2011 discharge: European Medicines Agency (EMA)

2012/2190(DEC) - 22/03/2013 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Gerben-Jan GERBRANDY (ADLE, NL) on discharge to be granted to the Executive Director of the European Medicines Agency (EMA) in respect of the implementation of the Agency's budget for the financial year 2011.

Noting that 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, Members approve the closure of the Agency’s accounts. However, they make a number of recommendations that need to be taken into account when the discharge is granted, in addition to the general recommendations that appear in the draft resolution on performance, financial management and control of EU agencies:

- **Financing, budget and financial management**: Members recall that the Agency's budget for 2011 was EUR 208 863 000, which represents a nominal increase over the financial year 2010. They recall 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 and that the rest was financed by **fees paid by the pharmaceutical industry** when applying for, obtaining or maintaining Union marketing authorisations. Members state that a large amount of the Agency's revenue is estimated to have derived from the fee revenue, which continues to increase year on year. Members are concerned as regards the need to introduce a system of remuneration for services provided by Member States’ authorities, based on their real costs.
- **Implementation rate of appropriations**: Members observe that in terms of committed and paid appropriations, the Agency's execution rate stands at 95.21% and 81.97% respectively. They call on the Agency to continue its efforts to improve its execution rate of payment. They are concerned that once again, the Court of Auditors reported that payment appropriations for Title II ("Administrative expenditure") have been carried over to 2012, representing 29% of the budget which is excessive and at odds with the principle of annuality.
- **Conflicts of interest**: noting the problems as regards the conflict of interest in the light of the previous discharge procedure, Members welcome the efforts made but state that the Agency did not adequately manage conflict of interest situations. They welcome 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. The Agency is called upon to keep the discharge authority informed on their respective outcomes.

Lastly, Members made a series of observations concerning the recruitment and procurement procedures and controls carried out by this Community Agency.