Basic information

1998/2010(DEC) DEC - Discharge procedure	Procedure completed
1997 discharge: EC general budget, 6th and 7th European Development Funds EDF **Subject** 6.30.03 European Development Fund (EDF) 8.70.03.07 Previous discharges	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	VAN DER LAAN Lousewies (ELDR)	21/09/1999

Former committee responsible	Former rapporteur	Appointed
CONT Budgetary Control	BRINKHORST Laurens Jan (ELDR)	29/10/1998

Former committee for opinion	Former rapporteur for opinion	Appointed
ENER Research, Technological Development and Energy	MCAVAN Linda (PSE)	21/01/1999
JURI Legal Affairs, Citizens' Rights	The committee decided not to give an opinion.	21/01/1999
REGI Regional Policy	VIRRANKOSKI Kyösti (ELDR)	22/09/1998
TRAN Transport and Tourism	SARLIS Pavlos (PPE)	20/01/1999
ENVI Environment, Public Health and Consumer Protection	EISMA Doeke (ELDR)	05/01/1999
DEVE Development and Cooperation	GÜNTHER Maren (PPE)	26/11/1998
LIBE Civil Liberties and Internal Affairs	DEPREZ Gérard (PPE)	20/01/1999

	PECH Fisheries	MCCARTIN John Joseph (PPE)	02/09/1998
	FEMM Women's Rights	GRÖNER Lissy (PSE)	24/11/1998

Council of the European Union	Council configuration	Meetings	Date
	Economic and Financial Affairs ECOFIN	2246	2000-03-13

Key events

Date	Event	Reference	Summary
29/04/1998	Non-legislative basic document published	SEC(1998)0519	Summary
14/12/1998	Committee referral announced in Parliament		
20/04/1999	Vote in committee		Summary
20/04/1999	Committee report tabled for plenary	A4-0201/1999	
03/05/1999	Debate in Parliament		
11/01/2000	Vote in committee		Summary
11/01/2000	Committee report tabled for plenary	A5-0004/2000	
18/01/2000	Debate in Parliament		
19/01/2000	Decision by Parliament	T5-0014/2000	Summary
17/02/2000	Final act published in Official Journal		
19/02/2000	End of procedure in Parliament		
13/03/2000	Resolution/conclusions adopted by Council		

Technical information

Procedure reference	1998/2010(DEC)
Procedure type	DEC - Discharge procedure
Legal basis	Rules of Procedure EP 101
Stage reached in procedure	Procedure completed
Committee dossier	CONT/4/09639 CONT/4/09638

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, single reading		A4-0201/1999 OJ C 279 01.10.1999, p. 0005	20/04/1999	
Text adopted by Parliament, single reading		T4-0385/1999 OJ C 279 01.10.1999, p. 0025-0119	04/05/1999	Summary
Committee report tabled for plenary, single reading		A5-0004/2000 OJ C 304 24.10.2000, p. 0007	11/01/2000	
Text adopted by Parliament, single reading		T5-0014/2000 OJ C 304 24.10.2000, p. 0079-0127	19/01/2000	Summary

Council of the EU

Document type	Reference	Date	Summary
Document attached to the procedure	02260/1999	15/03/1999	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	SEC(1998)0519	29/04/1998	Summary
Document attached to the procedure	SEC(1998)0520	29/04/1998	Summary
Document attached to the procedure	SEC(1998)0522	29/04/1998	Summary
Non-legislative basic document	COM(2000)0224	11/04/2000	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofA	Court of Auditors: opinion, report	RCC0021/1997 OJ C 349 17.11.1998, p. 0001	17/11/1998	

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Budget 2000/0134
OJ L 045 17.02.2000, p. 0033

1997 discharge: EC general budget, 6th and 7th European Development Funds EDF

1998/2010(DEC) - 11/04/2000

PURPOSE : to present a follow-up report on measures taken in light of the observations of the European Parliament in its 1997 discharge resolution (A5-0004/2000). CONTENT : in connection with the discharge procedure, Article 89(8) of the Financial Regulation provides that at Parliament's request the Commission reports on the measures taken in the light of the observations and comments made by Parliament in the discharge procedure. The decision granting the Commission discharge in respect of the implementation of the 1997 general budget of the Union was adopted on 20 January. The Commission very rapidly prepared this follow-up report required pursuant to Article 89 of the Financial Regulation in order to present it to Parliament before the final Committee debate on the discharge for 1998. This report includes the replies adopted by the Commission to the questions put in Parliament's resolution (A5-0004/2000), setting out the measures decided for the eight areas identified in Parliament's resolution. The eight areas identified as follows: 1) closure of the accounts: the Commission has already embarked on a through review of financial information, in particular it has looked into the arrangements for recording and managing amounts due by the Member States so that entitlements which are liquid, certain and due should be recorded correctly in the balance sheet. Action by departments reduced the volume of outstanding commitments by EUR 900 million from 1997 to 1998. The Commission is, however, continuing to scrutinise all old commitments for which no payment has been made for two years so that they can be cancelled where appropriate, this means examining the legal validity of every commitment outstanding; 2) institutional problems of management and supervision : the Commission will continue to give close attention to following-up and reviewing the recommendations of the Court both at the level of individiual DGs and now through the new Audit Progress Committee to be chaired by the Budget Commissioner. In addition, as part of its Reform, the Commission is undertaking an overhaul of financial management, empowering each department to establish an effective control system which complies with Commission-wide obligatory standards defined by the new Financial Service, appropriate to its own needs. The Commission will propose, as part of the revision of the Financial Regulation, that responsibilities for financial controls and internal auditing are separated; 3) staff policy : the introduction of "activity based budgeting" as part of "activity based management" will make for more transparency in the choice of budget priorities and will represent a more integrated approach to the allocation of human resources. The clear objective of the reform is to ensure that holders of public office will apply and maintain high standards of ethical behaviour. The Commission can confirm its intention to propose the inclusion of rules and obligations on reporting wrongdoing (whistleblowing) in the Staff Regulation; 4) technical assistance offices - TOE : the Commission has defined its externalisation policy in the White Paper. A first step in this direction was the Guide for TechnicalAssistance Offices published in 1999. The Commission is proposing to publish a Communication on this issue at the end of September 2000 which will include a definition of the regulatory framework, structure and mandate of the different instruments of externalisation; 5) the discharge authority's access to information : access to information by the discharge authority is currently the subject of discussions between Commission and Parliament, as part of a framework agreement between these two institutions; 6) the discharge and management of Community policies in partnership (SEM 2000) : the Personal Representatives Group (PRG) that meets in the SEM 2000 context is an informal forum of financial managements in areas where management is shared, in particular the Common Agricultural Policy (CAP) and the Structural Funds. The Commission considers that the budgetary Trialogue is the proper forum for meeting Parliament's desire to examine the problem of budgetary managemet control. At the same time, the Commission is considering ways and means of involving the Member States in all stages of the discharge procedure and of making best use of Article 274 of the Treaty, relating to Member States' cooperation in sound financial management; 7) combating fraud and corruption : the European Anti-fraud Office took over the investigation functions of the Task Force for Coordination of the Fight against Fraud on 1 June 1999. Demands for information should therefore be made directly to the OLAF Director by the institutions, including the European Parliament; 8) external aid; aid to Palestine : the Commission will inform the Parliament of the progress made towards the opening of the Gaza hospital, and the progress made in selecting the consultant who will prepare the design and tender documents for the seat of the Palestine Parliament.

1997 discharge: EC general budget, 6th and 7th European Development Funds EDF

1998/2010(DEC) - 29/04/1998 - Document attached to the procedure

PURPOSE: presentation of the management account and the financial statement relating to budget operations for the budgetary year 1997 (Commission Vol. II) CONTENT: this document presents the managment account and the financial statement of the European Commission for the budgetary year 1997, accompanied by various charts relating to the level of expenditure. The gross total amount of budgetary expenditure for the budgetary year amounts to ECU 81,728,393,808,32. Taking account of negative expenditure attributable to the EAGGF guarantee section (ECU 1,724,945,961,95), the net total amount of budgetary expenditure attributable to the budgetary year 1997 amounts to ECU 80,003,447,846,37.

1997 discharge: EC general budget, 6th and 7th European Development Funds EDF

1998/2010(DEC) - 29/04/1998 - Document attached to the procedure

OBJECTIVE: to present the consolidated management account and balance sheet of the European Union for the 1997 financial year (vol. IV). CONTENT: this document presents the consolidated management account and balance sheet of the European Union for the 1997 financial year, accompanied by explanatory notes. It sets out the method used to consolidate the 1997 financial statement and the accounting principles which governed how the management account was drawn up: continuity of activities, principle of caution in order to avoid overestimating assets and underestimating liabilities, consistency of accounting methods and principle of no offsetting between assets and liabilities. The way in which financial

interventions were carried out is presented in a separate document (vol. I). The aim is to present the financial statements of the European Union clearly and accurately, in order to achieve healthy financial management and ensure that accounts can be compared from one financial year to the next.

1997 discharge: EC general budget, 6th and 7th European Development Funds EDF

1998/2010(DEC) - 04/05/1999 - Text adopted by Parliament, single reading

Adopting the resolution by Laurens Brinkhorst (ELDR,NL) informin the Commission of the reasons why the discharge cannot at present be given in respect of the implmentation of the general budget of the European Communities for the 1997 financial year, the European Parliament decided to postpone discharge. The Parliament's most significant reasons for this include: - the conclusions of the committee of independent experts, published in April 1999, on the allegations of fraud, mismanagement and nepotism within the Commission; - the presentation of a second report by this committee in September 1999; - discharge cannot be granted to an outgoing Commission which has no authority to enter into any commitments towards the European Parliament in respect of future policy. The Parliament concludes that discharge can only be granted to the new Commission, subject to the commitments to reform it makes between now and 15/10/99.

1997 discharge: EC general budget, 6th and 7th European Development Funds EDF

1998/2010(DEC) - 19/01/2000 - Text adopted by Parliament, single reading

The European Parliament adopted a resolution and two accompanying decisions concerning the discharge of the EU accounts for the 1997 financial year. Parliament's Rapporteur was Ms. Lousewies van der LAAN (ELDR, NL). The Parliament reminds the Commission that the discharge which is being given to it is based on the assumption that its commitments under the reform programme will be implemented in full. It recalls the findings contained in the Court of Auditors' 1997 Annual Report and the subsequent audit which revealed that there was still a high percentage of significant errors, and, furthermore, declares that it will be unable to close the accounts for the 1999 financial year if the Commission has failed to rectify the accounting errors identified by the Court of Auditors. With respect to institutional problems of management and supervision, the Parliament calls on the Commission to develop a system whereby the recommendations of the Court of Auditors are systematically followed up and reviewed and, where complaints are repeated two years in a row, the Commission should hold management accountable for persistent failure to improve the situation. It calls on the Court of Auditors: - to monitor systematically, each year, the response to the criticisms expressed in its previous reports; - to negotiate framework agreements with national courts of auditors whereby the latter carry out complementary checks on Community policies conducted in partnership, on the basis of a programme drawn up by common agreement. In regard to staff policy, the Parliament calls on the Commission to state clearly in its reform programme all its priorities and the criteria for the selection of resources to be assigned thereto on the basis of a system which can combine activity-based budgeting with an integrated resource-management system. It welcomes the Commission's plans to protect whistleblowers and calls on it to ensure that staff are encouraged to help work towards a professional climate in which whistleblowing will no longer be necessary. It calls on the Court of Auditors to assess the administrative decentralisation policy which the Commission has embarked upon as part of the MAP 2000 Programme. As to the question of the Technical Assistance Offices, the EP notes the Commission's attempts to rationalise the TAOs by establishing a more restrictive legislative and budgetary framework and by introducing a vademecum which prohibits subcontracting of public administration responsibilities and steps up supervision and monitoring of these bodies. It is only partially satisfied, however, and hopes that the Commission will include in its reform programme further improvements. It also calls on the Commission immediately to waive the immunity of its officials if and when requested by a national prosecutor, and to bring a parallel civil action before the Belgian courts if the Public Prosecutions Department decides to institute criminal proceedings in the four fraud cases reported by the Commission. In relation to the discharge authority's access to information, the EP recalls that the Commission, in connection with the exercise of its powers over the implementation of the budget, must submit any necessary information to the EP at the latter's request. It notes that the EC Treaty provides for no such right to information for the Council in the area of the budget, so thatthe Parliament's right to information in this area is thus more far-reaching than that of the Council. With respect to the discharge and management of Community policies in partnership (SEM 2000), the EP calls on the Commission to commit itself, in its reform programme, to: 1) arrange for observers from Parliament to attend meetings of the body responsible for the SEM 2000 programme when the functions of Parliament as a legislative, budgetary or budgetary control authority are at issue; 2) establish, under the SEM 2000 programme, a procedure whereby Member States can be informed of the comments of the discharge authority; 3) seek to ensure that national administrations submit to the discharge authority their comments on the cooperation they have afforded to the Commission, as referred to in Article 274 of the EC Treaty. In connection with combatting fraud and corruption, the EP calls on the Commission to present a list of Commission officials or other employees who may be involved in fraud or corruption in time for the 1998 discharge procedure and at the latest by 01.03.2000. As the Commission has not complied with its request to notify the national judicial authorities of all cases where it is suspected that Commission officials or other employees may be involved in fraud or corruption, it calls on it to do this also by 01.03.2000 deadline. Specifically in regard to aid to Palestine, the Parliament considers that the Commission still needs to take a number of measures with regard to its aid to Palestine by 31 March 2000, including the opening of Gaza hospital and work to begin at the site for the construction of the seat of the Palestinian parliament.

1997 discharge: EC general budget, 6th and 7th European Development Funds EDF

1998/2010(DEC) - 29/04/1998 - Non-legislative basic document

PURPOSE: to present the management account and the financial statement relating to budget operations in 1997 - section III - Commission (Vol I and II). CONTENT: this document presents a summary of the use of funding by the Commission in 1997, heading by heading. According to this document, the 1997 budgetary procedure came within the scope of the financial perspectives annexed to the interinstitutional agreement on budgetary discipline of 29/10/93, adapted in December 1994 following the enlargement of the Union to include Austria, Finland and Sweden. These financial perspectives were the subject, in 1996, of a technical adjustment and an adaptation to execution conditions. The Commission has furthermore proposed a revision of the financial perspectives for 1996 to 1999 in order to respond to new requirements, by giving greater importance to spending to stimulate growth, competitiveness and employment, without in any way increasing the overall ceiling of funding for commitments over the period as a whole. However, the Council stated on 14/10/96 that it was unable to form a qualified majority on this proposal. The technical adjustment of the financial perspectives, made in February 1996 on the basis of the most recently available macro-economic forecasts with regard to GNP and price development, enabled the funding ceiling for payments to be fixed at ECU 85.807 million, allowing a margin of 0.03% to remain under the own resources ceiling. Finally, with regard to the adaptation of the financial perspectives to execution conditions, the Commission notes that following the institutional trilogue, it was agreed that unused commitments under the structural funds from 1995 should be transferred to the years 1997, 1998 and 1999, at a level of ECU 380, 1000 and 693 million respectively. Un unused amount of ECU 11 million was furthermore transferred to 1997 under the cohesion fund. Taking account of this raising of the funding ceiling, the available margin under the own rsources ceiling was reduced to 0.02% of GNP in 1997. In respect of the execution of the budget as a whole, the Commission specifies that the credits for commitments authorised under the 1997 budget were executed or carried over to 1998 to a level of 96.7%, largely as a result of a raised rate of execution of budget headings 1 and 2 (agriculture and cohesion).

1997 discharge: EC general budget, 6th and 7th European Development Funds EDF

1998/2010(DEC) - 15/03/1999 - Document attached to the procedure

In its recommendation on the discharge to be granted to the European Commission for the execution of the 1997 budget, the Council makes a certain nuymber of comments on the report by the Court of Auditors regarding the execution of that budget by the Commission. The Council notes first of all that the present discharge procedure comes at a time when the Parliament is again refusing to grant the Commision discharge for the 1996 budget, for reasons which, in the Council's view, are not strictly linked to the execution of the 1996 budget itself. The Council considers, in effect, that the irregularities and frauds which lead the Parliament to refuse discharge are the same as those indicated in the context of previous budgetary executions, for which the Parliament did grant discharge. Recalling that the fight against fraud constitutes a constant preoccupation for all those involved in the executio of funding, the Council recalls that it has made this issue a major policy priority, confirmed at the time of the Vienna European Council. With regard to the discharge procedure itself for the 1997 budget, the Council stresses the important progress made at an internal level to prevent certain past errors from being repeated (for example: the adoption of the 7th batch of amendments to the Communities financial regulation relating, notable, to overruling the approval of the financial controller). It also draws attention to the measures taken within the framework of the SEM 2000 initiative. The Council also points out the problems in suspense linked to the adoption of Agenda 2000 and the subsequent amendments to be made to the financial regulation (complete redrafting of the regulation). This revision will, in its view, bring perceptible improvements to the execution of expenditure. Referring more particularly to the annual report of the Court of Auditors in relation to the budgetary year 1997, the Council states that the Court was unable to grant it statement of assurance, givin the high number of substantial and definite errors in the recorded budgetary payments. Actively deploring this situation, the Council hopes that in the future, the Court will be able to grant this statement of assurance. It also requests increased control by the Court of the accounts of expenditure linked to the budget's internal policies. It also expresses its dissatisfaction regarding certain specific actions, which were badly carried out by the Commission and were the subject of special reports by the Court of Auditors (the MED and PHARE programmes, iregularities in the context of certain structural actions). Finally, with specific regard to the special reports by the Court, the Council announces that it will establish a quite specific follow-up of those sectors covered by the reports, with a view to taking the necessary corrective measures. These comments aside, the Council nonetheless recommends to the European Parliament that it should grant the Commission discharge for the execution of the Communities budget for the budgetary year 1997.