1997 discharge: 6th and 7th European development Funds EDF

1998/2014(DEC) - 08/03/1999 - Supplementary non-legislative basic document

In a complementary Council document, concerning the statement of assurance (SOA) by the Court of Auditors regarding the activities of the 6th and 7th EDFs and concerning the reliability and regularity of the accounts and related operations for the budgetary year 1997, the Council declares that it is satisfied with the conclusions drawn by the Court and its subsequent statement of assurance, which demonstrates improvement in the EDF accounts. Essentially, the Court considered that the accounts for the budgetary year 1997 give a true picture of the receipts and expenditure of the EDFs and that the related commitment and payment operations are on the whole legal and regular. At the same time, the Court made some observations about the reliability of certain EDF accounts, notably with regard to certain advances in relation to financing study grants and the lack of transparency for certain advances on contracts. The Commission has responded to these observations and has undertaken to resolve these shortcomings. Elsewhere, the Court made more serious observations with regard to the legality and regularity of related operations. The Court considers, in effect, that the number of significant errors affecting commitments would amount to EURO 15 million. It further notes definite errors affecting commitments for certain operations managed by the EIB. In this context, the Council supports the position of the Court and charges the Commission to undertake an assessment of the impact of risk capital within the framework of ACP-EU cooperation. It notes the work already undertaken by the Commission within this framework as well as its desire, in collaboration with the EIB, to widen in 1999 its reexamination of risk capital operations by means of a general assessment. Finally, with regard to certain payments, the Court observes that in 1997, the Stabex and structural adjustment share has not been significant, which has provoked substantial errors in traditional subvention payments. As far as the Commission is concerned, these kind of errors have had no financial effect on the EDF. According to the Council, however, it is necessary to proceed with a reexamination of the entire regulation applicable to the EDF and of the internal rules in order to assess the appropriateness of that regulation. The Council welcomes the Commission's intention shortly to deliver to the Council a communication on simplifying the management of the EDF and underlines the relevance of such an exercise in the perspective of ongoing negotiations with a view to concluding an ACP-EU partnership agreement upon the expiry in February 2000 of the current Lomé Convention. In conclusion, the Council welcomes the largely positive assessment of the Court of Auditors with regard to the legality and regularity of EDF operations for the budgetary year 1997.