁾ in the 2011 budget were EUR 20 350 000 and EUR 19 850 000 for payments,
- E. whereas the total contribution of the Union to the Foundation's budget for 2011 was EUR 19 850 000, compared to EUR 19 297 822 in 2010, which represents an increase of 2,86 %,
- F. whereas, at the end of 2011, the Foundation recorded a positive budget outturn of EUR 117 686,58,

Budgetary and financial management

1. Recalls that the total Union contribution to the Agency for 2011 amounted to EUR 19 850 000;
2. Calls on the Foundation and the Commission to inform the discharge authority of the actual contribution granted to the Foundation for the financial year 2011, as it is not very clear from the Foundation's annual accounts;
3. Recalls that the Foundation is to return a total of EUR 117 686,58 to the Commission, representing the budget outturn for 2011;
4. Observes from the Foundation's annual activity report (AAR) that it achieved a commitment rate of 99,69 %, similar to the execution rate of 2010, but higher in nominal terms;
5. Acknowledges from the AAR that in 2011, the Foundation amended its budget once to integrate assigned revenue (EUR 286 284,28 available from the previous years and EUR 4 522,81 in accumulated interest), which is usually undefined at the time of the adoption of the budget (November 2010 for the 2011 budget);
6. Takes note that according to the Foundation, its treasury management is governed by a Memorandum of Understanding with its parent Directorate-General Education and Culture (DG EAC), which defines clear criteria for the disbursement of the subvention on the basis of strict cash flow requirements; notes, furthermore, that following the Court of Auditors' visit in November 2012, the Foundation plans to draft and adopt a formal treasury policy in 2013; calls on the Foundation to inform the discharge authority of the actions taken to adopt a formal treasury policy in order to minimise and spread financial risk while aiming at adequate returns;

Transfers and carryovers

7. Establishes from the AAR that including the payments on operational commitments carried forward from 2010, the Foundation achieved a payment execution rate of 99,8 % of the EUR 19 850 000 available payment appropriations in 2011, compared to 96,5 % in 2010 and 90 % in 2009;
8. Acknowledges from the AAR that the Foundation reduced the number of budgetary transfers to 12 in 2011, compared with 15 in 2010 and 33 in 2009; acknowledges that the Foundation carried forward 13,1 % of the 2011 amount committed, compared to 12,8 % in 2010 and 17 % in 2009;
9. Takes note that the rate for the carry forward of operational activities — differentiated appropriations (*reste à liquider*) is 33 %, while the administrative carry forward for non-differentiated appropriations is 3,9 %;
10. Observes that following the review of activities and budget allocation, the Foundation proposed a budgetary reallocation to reinforce operational activities, resulting in a transfer of commitment and payment appropriations from Title I to Titles II and III of EUR 147 340;

Public procurement

11. Establishes that in the area of procurement, nine tendering procedures were cancelled, 38 contracts were signed and 104 contracts were active on 31 December 2011;

⁽¹⁾ Annual Accounts for 2011, p. 13.

Premises

12. Acknowledges from the Court of Auditors that the situation regarding the Foundation's premises is unsatisfactory and puts its activities at risk of disruption; calls on the Foundation to persevere in its efforts to reach a satisfactory solution and to inform the discharge authority of the actions taken to address this deficiency; notes that the Foundation is now in the process of signing the new service contract with the region, which is planned — following the agreement with the parties — for the end of February 2013;

Human resources

13. Notes from the AAR that at the end of 2011, the Foundation had six vacant posts in its establishment plan, compared to four at the end of 2010;
14. Observes that the number of staff at the Foundation now stands at 125, with seven staff members joining the Foundation and 10 leaving in 2011;
15. Takes note from the AAR that the number of posts available for the implementation of the Foundation mandate is as follows:
 - 90 temporary posts;
 - 32 contract and local agents,
 - two local agents, and
 - one seconded national expert;

Performance

16. Observes from the AAR that the Foundation developed a revised list of corporate performance indicators with the aim of enhancing the relevance and measurability of its objectives and to provide data on how the Foundation performs at an aggregated level in relation to its core business and its functioning;
17. Notes, in addition, that the Foundation developed the 'dashboard' project, which aims to ensure live key data for the daily monitoring of its activities and, in particular, for management and reporting;
18. Acknowledges that the Foundation successfully continued the second year of the Torino Process, which provides a concise, documented, comprehensive analysis of vocational education and training reform in each country, including the identification of key policy trends, challenges, constraints, good practice and opportunities, with the conference consolidating the findings of analyses from 2010 and agreement on the Torino Declaration, as well as the Torinet initiative on capacity building in evidence-based policy making;

Cooperation with the European Centre for the Development of Vocational Training (Cedefop)

19. Notes that in November 2009, the cooperation agreement between the Foundation and Cedefop was renewed for the period 2010-2013; acknowledges that each year the Foundation and Cedefop draft a joint work programme in the context of the cooperation framework, which is annexed to the work programmes of each Agency; welcomes the Foundation's intention to devote further space to reporting on the implementation of this joint work programme in future AARs;
20. Establishes that in 2011, the Foundation and Cedefop further systematised their cooperation to maximise the benefits for their respective mandates, which resulted in the organisation of knowledge sharing seminars, collaborations in the area of qualifications development, the implementation of common Union instruments and cooperation for the preparation of the 2012 reporting progress of Candidate Countries as part of the follow up to the Bruges Communiqué on enhanced European Cooperation in Vocational Education and Training;
21. Invites the Commission, together with the Foundation, the European Centre for the Development of Vocational Training, European Foundation for the Improvement of Living and Working Conditions and the European Agency for Safety and Health at Work to further explore the synergies that exist between those agencies and to report to the discharge authority on the possible deeper integration of those four agencies; invites those agencies and the Commission to evaluate whether closer cooperation could lead to economies of scale and optimisation of their performance;

Internal audit

22. Acknowledges that the IAS undertook an operational and compliance audit on external and internal communication in the Foundation in 2011; notes, in particular, that the IAS raised 14 recommendations, of which no recommendations were rated as 'critical' or 'very important'; notes, furthermore, that 12 recommendations were rated as 'important' and one recommendation was rated as 'desirable';
 23. Calls, in this context, on the Foundation to implement the IAS recommendations;
 24. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 17 April 2013 ⁽¹⁾ on the performance, financial management and control of the agencies.
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⁽¹⁾ Texts adopted P7_TA(2013)0134. (See page 374 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT
of 17 April 2013
on the closure of the accounts of the European Training Foundation for the financial year 2011
(2013/597/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Training Foundation for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the European Training Foundation for the financial year 2011, together with the Foundation's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 – C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EC) No 1339/2008 of the European Parliament and of the Council of 16 December 2008 establishing a European Training Foundation ⁽⁴⁾, and in particular Article 17 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A7-0080/2013),
1. Approves the closure of the accounts of the European Training Foundation for the financial year 2011;
 2. 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
Martin SCHULZ

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 388, 15.12.2012, p. 165.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 354, 31.12.2008, p. 82.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

DECISION OF THE EUROPEAN PARLIAMENT

of 17 April 2013

on discharge in respect of the implementation of the budget of the European Agency for Safety and Health at Work for the financial year 2011

(2013/598/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Agency for Safety and Health at Work for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the European Agency for Safety and Health at Work for the financial year 2011, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 – C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Council Regulation (EC) No 2062/94 of 18 July 1994 establishing a European Agency for Safety and Health at Work ⁽⁴⁾, and in particular Article 14 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A7-0085/2013),
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 2011;
 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

Martin SCHULZ

The Secretary-General

Klaus WELLE

⁽¹⁾ OJ C 388, 15.12.2012, p. 219.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 298, 26.10.2012, 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 17 April 2013****with observations forming an integral part of its 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 2011**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Agency for Safety and Health at Work for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the European Agency for Safety and Health at Work for the financial year 2011, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 – C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Council Regulation (EC) No 2062/94 of 18 July 1994 establishing a European Agency for Safety and Health at Work ⁽⁴⁾, and in particular Article 14 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A7-0085/2013),
- A. whereas the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts of the European Agency for Safety and Health at Work ('the Agency') for the financial year 2011 are reliable and that the underlying transactions are legal and regular,

Budgetary and financial management

1. Notes from the Court of Auditors' report that the Agency's 2011 budget amounted to EUR 16,4 million, compared to EUR 15,5 million in 2010, which represents a 5,8 % increase;

⁽¹⁾ OJ C 388, 15.12.2012, p. 219.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 216, 20.8.1994, p. 1.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

2. Regrets that at the same time, the cancellation rate for appropriations doubled from 4 % in 2010 to 8 % (EUR 1,3 million) of the total budget for 2011, indicating difficulties in the implementation of the actions foreseen in the annual work programme and in complying with the budgetary principle of annuality; calls for a more realistic and feasible programme to be presented in future;
3. Acknowledges from the Agency that the levels of budget implementation for the financial year 2011 were generally better than in 2010, in particular the cancellation of C8 appropriations and the reduction of the carryforward of C1 appropriations for Title III 'Operational Activities'; notes that the higher cancellation rate for 2011 appropriations was partly due to some vacant posts in the Agency and the need to not engage in a major activity (the OSHWikipedia project: an online occupational safety and health encyclopaedia) until international cooperation was secured; calls on the Agency to address the situation and to report on the actions taken to the discharge authority;
4. Notes with concern that whereas the Agency's Financial Regulation and the corresponding Implementing Rules provide for a physical inventory at least once every three years, at the time of Court of Auditors' audit, the latest physical inventory was carried out in 2006;
5. Acknowledges from the Agency that the physical inventory was carried out in 2012;

Seat agreement

6. Notes with concern the Court of Auditors' finding that the Agency has not concluded a seat agreement;
7. Takes note of the Agency's reply that negotiations concerning the Agency's seat agreement continue and that the earlier negotiated draft of the agreement was again subject to interconsultations involving several ministries; calls on the Agency to duly inform the discharge authority on the progress of the negotiations and invites the Member State hosting the Agency to take steps to speed up the negotiations and to conclude the seat agreement in the near future;

Performance

8. Invites the Commission, together with the European Training Foundation, the European Centre for the Development of Vocational Training, European Foundation for the Improvement of Living and Working Conditions and the European Agency for Safety and Health at Work to further explore the synergies that exist between those agencies and to report to the discharge authority before any decisions concerning possible changes to the respective responsibilities and/or working methods of these agencies are considered on the possible deeper integration of those four agencies; invites those agencies and the Commission to evaluate whether closer cooperation could lead to economies of scale and optimisation of their performance;

Internal audit

9. Notes that in 2011, the Agency's Internal Audit Service delivered an audit report on 'Website and external communications in the EU-OSHA', resulting in no critical recommendations, two 'very important' recommendations and five 'important' recommendations; notes that all seven recommendations were accepted by the management and are already implemented (six out of seven in 2011 and the remaining one in 2012); notes that the Agency carried out an 'IT task assessment in the EU-OSHA', issued the corresponding report and carried out a report out a review on the status of recommendations of previous audits;
10. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 17 April 2013 ⁽¹⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Text adopted, P7_TA(2013)0134. (See page 374 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****on the closure of the accounts of the European Agency for Safety and Health at Work for the financial year 2011**

(2013/599/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Agency for Safety and Health at Work for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the European Agency for Safety and Health at Work for the financial year 2011, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 — C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Council Regulation (EC) No 2062/94 of 18 July 1994 establishing a European Agency for Safety and Health at Work ⁽⁴⁾, and in particular Article 14 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A7-0085/2013),
1. Approves the closure of the accounts of the European Agency for Safety and Health at Work for the financial year 2011;
 2. 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
Martin SCHULZ

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 388, 15.12.2012, p. 219.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 298, 26.10.2012, 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 17 April 2013****on discharge in respect of the implementation of the budget of the Euratom Supply Agency for the financial year 2011**

(2013/600/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Euratom Supply Agency for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the Euratom Supply Agency for the financial year 2011, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 — C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Council Decision 2008/114/EC, Euratom of 12 February 2008 establishing Statutes for the Euratom Supply Agency ⁽⁴⁾, and in particular Article 8 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0104/2013),
1. Grants the Director-General of the Euratom Supply Agency discharge in respect of the implementation of the Agency's budget for the financial year 2011;
 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-General of the Euratom Supply 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
Martin SCHULZ

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 388, 15.12.2012, p. 171.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 41, 15.2.2008, p. 15.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the Euratom Supply Agency for the financial year 2011**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Euratom Supply Agency for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the Euratom Supply Agency for the financial year 2011, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 — C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Council Decision 2008/114/EC, Euratom of 12 February 2008 establishing Statutes for the Euratom Supply Agency ⁽⁴⁾, and in particular Article 8 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0104/2013),
- A. whereas the Euratom Supply Agency ('the Agency') was established in Luxembourg in 1958; whereas Decision 2008/114/EC established new statutes for the Agency and it thus became a European agency,
- B. whereas the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts of the Agency for the financial year 2011 are reliable and that the underlying transactions are legal and regular,

⁽¹⁾ OJ C 388, 15.12.2012, p. 171.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 298, 26.10.2012, p. 1.⁽⁴⁾ OJ L 41, 15.2.2008, p. 15.⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

1. Notes that in 2011, the Agency did not receive any subsidy to cover its operations and that the Commission bore all expenses incurred by the Agency for the implementation of its 2011 budget; notes that this situation has continued since the creation of the Agency in 2008;
 2. Notes that in the absence of an autonomous budget, the Agency was integrated de facto in the Commission in 2011 and that this situation was at odds with its Statutes;
 3. Notes, however, that in 2011, the Commission adopted the proposal to re-establish a specific budget line (namely budget line 32 01 06) for the Agency and as a result, it was granted a subsidy of EUR 98 000 by the Commission in 2012, with a total budget of EUR 104 000 (including financial revenues) in 2012; considers that this represents a major achievement in addressing the current concerns;
 4. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its Resolution of 17 April 2013 ⁽¹⁾ on the performance, financial management and control of the agencies.
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⁽¹⁾ Texts adopted, P7_TA(2013)0134 (See page 374 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT
of 17 April 2013
on the closure of the accounts of the Euratom Supply Agency for the financial year 2011
(2013/601/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Euratom Supply Agency for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the Euratom Supply Agency for the financial year 2011, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 — C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Council Decision 2008/114/EC, Euratom of 12 February 2008 establishing Statutes for the Euratom Supply Agency ⁽⁴⁾, and in particular Article 8 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0104/2013),
1. Approves the closure of the accounts of the Euratom Supply Agency for the financial year 2011;
 2. Instructs its President to forward this Decision to the Director-General of the Euratom Supply 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
Martin SCHULZ

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 388, 15.12.2012, p. 171.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 41, 15.2.2008, p. 15.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

DECISION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****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 2011**

(2013/602/EU)

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 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2011, together with the Foundation's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 – C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A7-0067/2013),
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 2011;
 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
Martin SCHULZ

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 388, 15.12.2012, p. 174.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 298, 26.10.2012, 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 17 April 2013****with observations forming an integral part of its 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 2011**

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 2011,
- having regard to the Court of Auditors' report on the annual accounts of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2011, together with the Foundation's replies ⁽¹⁾,
- having regard to the Council's recommendation of 12 February 2013 (05753/2013 – C7-0041/2013),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- 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 ⁽²⁾, and in particular Article 185 thereof,
- having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
- having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
- having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A7-0067/2013),

A. whereas the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts for the financial year 2011 are reliable and that the underlying transactions are legal and regular,

⁽¹⁾ OJ C 388, 15.12.2012, p. 174.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 139, 30.5.1975, p. 1.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

B. whereas on 10 May 2012, Parliament granted the European Foundation for the Improvement of Living and Working Conditions ('the Foundation') discharge for the implementation of the Foundation's budget for the financial year 2010 ⁽¹⁾, and in its resolution accompanying the discharge, inter alia:

- urged the Foundation to register all decisions of the Governing Board on surveys as the efficiency and effectiveness in communicating these decisions may be affected in the absence of proper standards for documenting decisions made;
- called on the Foundation to put written procedures in place describing its core activities, which could help the Foundation to use its resources effectively and identify possible weaknesses;
- urged the Foundation to properly address the recommendations issued by the Internal Audit Service (IAS) and to inform the discharge authority on the measures taken in this respect;

C. whereas the overall budget of the Foundation for the year 2011 was EUR 20 600 000, which is a decrease compared to the 2010 financial year (EUR 20 900 000); whereas for 2011, the initial contribution of the Union to the Foundation's budget amounted to EUR 20 210 000, compared to EUR 19 067 159 in 2010,

Budgetary and financial management

1. Observes from the annual accounts that EUR 1 166 895 of the commitment appropriations contracted by the end of 2011 but not yet paid were carried forward to 2012; notes, furthermore, that the total of carried forward appropriations cancelled (i.e. carried forward from 2010 and not paid in 2011) in 2011 represents EUR 130 133;
2. Is concerned that the Court of Auditors reported that the Foundation carried over 47 % of Title III appropriations (operational expenditure), amounting to EUR 3 400 000, of which EUR 1 600 000 were unplanned (22 % of Title III); expresses concern that this situation indicates delays in the implementation of the Foundation's activities which are financed by Title III and is at odds with the budgetary principle of annuality;
3. Calls on the Foundation to inform the discharge authority of the actions it has taken to address this deficiency and the actions it will take to prevent such a situation in the future; notes, furthermore, that the situation deteriorated, compared to the previous year;

Follow-up of the discharge 2010 recommendations

4. Welcomes the Foundation's report on measures taken in light of the discharge authority's recommendations of 2010; in particular, notes that according to the Foundation:
 - a register of all Board and Bureau decisions is available on the Foundation's website and that missing signatures and dates were singular mistakes which were remedied;
 - the comprehensive manual for the survey management process, as recommended by the IAS as part of its audit on survey management, had been established and is now followed by the organisation;
 - all open recommendations of the IAS at the end of 2010 were closed and details can be found in the Annual Report on Internal Audit Activities 2011 (report according to Article 72.5 of the Financial Regulation);

⁽¹⁾ OJ L 286, 17.10.2012, p. 258.

Performance

5. Invites the Commission, together with the European Training Foundation, the European Centre for the Development of Vocational Training, the European Foundation for the Improvement of Living and Working Conditions and the European Agency for Safety and Health at Work, to further explore the synergies that exist between those agencies and to report, before any decisions concerning possible changes to the respective responsibilities and/or working methods of these agencies are considered, to the discharge authority on the possible deeper integration of those four agencies; invites those agencies and the Commission to evaluate whether closer cooperation could lead to economies of scale and optimisation of their performance;

Recruitment procedures

6. Notes that the Court of Auditors identified a need to improve the transparency of recruitment procedures; notes that selection board meetings were not always sufficiently documented and there is no evidence that questions for interviews or written tests were set before interviews or examinations;
7. Calls on the Foundation to inform the discharge authority of the actions it has taken to address this deficiency; considers that some of the provisions of the Staff Regulations may present a considerable administrative burden; encourages, therefore, the Commission to allow for a certain degree of simplification under Article 110 of the Staff Regulations in regard to the agencies;
8. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 17 April 2013 ⁽¹⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Texts adopted, P7_TA(2013)0134. (See page 374 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****on the closure of the accounts of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2011**

(2013/603/EU)

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 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2011, together with the Foundation's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 — C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A7-0067/2013),
1. Approves the closure of the accounts of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2011;
 2. 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
Martin SCHULZ

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 388, 15.12.2012, p. 174.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 298, 26.10.2012, 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 17 April 2013****on discharge in respect of the implementation of the budget of Eurojust for the financial year 2011**

(2013/604/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of Eurojust for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of Eurojust for the financial year 2011, together with Eurojust's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 – C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Council Decision 2002/187/JHA of 28 February 2002 setting up Eurojust with a view to reinforcing the fight against serious crime ⁽⁴⁾, and in particular Article 36 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0072/2013),
1. Grants the Administrative Director of Eurojust discharge in respect of the implementation of Eurojust's budget for the financial year 2011;
 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

Martin SCHULZ

The Secretary-General

Klaus WELLE

⁽¹⁾ OJ C 388, 15.12.2012, p. 180.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 298, 26.10.2012, 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 17 April 2013****with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of Eurojust for the financial year 2011**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of Eurojust for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of Eurojust for the financial year 2011, together with Eurojust's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 – C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Council Decision 2002/187/JHA of 28 February 2002 setting up Eurojust with a view to reinforcing the fight against serious crime ⁽⁴⁾, and in particular Article 36 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0072/2013),
- A. whereas Eurojust, which is located in The Hague, was set up by Council Decision 2002/187/JHA,
- B. whereas the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts of Eurojust for the financial year 2011 are reliable and that the underlying transactions are legal and regular,
- C. whereas on 10 May 2012, Parliament granted the Administrative Director of Eurojust discharge for the implementation of the budget of Eurojust for the financial year 2010 ⁽⁶⁾, and in its resolution accompanying the discharge decision, *inter alia*:
- called on Eurojust to inform the discharge authority of the steps taken to avoid carrying forward appropriations;
 - expressed concern at the fact that the Court of Auditors had again noted shortcomings in the planning and implementation of recruitment procedures; noted, in particular, that the level of vacant posts (13 %) was still too high, although lower than in 2009 (24 %) and 2008 (28 %);
 - called on Eurojust to establish a multiannual IT strategy plan for both operational and support activities;

⁽¹⁾ OJ C 388, 15.12.2012, p. 180.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 298, 26.10.2012, p. 1.⁽⁴⁾ OJ L 63, 6.3.2002, p. 1.⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.⁽⁶⁾ OJ L 286, 17.10.2012, p. 267.

- urged Eurojust to properly address the recommendations issued by the Internal Audit Service (IAS) and to inform the discharge authority of the measures taken in this respect;
- D. whereas the budget of Eurojust for the financial year 2011 was EUR 31 357 900,47, compared to 32 241 523,92 in 2010, which represents a decrease of 2,91 %,
- E. whereas the Union's contribution to the budget of Eurojust for 2011 was EUR 31 333 740 compared to EUR 30 163 220 in 2010, which represents an increase of 5,20 %,
- F. whereas the balance for the outturn account for Eurojust in 2011 was positive, totalling EUR 2 496 985,21,

Budgetary and financial management

1. Acknowledges from the 2011 annual accounts that Eurojust received a budget of EUR 31 733 740 from the general budget of the Union, of which 31 333 740 was cashed; notes, moreover, that the budget was composed of non-differentiated appropriations;
2. Takes note that in 2011, Eurojust committed 93 %, 99 % and 96 % of the appropriations received under Title I (Staff Expenditure), Title II (Administrative Expenditure) and Title III (Operations Expenditure) respectively; observes that in terms of paid appropriations Eurojust's execution rate stands at 90 % under Title I, 78 % under Title II and 58 % under Title III and therefore calls on Eurojust to implement specific measures to improve its budgeting process and execution rate of payment; notes further that a total of 7 300 transactions (commitments and payments) were processed;
3. Establishes from the annual accounts that in 2010, Eurojust was granted EUR 2 159 000 from the Commission for the participation in criminal justice programmes (joint investigation teams); establishes, moreover, that in 2011, no grants were received;

Follow-up of the discharge 2010 recommendations

4. Regrets that Eurojust has not provided the discharge authority with a report presenting the measures adopted and implemented following the discharge authority's recommendations of 2010, as required by Article 96(2) of the Framework Financial Regulation; urges Eurojust to send the report as soon as possible in order to enable the discharge authority to evaluate whether progress was made;
5. Calls on Eurojust to provide the report pursuant to Article 96(2) of the Framework Financial Regulation related to the 2011 discharge procedure in due time for the discharge procedure;

Carryover appropriations

6. Acknowledges from the Court of Auditors' report that payment appropriations amounting to EUR 6 448 762 had been carried over from 2010 to 2011; notes, moreover, that of the amount carried over, EUR 1,3 million had to be cancelled in 2011; recalls that the Court of Auditors emphasised in its report for the financial year 2010 that such a high level of carryover was excessive;
7. Establishes from the Court of Auditors' report that payment appropriations amounting to EUR 5 187 289 (16 % of total payment appropriations) have been carried over to 2012, of which EUR 3,1 million related to Title III 'Operational Expenditure' which represents 39 % of Title III payment appropriations; calls on Eurojust to inform the discharge authority of the actions taken to address that deficiency as its level is excessive and at odds with the principle of annuality;
8. Notes that the budget for Title I increased by 7 % since 2010, reflecting the increased staffing costs and related expenses;
9. Takes note that almost 99 % of funds were committed under Title II 'Administrative Expenditure' in 2011; notes, moreover, that the payments execution ratio was 78 %, compared to 72 % in 2010;
10. Acknowledges that almost 96 % of funds were committed under Title III in 2011, while the payments execution ratio was 58 % in 2011, compared to 59 % in 2010; calls on Eurojust to inform the discharge authority of the actions taken to address that deficiency as the low execution ratio indicates difficulties in the planning or implementation of Eurojust activities;

Accounting system

11. Takes note from the annual accounts that in 2011, Eurojust used the accrual based accounting financial system, the accounting system used by the Commission for the budgetary accounting; notes, moreover, that the budgetary information is integrated in one system which has SAP as a back-end for the accounting part;

Transfers

12. Acknowledges from the annual accounts that there were a total of 12 budget transfers during 2011;

Premises

13. Takes note from the 2011 Eurojust Annual Activity Report (AAR) that an agreement was reached with the Netherlands, as host Member State, for the new Eurojust premises in 2015 through the Cooperation Agreement dated 30 June 2011 and with Union institutions over the budgetary implications;

Recruitment procedures

14. Notes the fact that the Court of Auditors has, once again, observed shortcomings in the implementation of recruitment procedures; accordingly, calls on Eurojust to set up a comprehensive recruitment action plan, respecting equal opportunities for all candidates, to significantly reduce the vacancy rate and to inform the discharge authority about the taken actions; considers that some of the provisions of the Staff Regulations may present a considerable administrative burden; therefore encourages the Commission to allow for a certain degree of simplification under Article 110 of the Staff Regulations in regard to the agencies;
15. Acknowledges from the AAR that the number of persons working at Eurojust in 2011 was 269, as follows:
- 42 prosecutors, judges or police officers of equivalent competence seconded by Member States, assisted by 15 seconded national experts (SNEs) to the national desks;
 - 210 persons employed under Staff Regulations, assisted by two SNEs in the administration;

Performance

16. Notes that the number of cases where Member States requested the assistance of Eurojust in fighting serious cross-border crime increased from 1 421 in 2010 to 1 441 in 2011; acknowledges in particular that 218 fraud cases were registered in 2011 and that the number of coordination meetings in fraud increased from 17 in 2010 to 58 in 2011; welcomes the fact that the same year Eurojust, together with the Economic Crimes Team, finalised the strategic project on enhancement of exchange of information and mutual legal assistance between judicial authorities of the Member States in the area of VAT fraud;
17. Takes note that 26 corruption cases were registered in 2011 against 31 in 2010; highlights that the number of coordination meetings increased from 11 in 2010 to 19 in 2011; welcomes the fact that the same year, a Joint Investigation Team on corruption achieved positive outcome with a Member State firm paying a settlement of around EUR 3 000 000 following a cross-border corruption case with global aspects;
18. Notes that the Court of Auditors again pointed out the need to reconsider the definition of the respective roles and responsibilities between the Director and the College of Eurojust; announces its intention to consider this issue in the next revision of Council Decision 2002/187/JHA regulating Eurojust;
19. Acknowledges that a cooperation agreement regarding Eurojust's new premises as of 2015 was signed with the Host State;
20. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 17 April 2013 ⁽¹⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Texts adopted, P7_TA(2013)0134. (See page 374 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT
of 17 April 2013
on the closure of the accounts of Eurojust for the financial year 2011
(2013/605/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of Eurojust for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of Eurojust for the financial year 2011, together with Eurojust's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 — C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Council Decision 2002/187/JHA of 28 February 2002 setting up Eurojust with a view to reinforcing the fight against serious crime ⁽⁴⁾, and in particular Article 36 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0072/2013),
1. Approves the closure of the accounts of Eurojust for the financial year 2011;
 2. 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
Martin SCHULZ

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 388, 15.12.2012, p. 180.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 298, 26.10.2012, 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 17 April 2013****on discharge in respect of the implementation of the budget of the European Police Office for the financial year 2011**

(2013/606/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Police Office for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the European Police Office for the financial year 2011, together with the Office's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 – C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Council Decision 2009/371/JHA of 6 April 2009 establishing the European Police Office (Europol) ⁽⁴⁾, and in particular Article 43 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0083/2013),
1. Grants the Director of the European Police Office discharge in respect of the implementation of the Office's budget for the financial year 2011;
 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 Office, 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
Martin SCHULZ

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 388, 15.12.2012, p. 187.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 121, 15.5.2009, p. 37.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Police Office for the financial year 2011**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Police Office for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the European Police Office for the financial year 2011, together with the Office's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 – C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Council Decision 2009/371/JHA of 6 April 2009 establishing the European Police Office (Europol) ⁽⁴⁾, and in particular Article 43 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0083/2013),
- A. whereas the European Police Office ('the Office'), which is located in The Hague, was established by a Council Decision (Decision 2009/371/JHA),
- B. whereas the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts for the financial year 2011 are reliable and that the underlying transactions are legal and regular,

⁽¹⁾ OJ C 388, 15.12.2012, p. 187.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 298, 26.10.2012, p. 1.⁽⁴⁾ OJ L 121, 15.5.2009, p. 37.⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

- C. whereas 2011 was the second year that the Office operated financially as a Union Agency,
- D. whereas the Office's overall budget for the year 2011 was EUR 84 771 084,01, compared to EUR 91 830 691,75 in 2010, which represents a decrease of 7,69 %,
- E. whereas on 10 May 2012, Parliament granted the Director of the Office discharge for implementation of the Office's budget for the financial year 2010 ⁽¹⁾, and in its resolution accompanying the discharge decision, *inter alia*:
- called on the Office to adopt the Implementing Rules to the Staff Regulations (and related internal instruments) and prepare a learning and development framework,
 - called on the Office to include in its annual work programme information on the overview of planned procurement activities to serve as a 'financing decision', required by the implementing provisions of the Framework Financial Regulation,
 - called on the Office to finalise the translation of its organisational mission statement into concise descriptions of roles and objectives for the departments and units,
- F. whereas the Office signed a housing agreement with the host Member State in March 2011 and moved to its new headquarters in June 2011,
- G. whereas the contribution of the Union to the Office's budget for 2011 was EUR 83 469 000,
- H. whereas the balance for the outturn account for the Office in 2011 was positive, totalling EUR 6 938 170,36 (after a deduction of exchange rate differences equal to EUR 10 632,56),
1. Believes that common elements between the Office and the European Police College should be explored further; reiterates its call on the Commission to prepare a comprehensive impact assessment regarding a potential merger of those two Agencies setting out the cost and benefits, considering the complementarities between the Office and the European Police College and the potential synergies, and to evaluate whether the merger could lead to economies of scale and optimisation of the performance in cross-border cooperation in the fight against crime;

Budgetary and financial management

2. Notes that in 2011, the Office committed 99,1 %, 75 % and 95,1 % of the appropriations received under Title I (Staff Expenditure), Title II (Administrative Expenditure) and Title III (Operational Expenditure) respectively; observes that in terms of paid appropriations the Office's execution rate stands at 96,8 % under Title I, 33,8 % under Title II and 47,1 % under Title III; takes note of the Office's statement that the costs related to the new headquarters had a substantial impact on the execution rates for Titles II and III which would have reached respectively 53 % and 58 % without this factor; calls, nevertheless, on the Office to implement specific measures to improve its budgeting process and execution rate of payments in the case of administrative and operational expenditure;
3. Takes note of the Office's statement that it saved EUR 2,6 million on its allocated 2011 budget by reducing the number of management board meetings and the translation costs while modernising its internal capabilities in order to meet the increase in demand for the Office's services;

⁽¹⁾ OJ L 286, 17.10.2012, p. 276.

4. Acknowledges from the Court of Auditors' report that in 2010, more than EUR 1,6 million had to be cancelled and in 2011, EUR 1,9 million (9 % of the appropriations carried over from 2010) were cancelled; notes, moreover, that in 2011, the level of carry-overs of commitment appropriations was also high, with EUR 4,2 million (41 %) for Title II (Administrative Expenditure) and EUR 10,6 million (46 %) for Title III (Operational Expenditure); requires the Office to inform the discharge authority of the actions taken to address those deficiencies, as the high carry-over and cancellation rates indicate difficulties in the planning and/or implementation of the Office's activities;
5. Takes note from the Court of Auditors' report that the level of payments against commitments was low, with 34 % for Title II and 45 % for Title III; calls on the Office to inform the discharge authority of the measures it has taken to address that deficiency, as the low level of payments is at odds with the budgetary principle of annuality;
6. Takes note of the report of the Court of Auditors on the annual accounts of the Office's pension fund ⁽¹⁾ for the financial year 2011 as well as the fund's replies; calls on the Office to inform Parliament about any decision regarding the future of the pension fund;

Assets

7. Acknowledges from the Court of Auditors' report that weaknesses were found as regards the physical verification and recording of assets before and after the move to the new headquarters; in addition, is concerned that insurance contracts do not reflect the value of the Office's assets: before the move, net assets were over-insured by about EUR 17 million and at the moment of audit they were under-insured by about EUR 21 million;

Validation system

8. Establishes from the Court of Auditors' report that the accounting system has not been fully validated by the Accounting Officer which did not, however, affect the correctness and legality of the accounts; welcomes the audit of the Internal Audit Service (IAS) of the Commission performed in 2011 on planning and budgeting process, which confirmed positive developments in this regard;

Recruitment procedures

9. Notes from the Court of Auditors' report that the Office could improve the transparency of recruitment procedures; invites the Office to clarify possible deficiencies in regard to its recruitment procedure; considers that some of the provisions of the Staff Regulations may present a considerable administrative burden;

Financial regulation

10. Acknowledges from the Court of Auditors' report that the Office's Financial Regulation refers to detailed rules and procedures laid down in the Office's Implementing Rules even though the rules have not yet been adopted; calls on the Office to inform the discharge authority of the state of play concerning the adoption of its Implementing Rules;
11. Welcomes the IAS Audit Report on Planning and Budgeting in the Office that was established in 2011; notes the recommendation stating that the Office should clarify precedence of deadlines; welcomes that the Office has undertaken steps to address that recommendation;

⁽¹⁾ The Europol Pension Fund's objective is to finance and pay pensions for staff already employed by Europol before it became an EU agency on 1 January 2010.

Internal audit

12. Recalls that the IAS performed one audit in 2011 with the objective of assessing the adequacy and effectiveness of the internal system for the Office's planning and budgeting processes; notes, furthermore, that procurement planning was not included in the scope of that audit;
13. Welcomes the IAS' conclusions that the internal control system in place provides reasonable assurances regarding the achievement of the business objectives set out for the planning and budgeting processes;
14. Notes that the following areas were assessed to be of high risk nature by the IAS:
 - business continuity management;
 - management of application requirement, project management framework and stakeholder commitment;
 - personnel competencies;
 - dependence on individuals and knowledge transfer;

calls on the Office to implement all the recommendations of the IAS in order to improve those areas and to inform the discharge authority on the actions taken;
15. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 17 April 2013 ⁽¹⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Texts adopted, P7_TA(2013)0134. (See page 374 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT
of 17 April 2013
on the closure of the accounts of the European Police Office for the financial year 2011
(2013/607/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Police Office for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the European Police Office for the financial year 2011, together with the Office's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 – C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Council Decision 2009/371/JHA of 6 April 2009 establishing the European Police Office (Europol) ⁽⁴⁾, and in particular Article 43 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0083/2013),
1. Approves the closure of the accounts of the European Police Office for the financial year 2011;
 2. Instructs its President to forward this Decision to the Director of the European Police Office, 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
Martin SCHULZ

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 388, 15.12.2012, p. 187.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 121, 15.5.2009, p. 37.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

DECISION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****on discharge in respect of the implementation of the budget of the European Union Agency for Fundamental Rights for the financial year 2011**

(2013/608/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Union Agency for Fundamental Rights for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the European Fundamental Rights Agency for the financial year 2011, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 — C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0102/2013),
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 2011;
 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

Martin SCHULZ

The Secretary-General

Klaus WELLE

⁽¹⁾ OJ C 388, 15.12.2012, p. 196.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 298, 26.10.2012, 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 17 April 2013****with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Union Agency for Fundamental Rights for the financial year 2011**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Union Agency for Fundamental Rights for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the European Fundamental Rights Agency for the financial year 2011, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 — C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0102/2013),
- A. whereas the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts of the European Union Agency for Fundamental Rights ('the Agency') for the financial year 2011 are reliable and that the underlying transactions are legal and regular,
- B. whereas the Agency's overall budget for the year 2011 was EUR 20 180 000, whereas the initial contribution of the Union to the Agency's budget for 2011 was EUR 19 978 200,

Budgetary and financial management

1. Welcomes the fact that the Agency's annual accounts present fairly, in all material respects, its financial position as of 31 December 2011 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Regulation and the accounting rules adopted by the Commission's accounting officer;

⁽¹⁾ OJ C 388, 15.12.2012, p. 196.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 53, 22.2.2007, p. 1.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

2. Welcomes the fact that the transactions underlying the Agency's annual accounts for the financial year ended 31 December 2011 are legal and regular in all material respects;
3. Takes note that the Court of Auditors did not make any critical remarks in its report;
4. Acknowledges that in 2011, the Agency committed 100 % of the appropriations received; observes, however, that in terms of paid appropriations, the Agency's execution rate stands at 75 % under Title II (Administrative expenditure) and at only 27 % under Title III (Operational expenditure); calls on the Agency to implement specific measures to improve its budgeting process and execution rate of payment in the case of administrative and operational expenditure;

Human resources

5. Notes that in 2012, there were three cases dealt with by the Court of Justice of the European Union regarding an allegation of psychological harassment, the rejection of an application for a post and the non-extension of a contract of an agent; notes that on 6 July 2011, the Ombudsman opened Case 0917/2011/(PMC) EIS, which is based on allegations regarding the failure to investigate properly the complainant's allegations of psychological harassment and incorrect storage of documents;
6. Notes that in one of the cases referred to in paragraph 5, the European Union Civil Service Tribunal decided in favour of the applicant (Case F-58/10, judgment of 18 September 2012) and annulled the Agency's decision of 16 October 2009 not to bring disciplinary proceedings against two members of staff for alleged psychological harassment due to the lack of impartiality on the part of the investigator and his refusal to guarantee the anonymity of the witnesses and ordered it to pay damages to the applicant and the costs; notes that in case F-112/10, the Tribunal decided in favour of the Agency but the applicant brought an appeal before the General Court against the judgment; notes that judgement is pending in case F-38/12;
7. Urges the Agency, given the risks at stake, as far as its reputation is concerned, to inform the discharge authority in detail on the rules of procedure, legal framework and hearing modalities established for the launch and conduction of internal investigations and the protection of witnesses' anonymity in the occurrence of such internal investigations;
8. Notes that in 2011, the European Anti-Fraud Office (OLAF) opened an investigation; requests that the Agency inform the discharge authority on the results of both the OLAF investigation and the Ombudsman case;
9. Acknowledges that every two years, the Agency launches an anonymous well-being survey among staff; notes in particular from the 2012 survey that concerns have been raised regarding the handling of in-house conflicts and the attention paid to the well-being of the staff; takes note that the Agency introduced an anti-harassment policy and a network of confidential counsellors in order to minimise situations of conflict in the workplace and to address them in a comprehensive manner; urges the Agency to act on the recommendations made by the Court of Auditors with regard to the problems detected and to take all the necessary steps to ensure that these problems do not reoccur under any circumstances;

Transparency

10. Notes that on 12 and 14 December 2012, the Agency presented the draft rules on whistle blowing to its Executive Board and to its Management Board; notes that the decision was taken to adopt those rules formally after consultation with the Commission services; notes that in the meantime, the Agency adopted the principles of the Commission guidelines; calls on the Agency to inform the discharge authority on the implementation of the rules;
11. Observes that some of the curricula vitae (CV) and the declarations of interest of the Management Board members are available on the Agency's website; notes that as far as the Executive Director and the management team are concerned, only CVs are available; calls on the Agency to make the missing information publicly available and to inform the discharge authority of the progress made on this matter as soon as possible;

Internal audit

12. Notes from the Agency that it introduced a procurement procedure mitigating possible conflicts of interest and the internal audit services (IAS) audited the procedure and made nine recommendations, all of which have been introduced; notes that the IAS considered some of the actions introduced by the Agency to be good practices, in particular, the introduction of an IT application 'tender contract maker', developed by the Agency to generate standard documentation for the procurement process; notes that the budget module of the IT application 'matrix' used for the Agency project management has been coupled with the accounting records retrieved from accrual-based accounting, allowing a daily online update of the budgetary implementation;
13. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its Resolution of 17 April 2013 ⁽¹⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Texts adopted, P7_TA(2013)0134 (see page 374 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****on the closure of the accounts of the European Union Agency for Fundamental Rights for the financial year 2011**

(2013/609/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Union Agency for Fundamental Rights for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the European Fundamental Rights Agency for the financial year 2011, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 – C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0102/2013),
1. Approves the closure of the accounts of the European Union Agency for Fundamental Rights for the financial year 2011;
 2. 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
Martin SCHULZ

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 388, 15.12.2012, p. 196.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 298, 26.10.2012, 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 17 April 2013

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 2011

(2013/610/EU)

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 of the European Union for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States for the financial year 2011, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 – C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - 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 ⁽⁴⁾, 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0079/2013),
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 2011;
 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 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

Martin SCHULZ

The Secretary-General

Klaus WELLE

⁽¹⁾ OJ C 388, 15.12.2012, p. 202.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 298, 26.10.2012, p. 1.⁽⁴⁾ OJ L 349, 25.11.2004, p. 1.⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 17 April 2013**

with observations forming an integral part of its 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 2011

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 of the European Union for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States for the financial year 2011, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 – C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - 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 ⁽⁴⁾, 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0079/2013),
- A. whereas the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union ('the Agency') for the financial year 2011 are reliable and that the underlying transactions are legal and regular,

⁽¹⁾ OJ C 388, 15.12.2012, p. 202.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 349, 25.11.2004, p. 1.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

- B. whereas on 10 May 2012, Parliament granted the Executive Director of the Agency discharge for the implementation of the Agency's budget for the financial year 2010 ⁽¹⁾ and in its resolution accompanying the discharge decision, *inter alia*:
- reiterated that the practice of carryovers of appropriations should be strongly curtailed and should not hamper sound financial management practices and requested that the Agency follow the principle of annuality in the future,
 - called on the Agency to carry out *ex-post* controls of issued grants in the form of on-the-spot visits,
- C. whereas the Agency's overall budget for the year 2011 was EUR 118 200 000, compared to EUR 93 200 000 in the 2010 financial year; whereas the initial contribution of the Union to the Agency's budget for 2011 was EUR 111 000 000, compared to EUR 89 100 000 in 2010,

Budgetary and financial management

1. Acknowledges that the Agency's budget was subject to three amending budgets, the purposes of which were threefold:
 - to introduce the budget item 'Eurosur' under Title III (Operational Expenditure),
 - to increase the Agency's budget by EUR 12 700 000 as part of the emergency response package for developments in Northern Africa,
 - to include a package of EUR 31 800 000 in commitment appropriations for the Emergency Response Package in the Mediterranean;
2. Observes that in terms of paid appropriations, the Agency's execution rate stands at 96 % under Title I (Staff Expenditure), 74 % under Title II (Administrative Expenditure) and 58 % under Title III; calls on the Agency to implement specific measures to improve its budgeting process and execution rate of payment in the case of administrative and operational expenditure;
3. Is deeply concerned that 33 % of the Agency's 2011 budget (EUR 38,7 million) was carried over to 2012; notes that carryovers related to Title III 'Operational Expenditures' amounted to EUR 36 million (41 %); observes that as in 2010, the level of carryovers is excessive and at odds with the budgetary principle of annuality;
4. Deplores that within the total amount carried over, the Agency carried over global commitments of EUR 5,1 million; observes that the Agency's Financial Regulation does not provide a clear basis for such a carryover; is aware that funding received at the end of the financial year may result in higher carryovers;

Follow-up of the discharge 2010 recommendations

5. Notes that the Agency adopted and implemented *ex-post* control strategy in 2012 and carried out three on-the-spot visits covering 9 % of the EUR 73 million grant payments made in 2011; welcomes the fact that the error rate was found to be below 1 % and that six on-the-spot visits are planned in 2013;
6. Notes the Agency's efforts and the persistent difficulties it faces in the process of budgetary implementation; notes the Agency's explanations stating that difficulties have been caused, *inter alia*, by external factors such as sudden developments at external borders; urges the Agency to continue its efforts in this area;

⁽¹⁾ OJ L 286, 17.10.2012, p. 288.

Supervisory and control systems

7. Is aware that despite performing reasonable checks, the Agency did not usually request supporting documentation that would address the risk of ineligible expenditure of Agency-financed grants for joint operations carried out by Member States and Schengen Associated Countries; welcomes the fact that the Agency adopted policies aimed at strengthening *ex ante* controls, by systematically including the request for supporting documents;
 8. Is surprised to learn that as in 2010, the Agency's accounting system shall be validated by its Accounting Officer;
 9. Regrets that internal control weaknesses as regards the management of fixed assets were identified; regrets that there is no procedure related to the disposal of fixed assets and the physical inventory is incomplete;
 10. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 17 April 2013 ⁽¹⁾ on the performance, financial management and control of the agencies.
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⁽¹⁾ Texts adopted, P7_TA(2013)0134. (See page 374 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****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 2011**

(2013/611/EU)

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 of the European Union for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States for the financial year 2011, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 — C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - 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 ⁽⁴⁾, 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 Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0079/2013),
1. 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 2011;
 2. 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
Martin SCHULZ

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 388, 15.12.2012, p. 202.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 349, 25.11.2004, p. 1.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

DECISION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****on discharge in respect of the implementation of the budget of the European GNSS Agency for the financial year 2011**

(2013/612/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European GNSS Agency for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the European GNSS Agency for the financial year 2011, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 — C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EU) No 912/2010 of the European Parliament and of the Council ⁽⁴⁾ setting up the European GNSS Agency, and in particular Article 14 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0065/2013),
1. Grants the Executive Director of the European GNSS Agency discharge in respect of the implementation of the Agency's budget for the financial year 2011;
 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 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
Martin SCHULZ

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 388, 15.12.2012, p. 208.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 276, 20.10.2010, p. 11.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European GNSS Agency for the financial year 2011**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European GNSS Agency for the financial year 2011,
 - having regard to the Court of Auditors' report on the final annual accounts of the European GNSS Agency for the financial year 2011, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 — C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EU) No 912/2010 of the European Parliament and of the Council ⁽⁴⁾ setting up the European GNSS Agency, and in particular Article 14 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0065/2013),
- A. whereas the European GNSS Agency ('the Agency') became financially autonomous in 2006,
- B. whereas the Court of Auditors stated that it was unable to form an opinion on the Agency's accounts for the financial year 2007,

⁽¹⁾ OJ C 388, 15.12.2012, p. 208.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 298, 26.10.2012, p. 1.⁽⁴⁾ OJ L 276, 20.10.2010, p. 11.⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

- C. whereas the Court of Auditors nuanced its statement of assurance on the reliability of the Agency's annual accounts for the financial year 2008 and on the legality and regularity of the underlying transactions,
- D. whereas the Court of Auditors stated that it has obtained reasonable assurances that the Agency's annual accounts for the financial year 2009 are reliable and that the underlying transactions are legal and regular,
- E. whereas the Court of Auditors, in its report on the Agency's annual accounts for the financial year 2010, qualified its opinion with regard to the reliability of its annual accounts for 2010,
- F. whereas the Court of Auditors stated that it has obtained reasonable assurances that the Agency's annual accounts for the financial year 2011 are reliable and that the underlying transactions are legal and regular,

Budgetary and financial management

1. Notes that the Agency's budget for the financial year 2011 was EUR 38,7 million, which was contributed by the Union (EUR 8,2 million operating subsidy and EUR 30,5 million operational funds), and represents a major increase from 2010 (EUR 15,9 million);
2. Notes with concern that according to the Court of Auditors' findings, the *ex-post* audits carried out for the Agency by an external audit firm in respect of grant payments made in previous years under the Sixth Framework Programme for Research and Development (FP6) frequently called into question the declarations of cost made by the beneficiaries, and at the end of 2011, the amounts in dispute were estimated at EUR 1,7 million or 5 % of the audited grants;
3. Acknowledges from the Agency that the grant agreements managed by the Agency for FP6 had been inherited from the predecessor of the Agency, the Galileo Joint Undertaking (GJU), and that the GJU and the European Space Agency had established their FP6 rules slightly different from Commission rules;
4. Takes note that the FP6 *ex-post* audit controls have been finalised in 2012 and the final findings of the auditors show that the costs for the sample audited were overstated by EUR 455 836,66 or 1,4 % of the audited grants; notes from the Agency that it plans to recover most of the amounts found to be incorrect by the external auditors, pending agreement with the Commission, and urges the Agency to inform the discharge authority whether it succeeds to recover the disputed amounts;
5. Regrets that according to the Court of Auditors' report, the Agency made grant payments under the Seventh Framework Programme for Research and Development amounting to EUR 5,8 million in 2011, and in order to verify the expenditure claimed by the beneficiaries (private and public entities performing research), the Agency, despite performing reasonableness checks, did not usually request supporting documentation that would address the risk of ineligible expenditure;
6. Notes from the Agency that its analysis of costs is based on the following: the project proposal, the deliverables during the project life (quarterly reports), the final deliverables and the costs incurred and that the proposals include a detailed work plan with different activities necessary to achieve the project's objectives; notes that the beneficiaries set up a project budget on the basis of the resources which are needed to implement the work plan and the proposals are evaluated and the grants awarded by experts at the Commission premises; acknowledges the Agency's intention to implement controls that allow an effective verification of the project costs in the future; calls on the Agency to inform the discharge authority of steps taken to that effect;

7. Draws the Agency's attention to the Court of Auditors' finding that in 2011, payments amounting to EUR 4,8 million (22 % of the amount paid during the year) were made after the deadlines stipulated in the Financial Regulation;
8. Takes note that according to the Agency, in 2011, the Agency carried out 1 195 payment requests, of which 140 (11,72 %) were carried out with some delay, and the result of the audit findings was highly influenced by some very particular transactions in large amount e.g. transfers of unused funds to the Union and highly complex grant agreement payments and in addition, due to the small size of the Agency, payments during holiday periods could easily be delayed due to the lack of back-ups in some key operational and administrative positions; acknowledges that the Agency had implemented improved financial circuits from April 2012 with an aim to reduce payment delays to the minimum and calls on the Agency to inform the discharge authority if that had led to expected results;
9. Welcomes the Court of Auditors' observation that the reason for its qualified opinion on the reliability of the Agency's 2010 accounts, the incorrect accounting treatment of tangible fixed assets related to the Galileo satellite programme, had been resolved; notes that the Court of Auditors had received confirmation that those assets are now under the control of the Commission and are not to be capitalised in the Agency's accounts; notes that the Court of Auditors, therefore, considers that there is no longer the need for a qualification on such grounds;

Recruitment

10. Notes the Court of Auditors' findings that the transparency of the recruitment procedures has been jeopardised since audited staff selection procedures showed that the threshold scores were not determined for admission to written tests and interviews or for inclusion in the list of suitable candidates; considers that some of the provisions of the Staff Regulations may present a considerable administrative burden; encourages, therefore, the Commission to allow for a certain degree of simplification under Article 110 of the Staff Regulations in regard to the agencies;
11. Acknowledges from the Agency that it had revised the selection procedure and since 2012, the pre-selection panel determines the threshold scores at the stage of designing a vacancy notice, and the thresholds are published in the vacancy notice; notes that the questions and written tests are prepared by the experts in the selection panel, together with the vacancy notice, before the selection panel members receive access to candidate's applications;
12. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its Resolution of 17 April 2013 ⁽¹⁾ on the performance, financial management and control of the agencies.

⁽¹⁾ Texts adopted, P7_TA(2013)0134 (See page 374 of this Official Journal).

DECISION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****on the closure of the accounts of the European GNSS Agency for the financial year 2011**

(2013/613/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European GNSS Agency for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the European GNSS Agency for the financial year 2011, together with the Agency's replies ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05753/2013 — C7-0041/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Regulation (EU) No 912/2010 of the European Parliament and of the Council of 22 September 2010 setting up the European GNSS Agency ⁽⁴⁾, and in particular Article 14 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0065/2013),
1. Approves the closure of the accounts of the European GNSS Agency for the financial year 2011;
 2. Instructs its President to forward this Decision to the Executive Director of the European GNSS 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
Martin SCHULZ

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 388, 15.12.2012, p. 208.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 276, 20.10.2010, p. 11.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

DECISION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****on discharge in respect of the implementation of the budget of the Artemis Joint Undertaking for the financial year 2011**

(2013/614/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Artemis for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the Artemis for the financial year 2011, together with the replies of the Joint Undertaking ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05755/2013 – C7-0040/2013),
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Council Regulation (EC) No 74/2008 of 20 December 2007 on the establishment of the 'Artemis Joint Undertaking' to implement a Joint Technology Initiative in Embedded Computing Systems ⁽⁴⁾, and in particular Article 11(4) thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of and Annex VI to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0087/2013),
1. Grants the Executive Director of the Artemis Joint Undertaking discharge in respect of the implementation of the Joint Undertaking's budget for the financial year 2011;
 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 Artemis Joint Undertaking, 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
Martin SCHULZ

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 6, 10.1.2013, p. 1.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 30, 4.2.2008, p. 52.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the Artemis Joint Undertaking for the financial year 2011**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Artemis for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the Artemis for the financial year 2011, together with the replies of the Joint Undertaking ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05755/2013 – C7-0040/2013),
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Council Regulation (EC) No 74/2008 of 20 December 2007 on the establishment of the 'Artemis Joint Undertaking' to implement a Joint Technology Initiative in Embedded Computing Systems ⁽⁴⁾, and in particular Article 11(4) thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of and Annex VI to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0087/2013),
- A. whereas the Artemis Joint Undertaking ('the Joint Undertaking') was set up in December 2007 for a period of 10 years to define and implement a 'Research Agenda' for the development of key technologies for embedded computing systems across different application areas in order to strengthen European competitiveness and sustainability, and allow the emergence of new markets and societal applications,
- B. whereas the Joint Undertaking started to work autonomously in October 2009,

⁽¹⁾ OJ C 6, 10.1.2013, p. 1.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 298, 26.10.2012, p. 1.⁽⁴⁾ OJ L 30, 4.2.2008, p. 52.⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

- C. whereas the Court of Auditors states that it has obtained reasonable assurances that the annual accounts of the Joint Undertaking for the financial year 2011 are reliable;
- D. whereas the Court of Auditors has delivered a qualified opinion on the legality and the regularity of the transactions underlying the Joint Undertaking's accounts;
- E. whereas the maximum contribution for the period of 10 years from the Union to the Joint Undertaking is EUR 420 000 000 to be paid from the budget of the Seventh Research Framework Programme,

Budgetary and Financial Management

1. Notes that the initial 2011 budget included operational appropriations amounting to EUR 46,6 million and that an amending budget was adopted reducing operational appropriations to EUR 18 600 000; notes, furthermore, that the utilisation rate for operational commitment appropriations was 100 %, as a result of the reduction of the operational appropriations to EUR 18 600 000, while the rate for payment appropriations was 51 %;
2. Is concerned that the Joint Undertaking annual accounts received a qualified opinion from the Court of Auditors on the legality and the regularity of the transactions underlying those accounts on the grounds that the Joint Undertaking was not in a position to assess whether the *ex post* audit strategy provides sufficient assurance with respect to the legality and regularity of the underlying transactions; invites the Joint Undertaking to provide the discharge authority with an action plan to overcome that potential lack of assurance; expects that the Court of Auditors, through its independent audits, will be in position to provide the discharge authority with its own opinion on the effectiveness of the Joint Undertaking's *ex post* audit strategy;
3. Recalls that the Joint Undertaking adopted an *ex post* audit strategy in 2010 that is a key tool in assessing the legality and regularity of the underlying transactions and that its implementation started in 2011; notes that the audit of project cost claims has been delegated to the National Funding Authorities (NFAs) of the Member States however the administrative agreements signed with the NFAs do not include the practical arrangements for those audits; further notes from the Joint Undertaking that the various financing schemes and national rules in place in the different Member States imply that *ex-post* audit is only feasible on completed projects and request to be informed of the results of the audits performed; reiterates that the Joint Undertaking should reinforce without delay the quality of its *ex-ante* controls in particular for the grant management, requests that the discharge authority is informed of the results of the following *ex-post* audit processes conducted by the Joint Undertaking;
4. Takes note that contrary to the Joint Undertaking's Financial Rules, the 2011 budget of the Joint Undertaking does not reflect differentiated payment appropriations for operational expenditure;
5. Regrets the relatively low implementation rate for operational payment appropriations standing at 86 %, 53 % and 18 % for the 2008, 2009 and 2010 call for proposals; notes the delays at Member State level in signing the national grant agreements; is concerned about the low implementation rate of the budget and, moreover, about the underlying activities of the Joint Undertaking; calls for a detailed progress report on these shortcomings which makes specific proposals for a gradual improvement in the implementation rate;

6. Condemns the fact that Greece is using Union Structural Funds to cover its national contributions to the Greek beneficiaries of the Artemis projects instead of providing national funding and that the Joint Undertaking acknowledged the continuation of Greek participation in Artemis projects but provides no funding to the Greek beneficiaries as an expenditure co-financed by Union Structural Funds shall not receive assistance from another Union financial instrument in accordance with Council Regulation (EC) No 1083/2006 ⁽¹⁾; requests the Commission to inform the discharge authority on the legality of this situation as soon as possible;
7. Notes the Court of Auditors' finding that the Joint Undertaking is using non-automatic carryover of payment appropriations to the next financial year, however without a decision of the Governing Board as required by Article 10(1) of the Financial Rules and that no distinction is made between payment appropriations carried over from previous years and payment appropriations of the current year;

Calls for Proposals

8. Takes note that the actual implementation and the foreseen value of the calls for proposals represents only EUR 244 000 000, or 58 % of the EUR 420 000 000 envisaged budget to cover operational expenditure;

Internal control systems

9. Acknowledges that in 2011, the Joint Undertaking intensified its efforts to establish and implement effective financial, accounting and management control procedures; notes that the Accounting Officer validated the financial and accounting systems used, but has not yet validated the underlying business processes which provide financial information, in particular, the one providing financial information about the validation and payment of the cost claims received from the national authorities; recalls that further work is needed in particular regarding the internal control standards and that the Joint Undertaking started to work autonomously in October 2009;

Internal Audit

10. Takes note that at the end of 2011, the Joint Undertaking's internal audit capability had not yet been set up; recalls that the Commission's Internal Audit Service is the Internal Auditor of the Joint Undertaking since 2010 and that carried out a risk assessment exercise and a strategic audit plan for 2012-2014 was presented to the Governing Board of the Joint Undertaking; acknowledges that taking into account the size of the Joint Undertaking will perform also the role of the Internal Audit Capability;
11. Notes that the Joint Undertaking's Financial Rules have not yet been formally amended to include the provision referring to the powers of the Commission's internal auditor regarding the general budget as a whole;

Annual activity report

12. Takes note that the annual activity report provides information on the results of the operations of the Joint Undertaking; however it does not include an assessment of the efficiency and effectiveness of the internal control system and contains the following weaknesses:
 - Lack of information on the implementation of the *ex post* audit strategy, which is not sufficient to conclude whether this key control is functioning effectively, and should have led to a reservation;
 - No information on the partial validation of the financial and accounting systems by the accounting officer is provided;
 - There are unexplained differences between the budgetary implementation figures included in the Outturn on payments appropriations of the annual activity report and the budgetary implementation figures included in the Final Accounts;

⁽¹⁾ OJ L 210, 31.7.2006, p. 25.

Other management matters

13. Notes that in 2011, the Joint Undertaking set up a Business Continuity Plan and made progress on the formalisation of the IT security policies but further work is required to finalise the Disaster Recovery Plan;
14. Regrets that contrary to the Joint Undertaking's Financial Rules, the National Funding Authorities have not yet declared any bank interest generated on pre-financing payments;
15. Welcomes the fact that the Host State Agreement between the Joint Undertaking and the Belgian authorities concerning office accommodation, privileges and immunities and other support to be provided was signed on 3 February 2012;

Other issues*Possible merger with ENIAC*

16. Considers that cost-benefit analysis of a merger with ENIAC should be undertaken and that the European Parliament should be notified about the results of this assessment. This report should highlight the possible advantages and disadvantages of such a merger;
 17. Reiterates its invitation for the Court of Auditors to provide, within a reasonable deadline, a special report to Parliament on common issues which occur due to the nature of the joint undertakings, and which should be addressed by the joint undertakings together with their partners in order to ensure their added value and efficient execution of Union research, technological development and demonstration programmes; notes, furthermore, that that report should include an assessment of the effectiveness of the joint undertakings' establishment and structure.
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DECISION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****on the closure of the accounts of the Artemis Joint Undertaking for the financial year 2011**

(2013/615/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Artemis for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the Artemis for the financial year 2011, together with the replies of the Joint Undertaking ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05755/2013 — C7-0040/2013),
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Council Regulation (EC) No 74/2008 of 20 December 2007 on the establishment of the 'Artemis Joint Undertaking' to implement a Joint Technology Initiative in Embedded Computing Systems ⁽⁴⁾, and in particular Article 11(4) thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of and Annex VI to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0087/2013),
1. Approves the closure of the accounts of the Artemis Joint Undertaking for the financial year 2011;
 2. Instructs its President to forward this Decision to the Executive Director of the Artemis Joint Undertaking, 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
Martin SCHULZ

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 6, 10.1.2013, p. 1.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 30, 4.2.2008, p. 52.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

DECISION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****on discharge in respect of the implementation of the budget of the Clean Sky Joint Undertaking for the financial year 2011**

(2013/616/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Clean Sky Joint Undertaking for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the Clean Sky Joint Undertaking for the financial year 2011, together with the replies of the Joint Undertaking ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05755/2013 – C7-0040/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Council Regulation (EC) No 71/2008 of 20 December 2007 setting up the Clean Sky Joint Undertaking ⁽⁴⁾, and in particular Article 11(4) thereof,
 - having regard to the Financial Rules of the Clean Sky Joint Undertaking adopted by Decision of its Governing Board on 7 November 2008,
 - having regard to Opinion No 2/2011 on the Clean Sky Joint Undertaking's Financial Rules, delivered by the Court of Auditors on 8 February 2011,
 - 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 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0086/2013),
1. Grants the Executive Director of the Clean Sky Joint Undertaking discharge in respect of the implementation of the Joint Undertaking's budget for the financial year 2011;
 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 Clean Sky Joint Undertaking, 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
Martin SCHULZ

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 6, 10.1.2013, p. 9.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 30, 4.2.2008, p. 1.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the Clean Sky Joint Undertaking for the financial year 2011**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Clean Sky Joint Undertaking for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the Clean Sky Joint Undertaking for the financial year 2011, together with the replies of the Joint Undertaking ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05755/2013 – C7-0040/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Council Regulation (EC) No 71/2008 of 20 December 2007 setting up the Clean Sky Joint Undertaking ⁽⁴⁾, and in particular Article 11(4) thereof,
 - having regard to the Financial Rules of the Clean Sky Joint Undertaking adopted by Decision of its Governing Board on 7 November 2008,
 - having regard to Opinion No 2/2011 on the Clean Sky Joint Undertaking's Financial Rules, delivered by the Court of Auditors on 8 February 2011,
 - 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 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0086/2013),
- A. whereas the Clean Sky Joint Undertaking ('the Joint Undertaking') was set up in December 2007 for a period of 10 years to accelerate the development, validation and demonstration of clean air transport technologies in the Union for earliest possible deployment;
- B. whereas the Joint Undertaking started to work autonomously in November 2009;
- C. whereas the Court of Auditors stated that it has obtained reasonable assurances that annual accounts of the Joint Undertaking for the financial year 2011 are reliable;
- D. whereas the Court of Auditors has delivered a qualified opinion on the legality and the regularity of the transactions underlying the Joint Undertaking's accounts;

⁽¹⁾ OJ C 6, 10.1.2013, p. 9.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 298, 26.10.2012, p. 1.⁽⁴⁾ OJ L 30, 4.2.2008, p. 1.⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

- E. whereas the maximum contribution for the period of 10 years from the Union to the Joint Undertaking is EUR 800 000 000 to be paid from the budget of the Seventh Research Framework Programme;

Budgetary and Financial Management

1. Takes note that the Joint Undertaking's final amending budget for the financial year 2011 included commitment appropriations of EUR 175 000 000 and payment appropriations of EUR 159 800 000; further acknowledges that the utilisation rates for commitment and payment appropriations were 94 % and 64 % respectively; calls for a detailed progress report on those shortcomings which makes specific proposals for a gradual improvement in utilisation rates;
2. Expresses concern that the low rate for the payment appropriation reflects delays in the implementation of the Joint Undertaking's activities include significant delays between the publication of the calls for proposals and the signature of the grant agreements; urges the Joint Undertaking to implement the necessary measures to avoid such delays reducing the average time between the publication of the call for proposals and the signature of the Joint Undertaking grant agreements from the 291 days of the first call of 2011;
3. Emphasises the fact that the low implementation of the budget turns out in excessive cash balance which stood at EUR 51 000 000 at the end of the year, representing 32 % of the available payment appropriations for 2011;
4. Regrets the fact that the Joint Undertaking, in contravention of its Financial Rules, carried over EUR 68 000 000 of payment appropriations to 2012, without a decision by the Governing Board;
5. Acknowledges the significant delays which occurred in 2011 in receiving the cost claims from grant agreements with Members and that the validation of a large number of claims could not, therefore, be completed for the final accounts; notes that the related in-kind contributions of EUR 52 000 000 could not be approved by the Governing Board in due time and, as a consequence, were not registered under net assets but reflected under liabilities; takes note that, as a consequence, the Joint Undertaking reported negative net assets of EUR 18 500 000 since the final accounts reflect this transitional situation that does not indicate any risk of solvency for the Joint Undertaking;
6. Is concerned that annual accounts of the Joint Undertaking received a qualified opinion from the Court of Auditors on the legality and the regularity of the transactions underlying those accounts on the grounds that the error rate resulting from the *ex post* audits was 6,16 %; notes that the Joint Undertaking completed *ex-post* audits covering EUR 44 300 000 (18,8 % of all cost claims received by the Joint Undertaking in the triennium beginning in 2008); regrets that the error rate resulting from those *ex post* audits was 6,16 % and 4,09 % when taking into account the corrective actions implemented such as a recovery mechanism; reiterates that the Joint Undertaking should reinforce without delay the quality of its *ex-ante* controls related to the grant management; requests that the discharge authority is informed of the results of the following *ex-post* audit processes conducted by the Joint Undertaking and that a detailed progress report be produced which makes specific proposals for a gradual reduction in error rates;

Internal control systems

7. Notes from the Court of Auditors that the Joint Undertaking has not completely implemented its internal controls and financial information systems during 2011 including the new tool to manage the data relating to the cost claims submitted by the members and beneficiaries and that further work is needed on the *ex ante* control procedures applied for the validation of cost claims; urges the Joint Undertaking to implement the necessary measures for finalising its internal controls and financial information systems and the tools deemed necessary;

8. Regrets to be informed that the following weaknesses were noted in the *ex-ante* control procedures applied to cost claims submitted:
 - the checklists used for the *ex ante* control on cost claims were not always complete,
 - in one case, the audit certificate accompanying the cost claim of an associate included exceptions affecting personnel costs and subcontracting however no adjustment to the cost claim was made as a result of these exceptions,
 - contrary to the manual of financial procedures, there is no evidence that the operational agents are also verifying the financial aspects of the implementation of the contracts, and
 - in at least three transactions, the financial verifying and the authorising officer functions were the responsibility of the head of administration, contrary to the provisions of the manual of financial procedures and the principle of segregation of duties;
9. Acknowledges that the Accounting Officer completed the validation exercise of the underlying business processes in March 2012, as required by the Joint Undertaking's Financial Rules; notes that a number of recommendations were made in the Accounting Officer's validation report, in particular the need to improve the system for the validation of cost claims and the implementation of a tool to properly report to management, on budgetary and accounting matters;
10. Notes that in 2011, the Commission's Internal Audit Service carried out a risk assessment exercise and that based on the results of that risk assessment a strategic audit plan for 2012-2014 was presented to the Governing Board for adoption; recalls that the Joint Undertaking started to work autonomously in November 2009;
11. Takes note that the procedure for issuing recovery orders relating to the Joint Undertaking's running costs was not properly applied as the request to the members to pay their 2011 contributions was not accompanied by the cash-flow forecast as required under the funding agreement;

Other management matters

12. Notes the Court of Auditors' finding that at the end of 2011, the Joint Undertaking had not yet completed the internal procedures to be used for the supervision of the application of the provisions regarding the protection, use and dissemination of research results;
13. Reiterates that the Court of Auditors' suggested in its Opinion of 2011 on the Joint Undertaking's Financial Rules that a number of areas needed to be amended to but this procedure has not yet been completed; welcomes that the Joint Undertaking will amend its Financial Rules together with the update to the framework financial regulation;
14. Notes that during 2011, the Joint Undertaking set up a Business Continuity Plan and made progress on the formalisation of the IT security policies and essential elements of a Disaster Recovery Plan have been defined however further work is needed to finalise and approve it;
15. Welcomes the fact that the Host State Agreement between the Joint Undertaking and the Belgian authorities concerning office accommodation, privileges and immunities and other support was signed on February 2012;

Other issues

16. Reiterates its invitation for the Court of Auditors to provide, within a reasonable deadline, a special report to Parliament on common issues which occur due to the nature of the joint undertakings, and which should be addressed by the joint undertakings together with their partners in order to ensure their added value and efficient execution of Union research, technological development and demonstration programmes; notes, furthermore, that that report should include an assessment of the effectiveness of the joint undertakings' establishment and structure.
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DECISION OF THE EUROPEAN PARLIAMENT
of 17 April 2013
on the closure of the accounts of the Clean Sky Joint Undertaking for the financial year 2011
(2013/617/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Clean Sky Joint Undertaking for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the Clean Sky Joint Undertaking for the financial year 2011, together with the replies of the Joint Undertaking ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05755/2013 — C7-0040/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Council Regulation (EC) No 71/2008 of 20 December 2007 setting up the Clean Sky Joint Undertaking ⁽⁴⁾, and in particular Article 11(4) thereof,
 - having regard to the Financial Rules of the Clean Sky Joint Undertaking adopted by Decision of its Governing Board on 7 November 2008,
 - having regard to Opinion No 2/2011 on the Clean Sky Joint Undertaking's Financial Rules, delivered by the Court of Auditors on 8 February 2011,
 - 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 ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0086/2013),
1. Approves the closure of the accounts of the Clean Sky Joint Undertaking for the financial year 2011;
 2. Instructs its President to forward this Decision to the Executive Director of the Clean Sky Joint Undertaking, 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
Martin SCHULZ

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 6, 10.1.2013, p. 9.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 30, 4.2.2008, p. 1.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

DECISION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****on discharge in respect of the implementation of the budget of the ENIAC Joint Undertaking for the financial year 2011**

(2013/618/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the ENIAC Joint Undertaking for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the ENIAC Joint Undertaking for the financial year 2011, together with the replies of the Joint Undertaking ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05755/2013 – C7-0040/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Council Regulation (EC) No 72/2008 of 20 December 2007 setting up the ENIAC Joint Undertaking ⁽⁴⁾, and in particular Article 11(4) thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0105/2013),
1. Grants the Executive Director of the ENIAC Joint Undertaking discharge in respect of the implementation of the Joint Undertaking's budget for the financial year 2011;
 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 ENIAC Joint Undertaking, 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
Martin SCHULZ

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 6, 10.1.2013, p. 18.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 30, 4.2.2008, p. 21.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the ENIAC Joint Undertaking for the financial year 2011**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the ENIAC Joint Undertaking for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the ENIAC Joint Undertaking for the financial year 2011, together with the replies of the Joint Undertaking ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05755/2013 – C7-0040/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Council Regulation (EC) No 72/2008 of 20 December 2007 setting up the ENIAC Joint Undertaking ⁽⁴⁾, and in particular Article 11(4) thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0105/2013),
- A. whereas the ENIAC Joint Undertaking ('the Joint Undertaking') was set up in 20 December 2007 for a period of 10 years to define and implement a 'research agenda' for the development of key competences for nanoelectronics across different application areas;
- B. whereas the Joint Undertaking was granted its financial autonomy in July 2010;
- C. whereas the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts of the Joint Undertaking for the financial year 2011 are reliable;
- D. whereas the Court of Auditors has delivered a qualified opinion on the legality and the regularity of the transactions underlying the Joint Undertaking's accounts;
- E. whereas the maximum contribution for the period of 10 years from the Union to the Joint Undertaking is EUR 450 000 000 to be paid from the budget of the Seventh Research Framework Programme.

⁽¹⁾ OJ C 6, 10.1.2013, p. 18.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 298, 26.10.2012, p. 1.⁽⁴⁾ OJ L 30, 4.2.2008, p. 21.⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

Budgetary and financial management

1. Takes note that the Joint Undertaking's 2011 final budget included commitment and payment appropriations amounting to EUR 66 000 000 and EUR 35 000 000 respectively and that the utilisation rates were 97 % for commitment appropriations and 48 % for payment appropriations respectively; notes furthermore that out of the EUR 63,6 million commitment appropriations available for operational activities, EUR 20,1 million was implemented as a global commitment for the first 2011 call for proposals and EUR 42,2 million was implemented as a global commitment for the second 2011 call for proposals; calls for a detailed progress report on those shortcomings which makes specific proposals for a gradual improvement in utilisation rates;
2. Regrets that the Joint Undertaking's appropriations, which should have been implemented by the end of 2010 and appropriations which should have been implemented by the end of 2011, were decommitted in January 2012 and that the unused global commitment of EUR 2,8 million on the operational activities budget line for 2010 with a final date of implementation of 31 December 2011 was not decommitted; takes note that the Joint Undertakings have been taken actions to avoid any future recurrence defining a detailed procedure for managing the year end closure and setting hard deadlines;
3. Is concerned that annual accounts of the Joint Undertaking received a qualified opinion from the Court of Auditors on the legality and the regularity of the transactions underlying those accounts on the grounds that the Joint Undertaking was not in a position to assess whether the *ex post* audit strategy provides sufficient assurance with respect to the legality and regularity of the underlying transactions; reiterates that the Joint Undertaking should reinforce without delay the quality of its *ex ante* controls in particular for the grant management, requests that the discharge authority is informed of the results of the following *ex post* audit processes conducted by the Joint Undertaking; expects that the Court through its independent audits will be in position to provide the discharge authority with its own opinion on the effectiveness of the Joint Undertaking's *ex post* audit strategy;
4. Recalls that the Joint Undertaking adopted an *ex post* audit strategy in 2010 that is key to assessing the legality and regularity of the underlying transactions and that its implementation started in 2011; notes that the audit of project cost claims has been delegated to the National Funding Authorities (NFAs) of the Member States; however the administrative agreements signed with the NFAs do not include the practical arrangements for those audits; notes furthermore that the Joint Undertaking had not received sufficient information relating to the audit strategies of the NFAs; deplores the fact that no *ex post* audits had been carried out by the NFAs on the grants paid up to the end of 2011 and invites the Joint Undertaking to inform the discharge authority on the follow up actions taken;

Calls for proposals

5. Takes note that the calls for proposals duly organised in 2008, 2009 and 2010 resulted in signed grant agreements totalling EUR 107,9 million, which represent 25 % of the maximum Union contribution to the Joint Undertaking for research activities, and that in 2011, two calls for proposals were launched amounting to EUR 62,3 million; notes that in 2012, two more calls for proposals were launched amounting to EUR 84,5 million and that during 2013, calls for proposals with a budget of EUR 185,3 million (42 %) would have to be launched in order to fully use the available Union contribution of EUR 440 000 000; calls on the Joint Undertaking to make the best possible use of the resources that have been allocated for the implementation of the Joint Technology Initiative on Nanoelectronics;

Internal control systems

6. Reiterates its call that the Joint Undertaking should fully implement its internal controls and financial information systems; notes this triggered significant errors and delays in the financial reporting that were corrected before the adoption of the final accounts;

7. Takes note that the Accounting Officer of the Joint Undertaking validated the financial and accounting systems (ABAC and SAP); notes, however, that the underlying business processes were not validated, in particular the one providing financial information about the validation and payment of the cost claims received from the national authorities were not validated during 2011; asks the Joint Undertaking to inform the discharge authority about the state of validation of the underlying business processes;

Internal Audit

8. Takes note that the Joint Undertaking's Financial Rules have not yet been amended to include the provision of the Framework Regulation referring to the powers of the Commission's internal auditor; notes, however, that in 2011, the Commission's Internal Audit Service carried out a risk assessment exercise and that based on the results of the risk assessment, the strategic audit plan for 2012-2014 was presented to the Governing Board for adoption on 22 November 2011; recalls that at the end of 2011 the Joint Undertaking had not yet set up its internal audit capability but that Joint Undertaking decided in 2012 to assign a member of its own staff to the IAC function;

ENIAC Member States' contribution

9. Takes note that for the first five calls for proposals, the financial contribution from ENIAC Member States amounted to 1,55 times the Union financial contribution against the Joint Undertaking's statutory principle that the financial contributions from ENIAC Member States are to amount in total to at least 1,8 times the Union financial contribution, while the Joint Undertaking's grants can reach a maximum of 16,7 % of the total eligible costs of the projects;
10. Condemns the fact that Greece is using Union structural funds to cover its national contributions to the Greek beneficiaries of the ENIAC projects instead of providing national funding, condemns the fact that the Joint Undertaking acknowledged the continuation of Greek participation in ENIAC projects but provides no funding to the Greek beneficiaries as an expenditure co-financed by Union structural funds shall not receive assistance from another Union financial instrument in accordance with Council Regulation (EC) No 1083/2006 ⁽¹⁾; requests that the Commission inform the discharge authority on the legality of this situation as soon as possible;

Annual activity report

11. Takes note that the annual activity report provides information on the results of the operations of the Joint Undertaking; however, it does not include an assessment of the efficiency and effectiveness of the internal control system and contains the following weaknesses:
 - Lack of information on the implementation of the *ex-post* audit strategy, which is not sufficient to conclude whether this key control is functioning effectively, and should have led to a reservation;
 - No information on the partial validation of the financial and accounting systems by the accounting officer is provided;
 - The control weaknesses identified as regards the accounting and financial reporting did not lead to a reservation in the annual activity report;

Other management matters

12. Notes that in 2011, the Joint Undertaking set up a Business Continuity Plan and made progress on the formalisation of the IT security policies but further work is required to finalise the Disaster Recovery Plan;
13. Welcomes the fact that the Host State Agreement between the Joint Undertaking and the Belgian authorities concerning office accommodation, privileges and immunities and other support to be provided was signed on 3 February 2012;

⁽¹⁾ OJ L 210, 31.7.2006, p. 25.

Other issues*Possible merger with Artemis*

14. Considers that cost benefit analysis of a merger with Artemis should be undertaken and that Parliament should be notified about the results of this assessment. This report should highlight the possible advantages and disadvantages of such a merger;
 15. Reiterates its invitation for the Court of Auditors to provide, within a reasonable deadline, a special report to Parliament on common issues which occur due to the nature of the joint undertakings, and which should be addressed by the joint undertakings together with their partners in order to ensure their added value and efficient execution of Union research, technological development and demonstration programmes; notes, furthermore, that that report should include an assessment of the effectiveness of the joint undertakings' establishment and structure.
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DECISION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****on the closure of the accounts of the ENIAC Joint Undertaking for the financial year 2011**

(2013/619/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the ENIAC Joint Undertaking for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the ENIAC Joint Undertaking for the financial year 2011, together with the replies of the Joint Undertaking ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05755/2013 – C7-0040/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Council Regulation (EC) No 72/2008 of 20 December 2007 setting up the ENIAC Joint Undertaking ⁽⁴⁾, and in particular Article 11(4) thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0105/2013),
1. Approves the closure of the accounts of the ENIAC Joint Undertaking for the financial year 2011;
 2. Instructs its President to forward this Decision to the Executive Director of the ENIAC Joint Undertaking, 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
Martin SCHULZ

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 6, 10.1.2013, p. 18.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 30, 4.2.2008, p. 21.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

DECISION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****on discharge in respect of the implementation of the budget of the Fuel Cells and Hydrogen Joint Undertaking for the financial year 2011**

(2013/620/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Fuel Cells and Hydrogen Joint Undertaking for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the Fuel Cells and Hydrogen Joint Undertaking for the financial year 2011, together with the replies of the Joint Undertaking ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05755/2013 – C7-0040/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Council Regulation (EC) No 521/2008 of 30 May 2008 setting up the Fuel Cells and Hydrogen Joint Undertaking ⁽⁴⁾, and in particular Article 11(4) thereof,
 - having regard to Council Regulation (EU) No 1183/2011 of 14 November 2011 amending Regulation (EC) No 521/2008 setting up the Fuel Cells and Hydrogen Joint Undertaking ⁽⁵⁾,
 - 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 ⁽⁶⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0084/2013),
1. Grants the Executive Director of the Fuel Cells and Hydrogen Joint Undertaking discharge in respect of the implementation of the Joint Undertaking's budget for the financial year 2011;
 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 Fuel Cells and Hydrogen Joint Undertaking, 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

Martin SCHULZ

The Secretary-General

Klaus WELLE

⁽¹⁾ OJ C 6, 10.1.2013, p. 56.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 298, 26.10.2012, p. 1.⁽⁴⁾ OJ L 153, 12.6.2008, p. 1.⁽⁵⁾ OJ L 302, 19.11.2011, p. 3.⁽⁶⁾ OJ L 357, 31.12.2002, p. 72.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the Fuel Cells and Hydrogen Joint Undertaking for the financial year 2011**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Fuel Cells and Hydrogen Joint Undertaking for the financial year 2011,
- having regard to the Court of Auditors' report on the annual accounts of the Fuel Cells and Hydrogen Joint Undertaking for the financial year 2011, together with the replies of the Joint Undertaking ⁽¹⁾,
- having regard to the Council's recommendation of 12 February 2013 (05755/2013 – C7-0040/2013),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- 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 ⁽²⁾, and in particular Article 185 thereof,
- having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
- having regard to Council Regulation (EC) No 521/2008 of 30 May 2008 setting up the Fuel Cells and Hydrogen Joint Undertaking ⁽⁴⁾, and in particular Article 11(4) thereof,
- having regard to Council Regulation (EU) No 1183/2011 of 14 November 2011 amending Regulation (EC) No 521/2008 setting up the Fuel Cells and Hydrogen Joint Undertaking ⁽⁵⁾,
- 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 ⁽⁶⁾, and in particular Article 94 thereof,
- having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
- having regard to the report of the Committee on Budgetary Control (A7-0084/2013),

⁽¹⁾ OJ C 6, 10.1.2013, p. 56.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 153, 12.6.2008, p. 1.

⁽⁵⁾ OJ L 302, 19.11.2011, p. 3.

⁽⁶⁾ OJ L 357, 31.12.2002, p. 72.

- A. whereas the Fuel Cells and Hydrogen Joint Undertaking ('the Joint Undertaking') was set up in May 2008 as public-private partnership by Regulation (EC) No 521/2008 for a period until 31 December 2017 to focus on developing market applications and hence facilitating additional industrial efforts towards a rapid deployment of fuel cells and hydrogen technologies,
- B. whereas Regulation (EC) No 521/2008 was amended by Regulation (EU) No 1183/2011,
- C. whereas the Joint Undertaking enjoyed financial autonomy only from November 2010, and in 2011 established its first annual financial statements for a complete financial year,
- D. whereas the Members of the Joint Undertaking are the Union, represented by the Commission, the New Energy World Industry Grouping (NEW-IG) and the Research community (N.ERGHY),
- E. whereas the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts of the Joint Undertaking for the financial year 2011 are reliable,
- F. whereas the Court of Auditors delivered a qualified opinion on the legality and the regularity of the transactions underlying the Joint Undertaking's accounts,
- G. whereas the maximum contribution for the entire period from the Union to the Joint Undertaking is EUR 470 000 000 to be paid from the budget of the Seventh Research Framework Programme, of which the proportion earmarked for running costs must not exceed EUR 20 000 000,

Budget and financial management

- 1. Welcomes the fact that the Court of Auditors states that in its annual accounts of 2011 the Joint Undertaking fairly present, in all material respects, its financial position as of 31 December 2011 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Rules;
- 2. Is concerned that the Joint Undertaking's annual accounts received a qualified opinion from the Court of Auditors on the legality and the regularity of the transactions underlying those accounts on the grounds that eight out of 12 *ex post* audits, as defined in the *ex post* audit strategy adopted by the Joint Undertaking Governing Board in January 2011, were completed as of September 2012, covering EUR 4 800 000 (27 % of all cost claims received by the Joint Undertaking in 2011), of which two detected significant errors, of which the larger (EUR 764 000) was corrected the following year;
- 3. Notes that except for the matters described in the two audits, the transactions underlying the annual accounts of the Joint Undertaking for the year 2011 are, in all material respects, legal and regular;
- 4. Notes, furthermore, that the 2011 Joint Undertaking's final budget included commitment and payment appropriations amounting to EUR 117 000 000 and EUR 60 000 000 respectively and the utilisation rates for the available commitment and payment appropriations were 99,8 % and 87,9 % respectively; takes note that an amount of EUR 112 000 000 representing commitment appropriations available for operational activities (Title III of the budget) was implemented through a global commitment relating to the 2011 call for proposals;

5. Notes with concern that the budgetary procedure outlined in the Joint Undertaking's Financial Rules was not followed as the derogation granted by the Commission to enter cancelled appropriations in the estimates of revenue and expenses for the following three years was misinterpreted; notes that as a consequence of the Joint Undertaking's interpretation of the budgetary procedure, the budgetary outturn of the year 2011 is incorrect as EUR 6 300 000 in payment appropriations carried over from 2011 to 2012 were not included in the calculation and the budgetary outturn account for 2010 does not reflect the EUR 3 300 000 in payment appropriations carried over from 2010 to 2011;
6. Is concerned that unused global commitments from 2010 amounting to EUR 10 400 000 and with a final date of implementation at 31 December 2011, were not decommitted by the end of 2011 but were decommitted in January 2012;
7. Acknowledges that the calls for proposals organised in 2008, 2009 and 2010 resulted in signed grant agreements totalling EUR 183 400 000, and in 2011 a fourth call for proposals was launched amounting to EUR 111 600 000, which represents 41 % and 25 % respectively of the maximum Union contribution to the Joint Undertaking for research activities; further notes that in January 2012 a fifth call for proposals was launched amounting to EUR 79 000 000, a further 18 % of the maximum Union contribution; notes the progress in budget implementation;

Supervisory and control systems

8. Notes that at the end of 2011, the underlying business processes had been validated by the Accounting Officer as required by the Joint Undertaking's Financial Rules with a certain number of weaknesses being identified; notes that an action plan has been defined by the Joint Undertaking to address those weaknesses identified and that according to the Joint Undertaking, most of the actions are implemented;

Annual assessment of the level of the in-kind contribution

9. Welcomes the fact that the method for evaluating the level of the in-kind contribution has been finalised and was jointly assessed by the Commission's Internal Audit Service (IAS) and the Joint Undertaking's Internal Audit Capability (IAC) in April 2012;
10. Takes duly note that the aggregated level of in-kind contributions validated by the Authorising Officer as at 8 February 2012 was EUR 347 600 000 and the assessment report concluded that this amount should be reduced by EUR 930 000 since certain participants had presented their budgeted costs on the basis of a 60 % flat rate system for the calculation of indirect costs instead of the 20 % flat rate applicable to the Joint Undertaking; notes that this correction was made;

Treasury management

11. Highlights the fact that at the end of December 2011, the balance on the Joint Undertaking's bank account was EUR 9 200 000 and between the months of August 2011 and December 2011, the Joint Undertaking's cash balance ranged between approximately EUR 30 000 000 and EUR 60 000 000; urges the Joint Undertaking to implement, together with the Commission, all the necessary measures to minimise the cash balances held on account to the levels that are required within the limits provided in the financing agreements with the Commission;

Other management matters

12. Acknowledges that during 2011, the Joint Undertaking set up a Business Continuity Plan and made progress on the formalisation of the IT security policies with the Business Continuity plan including a disaster recovery plan adopted by on June 2012;

13. Takes note that the Financial Rules of the Joint Undertaking have not yet been amended to include the provision referring to the powers of the Commission's Internal Auditor; notes however that the respective roles of the IAS and of the IAC were defined and approved by the Governing Board in March 2011;
14. Welcomes the fact that the Host State Agreement between the Joint Undertaking and the Belgian authorities concerning office accommodation, privileges and immunities and other support to be provided was signed on 3 February 2012;

Other issues

15. Reiterates its invitation for the Court of Auditors to provide, within a reasonable deadline, a special report to Parliament on common issues which occur due to the nature of the joint undertakings, and which should be addressed by the joint undertakings together with their partners in order to ensure their added value and efficient execution of Union research, technological development and demonstration programmes; notes, furthermore, that that report should include an assessment of the effectiveness of the joint undertakings' establishment and structure.
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DECISION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****on the closure of the accounts of the Fuel Cells and Hydrogen Joint Undertaking for the financial year 2011**

(2013/621/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Fuel Cells and Hydrogen Joint Undertaking for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the Fuel Cells and Hydrogen Joint Undertaking for the financial year 2011, together with the replies of the Joint Undertaking ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05755/2013 — C7-0040/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Council Regulation (EC) No 521/2008 of 30 May 2008 setting up the Fuel Cells and Hydrogen Joint Undertaking ⁽⁴⁾, and in particular Article 11(4) thereof,
 - having regard to Council Regulation (EU) No 1183/2011 of 14 November 2011 amending Regulation (EC) No 521/2008 setting up the Fuel Cells and Hydrogen Joint Undertaking ⁽⁵⁾,
 - 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 ⁽⁶⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0084/2013),
1. Approves the closure of the accounts of the Fuel Cells and Hydrogen Joint Undertaking for the financial year 2011;
 2. Instructs its President to forward this Decision to the Executive Director of the Fuel Cells and Hydrogen Joint Undertaking, 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
Martin SCHULZ

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 6, 10.1.2013, p. 56.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 153, 12.6.2008, p. 1.

⁽⁵⁾ OJ L 302, 19.11.2011, p. 3.

⁽⁶⁾ OJ L 357, 31.12.2002, p. 72.

DECISION OF THE EUROPEAN PARLIAMENT

of 17 April 2013

on discharge in respect of the implementation of the budget of the Joint Undertaking for the implementation of the Joint Technology Initiative on Innovative Medicines for the financial year 2011

(2013/622/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Joint Undertaking for the implementation of the Joint Technology Initiative on Innovative Medicines for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the Innovative Medicines Initiative Joint Undertaking for the financial year 2011, together with the replies of the Joint Undertaking ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05755/2013 – C7-0040/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Council Regulation (EC) No 73/2008 of 20 December 2007 setting up the Joint Undertaking for the implementation of the Joint Technology Initiative on Innovative Medicines ⁽⁴⁾, and in particular Article 11(4) thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0088/2013),
1. Grants the Executive Director of the IMI Joint Undertaking discharge in respect of the implementation of the Joint Undertaking's budget for the financial year 2011;
 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 IMI Joint Undertaking, 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
Martin SCHULZ

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 6, 10.1.2013, p. 27.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 30, 4.2.2008, p. 38.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 17 April 2013**

with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the Joint Undertaking for the implementation of the Joint Technology Initiative on Innovative Medicines for the financial year 2011

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Joint Undertaking for the implementation of the Joint Technology Initiative on Innovative Medicines for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the Innovative Medicines Initiative Joint Undertaking for the financial year 2011, together with the replies of the Joint Undertaking ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05755/2013 – C7-0040/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Council Regulation (EC) No 73/2008 of 20 December 2007 setting up the Joint Undertaking for the implementation of the Joint Technology Initiative on Innovative Medicines ⁽⁴⁾, and in particular Article 11(4) thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0088/2013),
- A. whereas the Innovative Medicines Initiative Joint Undertaking ('the Joint Undertaking') was set up in December 2007 for a period of 10 years to significantly improve the efficiency and effectiveness of the drug development process with the long-term aim that the pharmaceutical sector produces more effective and safer innovative medicines,
- B. whereas the Joint Undertaking started to work autonomously on 16 November 2009,
- C. whereas the Court of Auditors states that it has obtained reasonable assurances that the annual accounts of the Joint Undertaking for the financial year 2011 are reliable and that the underlying transactions are legal and regular,

⁽¹⁾ OJ C 6, 10.1.2013, p. 27.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 30, 4.2.2008, p. 38.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

- D. whereas the Court of Auditors has delivered a qualified opinion on the legality and the regularity of the transactions underlying the Joint Undertaking's accounts,
- E. whereas the maximum contribution for the period of 10 years from the Union to the Joint Undertaking is EUR 1 000 000 000 to be paid from the budget of the seventh research framework programme,

Budgetary and financial management

1. Notes with concern that the budget of the Joint Undertaking for the financial year 2011 and the implementation plan was adopted by the Governing Board only on 4 April 2011 due to the time taken to establish and agree on the scientific priorities to be included in the annual implementation plan; notes that this delayed the launch of the call for proposals and for the entire first quarter of the year, the Joint Undertaking was obliged to use provisional twelfths budget rule to make payments;
2. Is concerned that the implementation rate for the EUR 159 000 000 commitment appropriations available for research activities was 66 % and that it was implemented through a global commitment covering the fourth call for proposals; reiterates its concern about the low implementation rate of the budget and, moreover, about the underlying activities of the Joint Undertaking; duly notes that the high level of unused appropriations of the administrative budget (44 %) indicates that it was not based on realistic estimates; calls for a detailed progress report on those shortcomings which makes specific proposals for a gradual improvement in the implementation rate and for a more realistic estimate of the financial resources needed;
3. Regrets, therefore, that commitment appropriations amounting to EUR 117 000 000 and payment appropriations amounting to EUR 65 000 000 not used in the financial year 2010 were carried over to 2011 and commitment appropriations amounting to EUR 62 000 000 and payment appropriations amounting to EUR 11 000 000 not used during the financial year 2011 were carried over to 2012; welcomes the improvements made for 2012, whereby the overall execution rates for commitment appropriations was 96 % and for payment appropriations was 97 %;
4. Is concerned that the annual accounts of the Joint Undertaking received a qualified opinion from the Court of Auditors on the legality and the regularity of the transactions underlying those accounts on the grounds that the error rate resulting from the *ex post* audits was 6,84 %; takes note that the Joint Undertaking completed *ex post* audits covering EUR 2,2 million (18,8 % of accepted Joint Undertaking's contribution for the first call validated by the Joint Undertaking by June 2011); regrets that on the basis of the Joint Undertaking's first audits applying its own methodology, the detected error rate was 4,58 % while the residual error rate was 3,72 %; expects that the Court of Auditors and the Joint Undertaking agree on an audit methodology that for the same *ex post* audits delivers the same results; reiterates that the Joint Undertaking should reinforce without delay the quality of its *ex ante* controls, in particular for the grants management; requests that the discharge authority is informed of the results of the following *ex post* audit processes conducted by the Joint Undertaking;
5. Calls, therefore, for a detailed progress report which makes specific proposals for a gradual reduction in the error rate;

Calls for proposals

6. Highlights the fact that the Joint Undertaking organised calls for proposals in 2008, 2009 and 2010 that resulted in signed grant agreements amounting to EUR 269 000 000 at the end of 2011 and that in 2012, the fifth call for proposals was launched with an indicative budgeted Union contribution of EUR 80 000 000; is concerned that if calls for proposals remain at the current level, it is highly likely that the total available Union contribution will not be used; calls the Joint Undertaking to make the best possible use of the resources that have been allocated for the implementation of the Joint Technology Initiative on Innovative Medicines;

7. Takes note of the inconsistencies between the Governing Board's decisions and the report on budgetary and financial management, namely the fact that in the report, the total amount of chapter 30-C2 'Research agenda' (EUR 117 000 000) is lower than the budget line B03000-C2 (EUR 141 000 000) which is part of that chapter; points out, furthermore, that the Governing Board's decision of 28 January 2011 only authorises the carry-over of EUR 115 000 000 of commitment appropriations, while the report on budgetary and financial management discloses a carry-over of EUR 117 000 000; calls on the Joint Undertaking to ensure that the decisions of its Governing Board are duly taken into account by the Executive Director;

Internal control systems

8. Points out that the Court of Auditors reports significant progress regarding internal control systems during 2011; notes, however, that further work is needed to establish and document the budget and accounting procedures and related controls and a formal assessment of the internal control system was carried out during 2011;
9. Takes note that the Accounting Officer of the Joint Undertaking reported on the validation of the accounting system on 27 September 2012 and underlined significant weaknesses which need to be addressed;

Evaluation of contributions in kind

10. Notes the Court of Auditors' finding that the methodology for evaluating in-kind contributions was approved by the Governing Board on 11 November 2011 and that the in-kind contributions are validated by way of an *ex ante* certification and *ex post* audits, however during 2011 no *ex ante* certification and no *ex post* audit were carried out by the Joint Undertaking;
11. Recalls that the Joint Undertaking was set up in December 2007 and started to work autonomously in November 2009; expresses concern that the methodology for evaluating contributions in-kind to be defined in the Joint Undertaking's internal rules and procedures in compliance with its Financial Rules has been approved by the Governing Board on 11 November 2011; emphasises the fact that the European Federation of Pharmaceutical Industries and Associations (EFPIA) members of the Joint Undertaking were, therefore, unable to report on the costs incurred during the first reporting period as established in the grant agreements;

Internal audit and the Commission's Internal Audit Service

12. Takes note that in 2011, the Commission's Internal Audit Service and the Internal Audit Capability of the Joint Undertaking carried out a risk assessment exercise and the strategic audit plan for 2012-2014 was approved by the Governing Board on 3 November 2011;
13. Notes that the Joint Undertaking's Financial Rules have not yet been amended to include the provision of the framework Regulation but the mission charter of the Commission's Internal Audit Service was adopted by the Governing Board on 8 March 2011;
14. Is concerned that while the Joint Undertaking obtained its autonomy in November 2009, no internal assurance audit work as such was performed until March 2012 either by the Internal Audit Service of the Commission or by the internal audit manager and the latter has been directly involved in operational activities (implementation of *ex post* strategy, KPI framework, review of *ex ante* certificate on in-kind contributions) and other consultancy engagements;

Audit rights of the Court of Auditors

15. Is surprised to learn that the provisions of the grant agreement do not recognise the right of the Court of Auditors to audit the in-kind contributions of EFPIA companies although they are recorded in the financial statements of the Joint Undertaking and are estimated at EUR 1 000 million over the lifetime

of the Joint Undertaking; notes that in-kind contributions are audited by the Joint Undertaking in line with Article 12(4) and (5) of Regulation (EC) No 73/2008 and that the advice of the Commission was sought by the Joint Undertaking on the rights of the Court of Auditors to audit in-kind contributions of EFPIA companies;

Annual activity report

16. Emphasises the fact that the Executive Director's declaration of assurance was issued in February 2012 without reservation, despite the lack of information on the effectiveness of the *ex post* audit strategy, which is the key control for operational expenditure; notes that according to the Statutes and Financial Rules of the Joint Undertaking the Executive Director is required to draw up an annual activity report including a declaration of assurance stating that the information contained in the report presents a true and fair view except as otherwise specified in any reservation;

Other management matters

17. Notes that in 2011, the Joint Undertaking made progress on the formalisation of IT security policies; takes note that the business continuity plan and disaster recovery plan were not yet finalised;
18. Welcomes the fact that the Host State Agreement between the Joint Undertaking and the Belgian authorities concerning office accommodation, privileges and immunities and other support to be provided was signed on 3 February 2012;

Other issues

19. Reiterates its invitation for the Court of Auditors to provide, within a reasonable deadline, a special report to Parliament on common issues which occur due to the nature of the Joint Undertakings, and which should be addressed by the Joint Undertakings together with their partners in order to ensure their added value and efficient execution of Union research, technological development and demonstration programmes; notes, furthermore, that that report should include an assessment of the effectiveness of the Joint Undertakings' establishment and structure.
-

DECISION OF THE EUROPEAN PARLIAMENT

of 17 April 2013

on the closure of the accounts of the Joint Undertaking for the implementation of the Joint Technology Initiative on Innovative Medicines for the financial year 2011

(2013/623/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the Joint Undertaking for the implementation of the Joint Technology Initiative on Innovative Medicines for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the Innovative Medicines Initiative Joint Undertaking for the financial year 2011, together with the replies of the Joint Undertaking ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05755/2013 — C7-0040/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Council Regulation (EC) No 73/2008 of 20 December 2007 setting up the Joint Undertaking for the implementation of the Joint Technology Initiative on Innovative Medicines ⁽⁴⁾, and in particular Article 11(4) thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0088/2013),
1. Approves the closure of the accounts of the IMI Joint Undertaking for the financial year 2011;
 2. Instructs its President to forward this Decision to the Executive Director of the IMI Joint Undertaking, 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
Martin SCHULZ

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 6, 10.1.2013, p. 27.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 30, 4.2.2008, p. 38.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

DECISION OF THE EUROPEAN PARLIAMENT

of 17 April 2013

on discharge in respect of the implementation of the budget of the European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year 2011

(2013/624/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year 2011, together with the replies of the Joint Undertaking ⁽¹⁾,
 - having regard to the conclusions of the European Parliament Joint Delegation of the Committee on Budgets and the Committee on Budgetary Control to ITER in Cadarache of 16-18 May 2011,
 - having regard to the Council's recommendation of 12 February 2013 (05755/2013 – C7-0040/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Council Decision 2007/198/Euratom of 27 March 2007 establishing the European Joint Undertaking for ITER and the Development of Fusion Energy and conferring advantages upon it ⁽⁴⁾, and in particular Article 5(3) thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0077/2013),
1. Grants the Director of the European Joint Undertaking for ITER and the Development of Fusion Energy discharge in respect of the implementation of the Joint Undertaking's budget for the financial year 2011;
 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 Joint Undertaking for ITER and the Development of Fusion Energy, 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
Martin SCHULZ

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 6, 10.1.2013, p. 36.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 90, 30.3.2007, p. 58.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****with observations forming an integral part of its Decision on discharge for the implementation of the budget of the European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year 2011**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year 2011, together with the replies of the Joint Undertaking ⁽¹⁾,
 - having regard to the conclusions of the European Parliament Joint Delegation of the Committee on Budgets and the Committee on Budgetary Control to ITER in Cadarache of 16-18 May 2011,
 - having regard to the Council's recommendation of 12 February 2013 (05755/2013 – C7-0040/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Council Decision 2007/198/Euratom of 27 March 2007 establishing the European Joint Undertaking for ITER and the Development of Fusion Energy and conferring advantages upon it ⁽⁴⁾, and in particular Article 5(3) thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0077/2013),
- A. whereas the European Joint Undertaking for ITER and the Development of Fusion Energy ('the Joint Undertaking') was set up in March 2007 for a period of 35 years,
- B. whereas the Joint Undertaking started to work autonomously on March 2008,
- C. whereas the Court of Auditors states that it has obtained reasonable assurances that the annual accounts of the Joint Undertaking for the financial year 2011 are reliable and that the underlying transactions are legal and regular,

⁽¹⁾ OJ C 6, 10.1.2013, p. 36.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 298, 26.10.2012, p. 1.⁽⁴⁾ OJ L 90, 30.3.2007, p. 58.⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

- D. whereas on 9 October 2008 the Court of Auditors delivered Opinion No 4/2008 on the Joint Undertaking's Financial Regulation,
- E. whereas at the creation of the Joint Undertaking the indicative total resources deemed necessary for the period 2007 to 2014 were EUR 9 653 000 000;

Budgetary and financial management

1. Notes that the annual accounts of the Joint Undertaking fairly present, in all material respects, its financial position as of 31 December 2011 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Regulation;
2. Acknowledges that the transactions underlying the annual accounts of the Joint Undertaking for the financial year 2011 are, in all material respects, legal and regular;
3. Notes that the utilisation rates for the available commitment and payment appropriations were 99,7 % and 85,7 % respectively; points out that out of EUR 611 000 000 of commitment appropriations available for operational activities, 42 % were implemented through direct individual commitments while the remaining 58 % were implemented through global commitments;
4. Welcomes the appointment of the Head of the ITER Department, the Head of Administration and the Head of the Budget and Finance unit in 2011 following the adaptation of the management improvement plan to separate financial and operational functions in 2010;
5. Regrets that the Joint Undertaking's Internal Auditor raised concerns about the financial circuits and moreover the separation of duties; urges the Joint Undertaking to put in place without delay a proper systematisation of the financial circuits and to segregate all duties that are incompatible;
6. Expects the Joint Undertaking to:
 - fully implement and make use of an integrated tool to administer budget, financial and operational information;
 - fully implement the action plans adopted by the Joint Undertaking in response to the internal audits on the financial circuits, grant management and experts contracts;
 - complete the validation of the underlying systems by the accounting officer;
 - adopt a comprehensive *ex post* audit strategy for grants and operational contracts;
 - carry out a risk management exercise at corporate level;

Procurement and grants

7. Emphasises the fact that, as already pointed out in the Court of Auditors' 2010 report, the Joint Undertaking needs to enhance its efforts to increase competition as the number of offers received for the operational procurement procedures signed in 2011 was still low and amounted to two on average while for grants the average number of proposals received was only one per call; acknowledges that the Joint Undertaking's nature of work is characterised by the procurement of high technological components, never built before and without any commercial value, designed for the construction of an experimental fusion reactor in an extremely complex market in which monopoly or oligopoly situations are predominant; reiterates that the Joint Undertaking must find value for money in all possible acquisitions;

8. Regrets that in one case, the decision to cancel an open procedure and to use a negotiated procedure was not duly justified while in another case, the Joint Undertaking decided to negotiate with two companies which submitted offers under the open procedure (although one of them was not technically compliant); further regrets that in another situation both the choice of the negotiated procedure and the quantities and price contracted were not duly justified;
9. Is concerned that the Court of Auditors' audit has confirmed the findings of an internal audit carried out in 2011 in the area of procurement, notably:
 - the pre-information notice is not used as an instrument for increasing *ex ante* publicity of forthcoming tenders;
 - there is no system to track and manage changes in the contract requirements and thus identify and remedy cost deviations;
 - the duration of the procurement process is often excessive and there are inefficiencies in preparing tender documents;
 - cost estimates are not well documented;
10. Calls, in this respect, for a detailed progress report which makes specific proposals to gradually rectify these shortcomings;
11. Deplores the fact that the Court of Auditors' audit also revealed that the *ex ante* control procedures applied to payments made under contracts and grant agreements are not sufficiently documented;

Quality assurance audits and ex post controls on procurement and grants

12. Is concerned by the fact that while the Joint Undertaking has a system to perform audits at the level of contractors with the aim of checking compliance with the quality assurance requirements the scope of these audits does not cover the financial aspects of the implementation of the contracts; calls the Joint Undertaking to ensure that the audit system scope covers the protection of the financial interest of the Joint Undertaking covering financial and contractual aspects;
13. Takes note that despite having started in 2011 the *ex post* controls to assess the legality and regularity of the implementation of grants awarded the Joint Undertaking lacks an overall *ex post* control strategy to cover the implementation of grant contracts and procurement contracts; urges the Joint Undertaking to define and implement an overall *ex post* control strategy that covers in full their expended budgetary resources;

Intellectual property rights and Industrial Policy

14. Acknowledges that on 28 March 2012, the Governing Board adopted the Joint Undertaking's policy on intellectual property rights and dissemination of information; notes, however, that the Governing Board has not yet adopted the industrial policy required under the Statutes;

Late payment of membership contributions

15. Deplores the fact that payment of the 2011 contributions by 12 members were subject to delays;
16. Considers it to be essential that the deadline for paying membership contributions is respected by all Members of the Joint Undertaking; supports the fact that those measures were approved by the Governing Board for interest to be levied on Annual Membership Contribution in the event of late payment;

Commission Internal Audit Service

17. Notes that the mission charter of the Commission's Internal Audit Service was adopted by the Governing Board on 25 November 2011 together with a coordinated strategic audit plan for 2012-2014 and its Financial Regulation has been amended accordingly to introduce the provisions of the framework Regulation referring to the powers of the Commission's Internal Auditor; recalls that the Joint Undertaking started to work autonomously on March 2008;

Financial Regulation and Implementing Rules

18. Welcomes the fact that at its meeting of 1 June 2011 the Joint Undertaking's Governing Board decided to broadly accept the observations (37 recommendations were fully accepted, 11 accepted with comments and only two rejected) of the Court of Auditors' Opinion No 4/2008 on Fusion for Energy's Financial Regulation;
19. Takes note that the Court of Auditors considers that certain provisions in the Joint Undertaking's implementing rules depart from the implementing rules of the Union Financial Regulation without sufficient justification; welcomes the Joint Undertaking's clarification that the amended implementing rules provide sufficient guidance for the implementation of the activities the Joint Undertaking in what respects for instance the conditions to raise and grant loans or the rules for valuing in-kind contributions;

Union contribution to ITER construction phase

20. Recalls that in July 2010, the Council revised the budget estimate of the Joint Undertaking's contribution for the construction phase to EUR 6 600 000 000 (2008 value), thus doubling the initial estimate; is concerned that the Joint Undertaking is realising an exercise to align all the incurred cost up to date to the 2008 values in order to be able to establish the potential deviations from that budget estimates; takes note that the Joint Undertaking implemented a tool to regularly monitor the validity of the estimates and report on potential deviations; expects the Joint Undertaking to inform the discharge authority of the results of that analysis;

Host State agreement

21. Recognises that although a Host State agreement on the site and support, privileges and immunities was signed between the Kingdom of Spain and the Joint Undertaking, the permanent premises were yet not made available to the Joint Undertaking; notes, however, that the Joint Undertaking continues to occupy temporary premises sponsored by the Kingdom of Spain;

Other issues

22. Reiterates its invitation for the Court of Auditors to provide, within a reasonable deadline, a special report to Parliament on common issues which occur due to the nature of the joint undertakings, and which should be addressed by the joint undertakings together with their partners in order to ensure their added value and efficient execution of Union research, technological development and demonstration programmes; notes, furthermore, that that report should include an assessment of the effectiveness of the joint undertakings' establishment and structure.
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DECISION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****on the closure of the accounts of the European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year 2011**

(2013/625/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year 2011, together with the replies of the Joint Undertaking ⁽¹⁾,
 - having regard to the conclusions of the European Parliament Joint Delegation of the Committee on Budgets and the Committee on Budgetary Control to ITER in Cadarache of 16-18 May 2011,
 - having regard to the Council's recommendation of 12 February 2013 (05755/2013 — C7-0040/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Council Decision 2007/198/Euratom of 27 March 2007 establishing the European Joint Undertaking for ITER and the Development of Fusion Energy and conferring advantages upon it ⁽⁴⁾, and in particular Article 5(3) thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0077/2013),
1. Approves the closure of the accounts of the European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year 2011;
 2. Instructs its President to forward this Decision to the Director of the European Joint Undertaking for ITER and the Development of Fusion Energy, 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
Martin SCHULZ

The Secretary-General
Klaus WELLE

⁽¹⁾ OJ C 6, 10.1.2013, p. 36.

⁽²⁾ OJ L 248, 16.9.2002, p. 1.

⁽³⁾ OJ L 298, 26.10.2012, p. 1.

⁽⁴⁾ OJ L 90, 30.3.2007, p. 58.

⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

DECISION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****on discharge in respect of the implementation of the budget of the SESAR Joint Undertaking for the financial year 2011**

(2013/626/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the SESAR Joint Undertaking for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the SESAR Joint Undertaking for the financial year 2011, together with the replies of the Joint Undertaking ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05755/2013 – C7-0040/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Council Regulation (EC) No 219/2007 of 27 February 2007 on the establishment of a Joint Undertaking to develop the new generation European air traffic management system (SESAR) ⁽⁴⁾, and in particular Article 4b thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0101/2013),
1. Grants the Executive Director of the SESAR Joint Undertaking discharge in respect of the implementation of the Joint Undertaking's budget for the financial year 2011;
 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 SESAR Joint Undertaking, 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

Martin SCHULZ

The Secretary-General

Klaus WELLE

⁽¹⁾ OJ C 6, 10.1.2013, p. 46.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 298, 26.10.2012, p. 1.⁽⁴⁾ OJ L 64, 2.3.2007, p. 1.⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget for the SESAR Joint Undertaking for the financial year 2011**

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the SESAR Joint Undertaking for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the SESAR Joint Undertaking for the financial year 2011, together with the replies of the Joint Undertaking ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05755/2013 – C7-0040/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Council Regulation (EC) No 219/2007 of 27 February 2007 on the establishment of a Joint Undertaking to develop the new generation European air traffic management system (SESAR) ⁽⁴⁾, and in particular Article 4b thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0101/2013),
- A. whereas the SESAR Joint Undertaking ('the Joint Undertaking') was set up in February 2007 to run the Single European Sky Air Traffic Management Research (SESAR) programme that aims to modernise air traffic management in Europe,
- B. whereas the Joint Undertaking started to work autonomously in August 2007,
- C. whereas the Joint Undertaking will own all the tangible and intangible assets which it creates or which are transferred to it for the development phase of the SESAR project in accordance with specific agreements with its members,
- D. whereas the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts of the Joint Undertaking for the financial year 2011 are reliable and that the underlying transactions are legal and regular,

⁽¹⁾ OJ C 6, 10.1.2013, p. 46.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 298, 26.10.2012, p. 1.⁽⁴⁾ OJ L 64, 2.3.2007, p. 1.⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

- E. whereas in April 2010 the Court of Auditors delivered Opinion No 2/2010 on the SESAR Financial Rules,
- F. whereas the budget for the 2008-2013 development phase of the SESAR project is EUR 2 100 000 000,

Budget and Financial Management

- 1. Takes note that the Joint Undertaking's final budget for the financial year 2011 included commitment appropriations of EUR 148 000 000 and payment appropriations of EUR 91 700 000; further acknowledges that the utilisation rates for commitment and payment appropriations were 99,4 % and 82,4 % respectively;
- 2. Notes that at year end 2011, the Joint Undertaking had a positive budget outturn of EUR 15 600 000, with revenue of EUR 91 200 000 against payments of EUR 75 600 000; notes that the situation resulted from:
 - the contributions from Joint Undertaking' members: EUR 34 000 000,
 - the outturn of the previous year and other sources of revenue: EUR 57 200 000,
 - payments of the Joint Undertaking: EUR 75 600 000,
 - positive budget outturn: EUR 15 600 000;
- 3. Points out that year end deposits in bank accounts totalling EUR 15 300 000 still represent a breach of the budgetary principle of equilibrium; acknowledges that the progress has been positive with deposits in bank accounts representing EUR 57 200 000 at the end of 2010 and EUR 86 800 000 at the end of 2009; calls on the Joint Undertaking to continue to implement concrete measures to attain budget equilibrium;
- 4. Calls on the Joint Undertaking to continue its efforts to ensure sound financial management and continued respect for budgetary principles; notes also that the Joint Undertaking filled 34 out of 39 posts authorised in its establishment plan on 31 December 2011;

Internal control systems

- 5. Welcomes the fact that in 2011, a review of the Joint Undertaking's business processes carried out by an independent external auditor found the internal control systems to be operating effectively; notes that in April 2012, the Accounting Officer formally validated the underlying business processes in line with the Financial Rules of the Joint Undertaking, albeit not before repeated remarks by the Court of Auditors;

Internal auditing function

- 6. Welcomes the fact that in November 2011, the Administrative Board of the Joint Undertaking adopted a Coordinated Internal Audit Service Strategic Audit Plan for the Joint Undertaking for the period 2012-2014 following the clarification of the operational roles of the Commission's Internal Audit Service and of the Joint Undertaking's internal auditing function; expects to be informed about the results of the implementation of that Strategic Audit Plan and draws the attention to the fact that the Joint Undertaking was set up in February 2007;

Late payment of membership contributions

- 7. Deplores the fact that the deadline for the payment of cash contributions to the Joint Undertaking from its members was not respected; notes that at the end of August 2011, there remained 17 outstanding recovery orders, totalling EUR 3 700 000 and that one member had paid no annual contribution at all by the end of 2011; notes the Joint Undertaking's reply that the late contribution still pending at year end was cashed in February 2012; urges the Joint Undertaking to nevertheless ensure the respect of contractual deadlines for the payment of cash contributions by its members that represent 10 % of their global contributions to the project;

SESAR programme objectives

8. Acknowledges that the Joint Undertaking was responsible at the end of 2011 for a total of 310 research and development and management projects, of which 282 are in execution phase; emphasises that the 'development phase' managed by the Joint Undertaking should see its end in 2016; calls on the Joint Undertaking to use all the financial resources made available to it to complete the development of the technology necessary for the deployment of the SESAR programme on time;
9. Acknowledges the Joint Undertaking's key contribution to developing a modernised air traffic management system for Europe; calls on Member States to honour their commitment to achieve the goal of a Single European Sky, the completion of which is intrinsically linked to that of the SESAR programme;
10. Calls on the Joint Undertaking to continue to inform the discharge authority about the stage of implementation of the projects under the SESAR programme and to present the results achieved;
11. Notes that the Joint Undertaking is designed as a public-private partnership and that public and private interests are intertwined; recalls that the founding members are the Union, represented by the Commission, and Eurocontrol, represented by its Agency, together with 15 public and private enterprises from the air navigation industry; recommends the absolute need, under this circumstances, to ensure that potential conflicts of interest should not be dismissed but addressed properly;

Other issues

12. Reiterates its invitation for the Court of Auditors to provide, within a reasonable deadline, a special report to Parliament on common issues which occur due to the nature of the joint undertakings, and which should be addressed by the joint undertakings together with their partners in order to ensure their added value and efficient execution of Union research, technological development and demonstration programmes; notes, furthermore, that that report should include an assessment of the effectiveness of the joint undertakings' establishment and structure.
-

DECISION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****on the closure of the accounts of the SESAR Joint Undertaking for the financial year 2011**

(2013/627/EU)

THE EUROPEAN PARLIAMENT,

- having regard to the final annual accounts of the SESAR Joint Undertaking for the financial year 2011,
 - having regard to the Court of Auditors' report on the annual accounts of the SESAR Joint Undertaking for the financial year 2011, together with the replies of the Joint Undertaking ⁽¹⁾,
 - having regard to the Council's recommendation of 12 February 2013 (05755/2013 – C7-0040/2013),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - 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 ⁽²⁾, and in particular Article 185 thereof,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
 - having regard to Council Regulation (EC) No 219/2007 of 27 February 2007 on the establishment of a Joint Undertaking to develop the new generation European air traffic management system (SESAR) ⁽⁴⁾, and in particular Article 4b thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁵⁾, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI 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 (A7-0101/2013),
1. Approves the closure of the accounts of the SESAR Joint Undertaking for the financial year 2011;
 2. Instructs its President to forward this Decision to the Executive Director of the SESAR Joint Undertaking, 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

Martin SCHULZ

The Secretary-General

Klaus WELLE

⁽¹⁾ OJ C 6, 10.1.2013, p. 46.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 298, 26.10.2012, p. 1.⁽⁴⁾ OJ L 64, 2.3.2007, p. 1.⁽⁵⁾ OJ L 357, 31.12.2002, p. 72.

RESOLUTION OF THE EUROPEAN PARLIAMENT**of 17 April 2013****on discharge in respect of the implementation of the budget of the European Union Agencies for the financial year 2011: performance, financial management and control**

THE EUROPEAN PARLIAMENT,

- having regard to the report of 14 November 2011 from the Commission to the European Parliament and the Council on the follow-up to the discharge for the 2009 financial year (COM(2011) 736) and the accompanying Commission Staff Working Documents (SEC(2011) 1350 and SEC(2011) 1351),
- having regard to the Joint Statement of the European Parliament, the Council of the EU and the European Commission on decentralised agencies of 19 July 2012,
- having regard to the Common Approach on EU decentralised agencies annexed to the Joint Statement of 19 July 2012,
- having regard to the Roadmap on the follow-up to the Common Approach on EU decentralised agencies, adopted by the Commission in December 2012,
- having regard to the Commission Communication entitled 'European agencies – the way forward' (COM(2008) 135),
- having regard to its resolution of 10 May 2012 on the 2010 discharge: performance, financial management and control of EU Agencies ⁽¹⁾,
- 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 ⁽²⁾, and in particular Article 185 thereof,
- having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ⁽³⁾, and in particular Article 208 thereof,
- having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽⁴⁾, and in particular Article 96 thereof,
- having regard to Special Report No 15/2012 of the Court of Auditors entitled 'Management of Conflict of Interest in selected EU Agencies',
- having regard to the specific annual reports ⁽⁵⁾ of the Court of Auditors on the annual accounts of the decentralised agencies for the financial year 2011,
- having regard to its study entitled 'Opportunity and feasibility of establishing common support services for EU Agencies', issued on 7 April 2009,

⁽¹⁾ OJ L 286, 17.10.2012, p. 388.⁽²⁾ OJ L 248, 16.9.2002, p. 1.⁽³⁾ OJ L 298, 26.10.2012, p. 1.⁽⁴⁾ OJ L 357, 31.12.2002, p. 72.⁽⁵⁾ OJ C 368, 16.12.2011.

- having regard to its Declaration of 18 May 2010 on the Union's efforts in combating corruption ⁽¹⁾, to its Resolution of 15 September 2011 on the EU's efforts to combat corruption ⁽²⁾, and to the Commission Communication on Fighting corruption in the EU (COM(2011) 308);
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinions of the Committee on Employment and Social Affairs, the Committee on the Environment, Public Health and Food Safety and the Committee on Civil Liberties, Justice and Home Affairs (A7-0118/2013),
- 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 decisions in accordance with Article 96 of Regulation (EC, Euratom) No 2343/2002 and Article 3 of Annex VI to Parliament's Rules of Procedure,
- B. whereas there has been a threefold increase in the number of agencies over the last decade, from 10 in 2001 to 30 in 2011,

General issues

1. Stresses the importance of the tasks performed by the agencies and their direct impact on the daily life of citizens, in particular as regards the quality of medicines, food safety, aviation security and the control of outbreaks of infectious diseases; in this context, emphasises the utmost importance of the autonomy of the agencies, in particular of the regulatory ones and of those in charge of collecting independent information; recalls that the main purpose of establishing decentralised agencies was to be able to provide independent technical and scientific assessments;
2. Recalls that in July 2012, after three years of analysis and negotiations, Parliament, the Council and the Commission adopted a Common Approach on decentralised agencies, a political agreement concerning the future management and reform of the agencies; welcomes the conclusion of this agreement but deplores the fact that it neglects to set out either decision-making procedures in respect of the implementation of the actions proposed thereon or arrangements for Parliament oversight of those procedures;
3. Welcomes the Court of Auditors' reports and, in particular, its efforts to comply with the requests made by Parliament for the Court to conduct better audits and facilitate the discharge procedure;
4. Notes with satisfaction that the Court's audit reports now contain more detailed information than in previous years; encourages the Court to continue on this positive trend and to further develop performance audit elements, both in its several annual audit reports and in its special reports; calls on the Court to promote debates in which both parties are heard, whenever the agencies so wish, and to render its reports more informative and transparent, in particular by duly identifying cases in which an agency has uncovered a problem and has notified it to the Court, and by signalling even more clearly cases in which a reservation has been issued;
5. Reminds all the agencies of their obligation to submit to the discharge authority a report drawn up by their director summarising the number and nature of internal audits conducted by their internal auditor, the recommendations made and the follow-up given to them, as provided for in Article 72(5) of Regulation (EC, Euratom) No 2343/2002;

⁽¹⁾ OJ C 161 E, 31.5.2011, p. 62.

⁽²⁾ OJ C 51 E, 22.2.2013, p. 121.

6. Commends the good cooperation with the responsible committee from the side of the Union Agencies Network ('the Network'), a forum for coordination, information exchange and agreement of common positions on issues of common interest for agencies, and encourages the strengthening of the Network; notes with satisfaction the availability and openness of the directors of the agencies contacted in the framework of the annual discharge procedure; notes with surprise the Network's letter of 19 October 2012 asking Parliament to 'revert to its practice of earlier years'; encourages and expects the Network, on the contrary, to support the changes requested by Parliament, in its previous discharge reports, for improved management and transparency and for anti-conflict of interest measures to be taken for the benefit of consumers and taxpayers' money;
7. Emphasises the need to focus on effectiveness and transparency in the discharge exercise and invites all involved parties – the Court of Auditors, the Council, the agencies and the Network – to approach the discharge from that position; emphasises that the focus shift towards performance should by no means hamper regularity and sound financial management;
8. Points out, in this context, the relationship between administrative weight and the output of the agencies; believes that for the agencies to operate as efficiently as possible and to make the most of their resources, they must seek synergies, exchange best practices and share services on the basis of geographical proximity or relevance; considers that access to services provided by the Commission should also be improved, expanded and facilitated;
9. Suggests that the financial rules applicable to the Agencies should be simplified, which would allow the agencies' administrative staff costs to be reduced; calls on the Commission to draw up proposals to that effect and to encourage the agencies to use the simplification option as regards recruitment procedures where the standard procedure is designed for a larger scale organisation and presents an excessive burden for the agencies;
10. Notes with concern that there are a number of problems identified by the Court of Auditors which affect several agencies, in particular as regards:
 - carryovers which are not supported by commitments or which appear excessively high,
 - lack of transparency or rigour in recruitments,
 - procurement and contract management,
 - potential conflicts of interest, including at management board level;
11. Notes, in this context, the reply of the Network; welcomes the coordinated action of the agencies and their intention to tackle the problems identified by the Court of Auditors and urges the Network, as well as the individual agencies, to report back to the discharge authority on the progress of the implementation of the concrete measures to redress the shortcomings identified by the Court of Auditors and Parliament in the discharge procedure for the financial year 2010; emphasises the fact that the responsibility lies with the executive directors and the management boards of the agencies;
12. Urges the Network, as well as the individual agencies, to report to the discharge authority on the progress of the implementation of those ideas and approaches to assess whether a chosen approach has proved effective in resolving the outstanding issues identified by the Court of Auditors and pointed out in the Common Approach, and to report to the discharge authority on both the individual and collective actions taken to address the Court of Auditors' findings, and the results thereof;
13. Emphasises that the agencies have for some time been calling for greater flexibility in the rules applicable to them under the Financial Regulation; recognises that most of those rules are disproportionate and ill-suited not only to the size and objectives of the majority of agencies, but also to their characteristics; considers that simplification of the financial and statutory rules applicable to the agencies would improve their efficiency, reduce their expenditure and solve many of the problems pointed out by the Court of Auditors;

14. Notes that some agencies in the Area of Freedom, Security and Justice are operational ones and that the implementation of their budget also depends on external factors, which should be considered during the budgetary process;

Budgetary and financial management

15. Reiterates that the principle of annuality is one of the three basic accounting principles (unity, annuality and balance) indispensable to ensure an efficient implementation of the Union budget; notes that decentralised agencies do not always fully comply with this principle;
16. Reminds the agencies that the persistent problem of carryovers has yet to be addressed; takes note of the agencies' explanations as regards the difficulty in avoiding carryovers in operational expenditure; believes, nevertheless, that in a number of cases there is room for improvement, in particular by means of a better management of commitment appropriations based on real needs, better internal planning and general revenue forecasting and more stringent budgetary discipline and regular overview of spending; calls on the agencies to assess their internal administrative procedures in order to reduce their administrative burden, in particular as regards public procurement and staff recruitment procedures; believes that both the Commission and the Court of Auditors should provide effective assistance to the agencies in this area;
17. Points out that in some cases the internal planning needs to be improved, which calls on the agencies to enhance their procedures; acknowledges at the same time that under certain circumstances and with due justification (e.g. settlements of payments have not been possible in the contracting year) this should be mentioned in a transparent way in the report of the Court of Auditors; is of the opinion that only so a true assessment can be made whether carryovers are too high or not;
18. Stresses, in this context, that the hierarchy of norms is to be taken into account, and believes that the focus should be put on sound financial management; points out, however, that the current financial rules do not resolve the problem of agencies whose funding is based on charges, and calls on the Commission to propose a solution to this issue during the next revision of the financial rules applicable to the agencies; points out that the Financial Regulation is not suited either to agencies which generate surpluses, and stresses that it is essential to consider, as part of the revision, ways of resolving this problem, e.g. by creating a limited reserve fund;
19. Expects the Court of Auditors, in its role as an external auditor as a follow-up to Parliament's discharge report in 2010 and its report on the benchmarking of agencies, to consult the Network to compose an openly accessible and transparent benchmarking and ranking procedure for agencies by using important indicators in the fields of sound financial and budgetary management, low governance costs and efficient operational effectiveness, and to provide the underlying data in an easily accessible format (e.g. Excel files and/or CSV files);
20. Notes with concern that the lack of flexibility within the budget has been recognised as a weakness by certain agencies, which suggests that savings could be made if there was enough flexibility within the budget from title to title; calls on the Commission to closely examine the situation and to come forth with proposals addressing this issue;
21. Notes that the agencies undergo numerous different audit and control procedures in the course of the year, which are often very unevenly distributed and may create difficulties to them; believes that that problem should be addressed primarily by better coordinating those various audits⁽¹⁾; considers that the agencies should be consulted in order to find practical solutions for this issue without hampering the performance of their core tasks; invites the Court of Auditors, the Commission, the agencies and the Network to come up with an approach of this matter suitable for all involved parties;

⁽¹⁾ In this respect, see action 53 of the Roadmap on the follow-up to the Common Approach on EU decentralised agencies.

22. Demands that all agencies and joint undertakings systematically annex a standardised template regarding the publication of their final annual accounts which includes the data presented in their reports on the implementation of the budget and in their reports on the budgetary and financial management; recommends that all agencies and joint undertakings provide this information in a comprehensive, friendly accessible and transparent manner (e.g., Excel files and/or CSV files), in order to ease the comparison between their budgetary executions, and thus enabling Parliament and the public to comprehensively compare their expenses;
23. Requests the Network to introduce a detailed, standardised budget line system so that an aggregation and comparison of the agencies revenues and expenses, as well as the implementation and use of appropriations for each budget line, can be compared by title, by chapter and by line; furthermore, asks the Network to make the subsequent comparison and to ensure that the conclusions as well as the underlying data are freely available in an easily accessible format (e.g. Excel files and/or CSV files);

Human resources and recruitment policy

24. Points out that the Staff Regulations establish the principles underlying the staff policy adopted by the agencies and that there is a need for greater flexibility and simplification of the statutory rules applicable to agencies in order to ensure that they function more effectively in this respect; points out furthermore that, although Article 110 of the Staff Regulations allows some flexibility, since the final decision rests with the Commission, it is vital that a previous agreement be reached between the agencies and the Commission; considers that, in the event of disagreement, the Commission should present a reasoned decision to Parliament's committee responsible;
25. Reminds the agencies that their staff policy planning should adopt a global programming approach to human resources which tallies with their budgetary and administrative capacities, in order to ensure that staff policy is cohesive and suited to their needs; points out, furthermore, that staff plans should take into account certain basic considerations, such as gender and geographical balance; welcomes, in this regard, the initiatives envisaged by the Commission in the Roadmap and the fact that the specific characteristics of the agencies are being acknowledged in the ongoing revision of the Staff Regulations;
26. Expresses its concern at the fact that the procedures for recruiting staff to the agencies have posed a regular problem ever since the agencies were created, while the Court of Auditors in its audits concerning the financial year 2011 detected problems or weaknesses in this area in all but two of the agencies; is surprised that neither the Common Approach nor the Roadmap provide for any action in this area;
27. Considers that the well-established practice of Staff Policy Plans is a valuable tool for long-term staff planning; is increasingly concerned that the Commission annuls agreed Staff Policy Plans within the annual budget procedure and, therefore, calls on the Commission to restrict itself in this respect;
28. Calls on all agencies to inform the discharge authority of the number of days of leave authorised to each grade under the flexitime and compensatory leave schemes annually annexed to their annual activity reports;

Conflicts of interest and transparency

29. Welcomes the Special Report No 15/2012 of the Court of Auditors on Management of Conflict of Interest in selected EU Agencies, which stems from Parliament's request for the Court to undertake a comprehensive analysis of the agencies' approach to the management of situations where there are potential conflicts of interest;
30. Considers that the main added value of Special Report No 15/2012 of the Court of Auditors lies in the regular monitoring of the agencies' progress as regards management and prevention of conflicts of interest; calls on the Court to further follow-up this issue extending the scope of its audit to other agencies, and to present its findings in a future Special Report on the matter;

31. Recalls that in its Special Report No 15/2012, the Court of Auditors has evaluated policies and procedures for the management of conflict of interest in four selected agencies: European Aviation Safety Agency (EASA), European Chemicals Agency (ECHA), European Food Safety Agency (EFSA) and European Medicines Agency (EMA);
32. Considers that the purpose of the Court of Auditors' audit was to give an answer to two questions: firstly, were adequate policies and procedures in place, and secondly, were those policies and procedures adequately implemented; notes, furthermore, that the Court based its work on the definition of conflict of interest as provided for in the Organisation for Economic Cooperation and Development (OECD) guidelines, and that the reference framework for minimum requirements adopted by the Court was also derived from those guidelines; stresses however that, although the OECD guidelines offer an international benchmark on this matter, they basically relate to conflicts of interests in the framework of public sector employees and cannot, therefore, provide an adequate basis for an effective response in the case of potential conflicts of interests among the governing bodies and other bodies involved in the agencies' work, such as management boards and expert panels; nevertheless recognises the value of the OECD's toolkit, and especially the checklist for gifts and benefits, etc., as well as the recommendations made concerning penalties, the need to check the completeness and content of statements of interests and the requirement to harness expertise and identify potential conflicts of interest;
33. Notes that conflicts of interest can also occur between members of the Management Board of an agency and the agency itself, due to national or institutional interests which may endanger the proper functioning of the agency; therefore, calls on the Commission to urgently submit to Parliament a proposal to address this issue; expects that in the meantime the declarations of interests of each and every member of the management boards of the agencies will be made public, in the interests of transparency;
34. Regrets that, according to the findings of the Court of Auditors in its Special Report No 15/2012, at the time of completion of its field work (October 2011), none of the four selected agencies had adequately managed conflict of interest situations; notes that while EMA and EFSA had developed more advanced policies for managing conflict of interest, ECHA's policies were incomplete and EASA did not have such policies in place;
35. Notes with concern that the Court of Auditors reported a number of shortcomings, in particular as regards the implementation of policies and procedures for staff and the board of appeal (ECHA), transparency as regards the publication of annual declarations of interest (EASA) and training on conflicts of interest (ECHA and EASA); stresses that, out of the four agencies audited by the Court, only EMA had a policy on gifts and invitations put in place;
36. Welcomes the recommendations made by the Court of Auditors to the four agencies audited; welcomes the fact that following the Court' audits, the four selected agencies have taken a number of steps to address their individual deficiencies; urges the agencies to report to the discharge authority on any further measures taken as regards the implementation of their policies and procedures to address those shortcomings, including as regards management of conflicts of interest;
37. Notes that the Court of Auditors identified a number of significant shortcomings related to post-employment issues which weaken the prevention of 'revolving doors' situations; supports the Court of Auditors' recommendation stressing the need to address those post-employment issues, and takes the view that the 'cooling-off' period of anyone who has served as director of an agency or has discharged major responsibilities within an agency needs to be clarified;
38. Endorses the Court of Auditors' recommendation inviting all Union institutions and decentralised bodies to examine whether the recommendations of its Special Report No 15/2012 are relevant and applicable to them; considers that all agencies should develop and implement comprehensive independence policies and procedures, inter alia, establishing a breach of trust mechanism and clear sanctions or changing those already in place on the basis of lessons learned and recommendations of Special Report No 15/2012; calls on the agencies to report to the discharge authority on this matter before the end of 2013;

39. Welcomes the European Ombudsman's decision to conduct an own initiative inquiry into cases of 'revolving door-type' conflicts of interest in several cases recently reported at the Commission; endorses the warning issued by the Ombudsman according to which, although effective management of conflicts of interest is a key part of good governance and sound ethical conduct, not all problems relating to governance and ethics necessarily imply a conflict of interest; takes the view that conflicts of interests need to be addressed within their strict limits, and stresses the need for training and prevention strategies and actions to be promoted as regards conflicts of interest in the Union institutions;
40. Welcomes the Court of Auditors' recommendation for the Union to consider further developing its regulatory framework dedicated to the management of conflict of interest situations;
41. Welcomes the interinstitutional Joint Statement of 19 July 2012 on decentralised agencies, and in particular its provisions on management and prevention of conflict of interest (paragraphs 11 and 18) and on the independence of their scientific experts (paragraph 20);
42. Calls on the Court of Auditors to conduct an assessment of the implementation by the agencies of any measures taken on the basis of the recommendations made to them in its Special Report No 15/2012; calls on the Network to develop proposals based on exchanges of best practices and lessons learned to enable it to identify, in cooperation with the Commission and the Court of Auditors, those agencies, or fields in which they operate, where there is greatest risk of conflicts of interest; welcomes, in that context, the review of the Transparency Register for lobby groups in the Union institutions, and urges the Commission and the agencies to implement measures stemming from that review concerning potential conflicts of interest;
43. Welcomes the Commission's foreseen action on conflicts of interest and, in particular, its intention to come up with guidelines for a coherent policy on the prevention and management of conflicts of interest for members of the management boards and directors, experts in scientific committees, and members of boards of appeal ⁽¹⁾, a task for which the Commission itself takes responsibility and has set 2013 as the target year; notes with satisfaction that this task is one of the Commission's priority actions and milestones; urges the Commission to respect the proposed deadline to implement this action and to report to the discharge authority on its outcome before the end of 2013, attaching to its report the relevant legislative proposals;
44. Notes that, in this regard, the Commission foresees two actions to be undertaken by the agencies in 2013, namely, to adopt and implement a clear policy on conflicts of interest and, in particular, exchange experience and possibly develop a coordinated approach to common problems concerning scientific committees and boards of appeal, and define transparent and objectively verifiable criteria for the impartiality and independence of the members of boards of appeal, and to review selection procedures for members of scientific committees ⁽²⁾; urges the agencies to report to the discharge authority on the state of play as regards those tasks before the end of 2013;
45. Invites the Commission to bear in mind the need to maintain an adequate balance between risks/benefits as regards the management of conflicts of interest, on one hand, and the objective to obtain the best possible scientific advice, on the other; considers that the proliferation of codes of conduct and ethical guidelines cannot rule out conflicts of interest; takes the view that the adoption of codes of conduct and ethical guidelines is necessary, but not sufficient, and that the eradication of conflicts of interest can only be achieved through the implementation of simple and appropriate rules, and their effective enforcement, as part of a general culture of honesty, integrity and transparency;

⁽¹⁾ See the Roadmap on the follow-up to the Common Approach on EU decentralised agencies, action 33.

⁽²⁾ See the Roadmap on the follow-up to the Common Approach on EU decentralised agencies, actions 34 and 35.

46. Reiterates the fact that a high level of transparency is a key element to mitigate risks of conflict of interest; calls therefore on the agencies that have not yet done so to make available on their websites the list of their management boards' members, management staff and external and in-house experts, together with their respective declarations of interests and curriculum vitae;

Roadmap

47. Welcomes the Roadmap on the follow-up to the Common Approach on EU decentralised agencies ('the Roadmap'), adopted by the Commission in December 2012, and invites all involved parties to take on board the ideas expressed thereon, in particular in the context of the ongoing negotiations on the multiannual financial framework (MFF);
48. Fully supports the Commission's main objectives set out in the Roadmap, namely, achieving more balanced governance, enhancing the agencies' efficiency and accountability and introducing greater coherence in the way they function; welcomes the actions proposed thereon, in particular regarding the streamlining of management boards, efforts to seek synergies between agencies and the possibility of merging some of them;
49. Notes, however, that the Roadmap, while being a good starting point, still lacks a comprehensive assessment of the current agencies landscape, as well as a clear vision and strategy addressing the need to modernise the agencies; believes that the Commission could have been more ambitious and demanding when it comes to specific actions targeting individual agencies or types or groups of agencies; regrets that the lengthy work of the Interinstitutional Working Group has led to a rather modest outcome at this stage, and that the Council has not shown openness to a more ambitious approach; is convinced that a more proactive and forward looking approach would have led to a more considerable added value;
50. Welcomes the fact that one of the priorities of the Common Approach is to improve the governance of the agencies, in particular by defining more clearly the roles of the management board and the executive director, and by reviewing the remit of Commission and Parliament representatives on the governing boards; takes the view that this process will also help to clarify the agencies' relationship with the Union institutions and Member States, to establish enhanced accountability mechanisms for the agencies and to define the Commission's degree of responsibility in respect of the agencies' activities, whilst respecting the principle of the agencies' independence;
51. Calls on the Commission to better use the capacity building and the recommendations of agencies in the framework of the European Semester, notably when elaborating the Annual Growth Survey and macroeconomic indicators; underlines the key role of the agencies in achieving the objectives of the Europe 2020 Strategy;

Independence

52. Stresses the utmost importance of the agencies' independence; recalls that the agencies should be able to independently execute their mandate and regrets that this is not always the case currently; believes that the Commission's Directorates General should be seen as partners of the agencies, and notes with concern that the Commission's interventions at times cast doubt on the objectivity of the agencies' decisions and performed actions, especially when high risks are involved regarding the safety of consumers;

Accountability

53. Considers that the democratic accountability of the agencies should be streamlined, mainly as regards their way of reporting to the discharge authority (there are, in particular, inconsistencies in the presentation of financial information and in the submission of discharge follow-up reports); believes that the relationship between Parliament and the agencies would benefit from a stronger and better structured system of reporting to Parliament; considers that the current situation is rather fragmented and that contact and reporting takes place too often only on an ad-hoc basis;

54. Considers it vital for the parliamentary committees responsible for the agencies to scrutinise their annual work programmes as closely as possible and to ensure that they reflect current circumstances and political priorities; expects, in that respect, the agencies to cooperate closely with those committees and the Commission, in line with the Joint Statement of 19 July 2012 on decentralised agencies, when drafting their annual work programmes;
55. Asks the agencies to publish the minutes of their management board meetings on their websites, in the interests of transparency and democratic scrutiny, including by Parliament;
56. Suggests that a member of Parliament's Committee on Budgetary Control should be able to attend agencies' management board meetings as an observer;

Possibilities of closer cooperation and of merging certain agencies

57. Believes that further synergies should be explored between the European Police College and the European Police Office, taking into account the results of the study issued by CEPOL in 2011 (contract CEPOL/CT/2010/002); notes that in March 2014, the College is to leave its current premises in Bramshill (UK); requests that the Commission presents a proposal to the European Parliament and the Council for the relocation of the College to The Hague (NL), where the European Police Office is currently located, in order for both agencies to be able to share facilities and services without jeopardizing their core tasks and autonomy; stresses that a swift decision on the relocation of CEPOL would considerably reduce the level of uncertainty which can adversely affect staff and recruitment procedures;
58. Invites the Commission to further explore, together with the European Training Foundation, the European Centre for the Development of Vocational Training, the European Foundation for the Improvement of Living and Working Conditions and the European Agency for Safety and Health at Work, the synergies that exist between those agencies and to report to the discharge authority on their possible deeper integration; invites those agencies and the Commission to evaluate whether closer cooperation could lead to economies of scale and optimisation of their performance;
59. Considers that closer coordination should be put in place between certain agencies, in particular as regards decisions impacting on the remit of another agency; proposes that the agencies concerned reach an agreement among themselves, with the involvement of the relevant stakeholders, in order to avoid competing legislation; calls on the agencies, in such cases, to inform the Parliament committees responsible at all times;

Sharing best practices

60. Stresses the need to ensure that newly-formed agencies (e.g. the Agency for the Cooperation of Energy Regulators, the European Banking Authority (EBA), the European Insurance and Occupational Pensions Authority (EIOPA) and the European Securities and Markets Authority (ESMA), all founded in 2011) benefit from best practices of older and more experienced ones, in order to avoid recruitment, procurement and financial regulation shortcomings;
61. Notes with satisfaction that newly formed agencies are participating in the Network's meetings three times a year and that those meetings comprise sharing best practices; notes, furthermore, that newly established agencies are invited to sub-networks which are set up to discuss issues requiring technical knowledge, in particular the sub-network of the Heads of Administration, which meets with the same frequency as the Network and deals with issues of recruitment, procurement and financial regulations;
62. Takes note of the two study visits organised by ESMA which took place at the European Railway Agency (ERA) in 2011 and at the European Maritime Safety Agency (EMSA) in 2012, in which ESMA staff had the opportunity to learn best practices from those well-established agencies; notes the development of frequent contact between ESMA, EIOPA and EBA, sharing experiences, aligning practices and profiting from synergies;

63. Invites the Network to liaise with the Commission in order to explore the possibilities of organising common training actions for agencies aimed at overcoming the financial problems identified by the Court of Auditors in 2011;

European Supervisory Authorities (ESAs)

64. Notes with concern that the provisions of the Financial Regulation are not fully adapted to the ESAs' financing scheme as 55 % to 60 % of their budget is financed by contributions from Member States and European Free Trade Association countries; believes that appropriate mechanisms need to be found to guarantee the security and financial stability of the ESAs, which are exposed to specific risks on account of the mixed nature of their funding; believes that that issue should be addressed, at the latest, in the course of the next revision of the Financial Regulation as regards the agencies, and calls on the Commission to evaluate this situation and to report on this issue to the discharge authority;
65. Stresses the importance of adequately matching the allocated budget and available posts on one hand and the tasks entrusted to the ESAs on the other hand, as a mismatch may result in unbalanced staffing as regards the recruitment of the ESAs' staff on one hand and the involvement of national experts on the other; expresses concern about the fact that the Commission has altered the establishment plans proposed by the ESAs without clearly indicating this; urges the Commission to be fully transparent on this and other issues;
66. Notes in this respect the concerns that were raised in the preliminary conclusions of the IMF financial sector assessment of December 2012 on the Union, in which it is recommended to increase the resources and powers of the ESAs in order to enable them to successfully fulfil their mandates, while enhancing their operational independence;

Gender equality

67. Stresses the importance of putting in place policies ensuring that women and men are properly represented on the agencies' governing bodies; urges the Network to introduce and promote general guidelines regarding best practices on this matter, even where no specific indications are given in the agencies' founding regulations; calls on the agencies' executive directors, who have ultimate responsibility for staffing issues, to ensure gender parity among agency staff as a whole and among people in positions of responsibility;
68. Notes with concern that few of the executive director positions in the agencies are held by women; given that in most of the agencies, directors are appointed by the management board on the basis of a shortlist adopted by the Commission, calls on the management boards of the agencies and on the Commission to uphold the principles of gender equality and to take account of the strategy launched by the Commission in 2010 to achieve a better gender balance in positions of responsibility; expresses concern about the fact that the Common Approach and the Roadmap do not count gender equality policies among their objectives, and calls on the Commission to devise specific proposals to address this issue;
69. Notes that it is the responsibility of Member States to select their representatives on the agencies' governing boards; invites Member States to bear in mind the principles of gender equality when appointing their representatives to those bodies, and urges the executive directors to raise the awareness of the members of the boards on this topic when the chairs and vice-chairs are to be elected; notes with satisfaction that two of the current Troika agencies have a woman as chair of their governing board;

Complex IT systems

70. Stresses the need for the agencies, as well as the Commission, to coordinate and to share best practices and experiences in order to overcome the technical and management challenges presented by complex information technology (IT) systems which have to operate on a Union-wide basis; finds it strange that the Commission charges the agencies fees for using its IT systems, and that those fees are not set according to objective parameters, such as the size of the agencies; given that those fees represent a considerable burden for the small agencies, and if there is no alternative to charging them, calls on the Commission to adapt the fees to the size and financial capacity of the agencies;

71. Draws the Commission's attention to the difficulties encountered by the agencies with complex IT systems like accrual-based accounting (ABAC) and SYSPER2, due to the fact that those systems are designed to satisfy the Commission's needs, rather than those of the agencies; welcomes the actions of the sub-networks dealing with the consequences of this problem and, in particular, the Union Agencies Information and Communication Technology Network (IT issues) and the Heads of Administration sub-network (ABAC and SYSPER2), and invites the Commission to cooperate more closely with the agencies on this issue;
 72. Proposes that the agencies be given the possibility of using the human resources software, or any other kind of software, of the Commission, instead of having to purchase their own expensive software;
 73. Proposes that, as from the next financial year, in order to facilitate the work of the discharge authority as regards the agencies, and given the great number of agencies and the increasing complexity of their work and output, Parliament considers, when studying and preparing its opinion on an agency, making a reconfiguration that would provide for the appointment of several rapporteurs, as it was already the case this year with other institutions;
 74. 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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