

2006 discharge: EC general budget, Council

2007/2039(DEC) - 26/03/2008

The Committee on Budgetary Control adopted the report by Nils **LUNDGREN** (ID, SE) recommending that the Parliament grant the Council's Secretary-General discharge in respect of the implementation of the its budget for the financial year 2006.

Firstly, the parliamentary committee recalls that, in 2006, the Council had available commitment appropriations amounting to a total of EUR 626 102 378.31 (compared to EUR 586 182 640.52 in 2005), with a utilisation rate of 91.79%, (compared to 96.69% in 2005).

The MEPs regret that, unlike other institutions, the Council does not submit an annual activity report to Parliament, citing the Gentleman's Agreement of 1970. They therefore call on the Council to reconsider this decision, in order to be more accountable to the general public and taxpayers. The MEPs note that this Gentleman's Agreement, in regard to the section of the budget concerning the Parliament, provides that "the Council undertakes to make no amendments to the estimate of expenditure of the European Parliament. This undertaking shall only be binding in so far as this estimate of expenditure does not conflict with Community provisions, in particular with regard to the Staff Regulations of Officials and Conditions of Employment of Other Servants and to the seat of the institutions". However, according to MEPs, the Gentlemen's Agreement should be revised, given its age and the substantial shortfall between the words used and the meaning or interpretation which is attributed to them. In any case, MEPs believe that "there is no obstacle at present to the Council being submitted to the normal discharge procedure, like the other institutions".

The parliamentary committee draws attention to the fact that the Court of Auditors highlighted shortcomings in terms of procurement: the Council extended a contract for the provision of telecommunication services for meetings of the European Council and incorrectly justified this extension. MEPs believe that the Council should have carried out an open tendering procedure before the expiry of the contract, while understanding the exceptional circumstances for this extension (all efforts of the Council Secretariat had to be concentrated on the projects related to the occupation of the new LEX-building). However, the MEPs stress that a further extension of the contract without tender took place in 2007 and that it is only in July 2008 that the procurement procedure should for a new contract.

At the same time, MEPs welcome the fact that the new internal mission rules of the General Secretariat of the Council concerning accommodation costs entered into force on 1 June 2007 (earlier than originally foreseen) following the Court's observations. They also note with satisfaction the setting-up of a Task-Force in order to reform the system for reimbursing the travel expenses of delegates of Council Members.

CFSP: in terms of the Common Foreign and Security Policy of the EU, MEPs for maximum transparency and call on the Council to make sure that, in accordance with the

Interinstitutional Agreement of 17 May 2006, **no operating CFSP expenditure should appear in the Council's budget.** They urge the Council to indicate the exact nature of expenses, item by item, within Title 3 ('Expenditure arising out of the Institution's performance of its specific mission') of the Council's budget so as to enable Parliament to verify whether the Interinstitutional Agreement is being complied with. The Parliament reserves the right to take the necessary steps, where appropriate, where that Agreement is infringed.

Lastly, MEPs request the Council to provide Parliament with ex-post assessment of individual European Security and Defence Policy missions and of the actions of EU Special Representatives.

