Basic information

2002/2189(DEC) DEC - Discharge procedure	Procedure completed
2000 discharge: follow-up on the European Parliament's resolution. Report **Subject** 8.70.03.07 Previous discharges	

Key players

European Parliament	**Committee responsible**	**Rapporteur**	**Appointed**
	CONT Budgetary Control	MCCARTIN John Joseph (PPE-DE)	10/09/2002
European Commission	**Commission DG**	**Commissioner**	
	Budget		

Key events

Date	Event	Reference	Summary
27/08/2002	Committee referral announced in Parliament		
10/12/2002	Non-legislative basic document published	COM(2002)0696	Summary
13/01/2003	Vote in committee		Summary
13/01/2003	Committee report tabled for plenary	A5-0002/2003	
29/01/2003	Debate in Parliament		
30/01/2003	Decision by Parliament	T5-0036/2003	Summary
30/01/2003	End of procedure in Parliament		
13/02/2004	Final act published in Official Journal		

Technical information

Procedure reference	2002/2189(DEC)
Procedure type	DEC - Discharge procedure
Legal basis	Rules of Procedure EP 102
Stage reached in procedure	Procedure completed

Committee dossier	CONT/5/16583

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, single reading		A5-0002/2003	13/01/2003	
Text adopted by Parliament, single reading		T5-0036/2003 OJ C 039 13.02.2004, p. 0019-0076 E	30/01/2003	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2002)0696	10/12/2002	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

2000 discharge: follow-up on the European Parliament's resolution. Report

2002/2189(DEC) - 30/01/2003 - Text adopted by Parliament, single reading

In adopting the report by Mr John McCARTIN (EPP-ED, IRL), the European Parliament followed closely the position of the committee responsible (please refer to the summary dated 19 January 2003). The House welcomes the Commission's follow-up report and acknowledges that the Commission has had to make efforts, in a relatively short period, in order to reply to, and comment on, the questions put and the observations made by Parliament in its above-mentioned resolution concerning discharge for the 2000 financial year. Parliament considers that transparency should be the guiding principle in deciding on access to documents and it believes that certain provisions laid down in Annex III to the Framework Agreement on relations between the European Parliament and Commission are nevertheless too restrictive. It recalls that in its discharge resolutions for the financial years 1999 and 2000, it already requested that the provisions of the Framework Agreement be reviewed. On the other hand, as regards the management, the Parliament considers that the budget surplus (14% of the budget in 2000) is becoming a recurrent problem (16% of the budget in 2001) and still needs to be addressed. As regards the issue of unduly paid funds, the Parliament deplores the fact that EUR 2.245 billion have still not been recovered; takes into account the communication from the Commission of 3 December 2002 (COM(2002) 671) and expects the Commission to take the appropriate steps until the end of 2003 for the recovery of unduly paid funds; also awaits the results of the internal audit of this new system of recovery. Concerning the procedures, the Parliament recognises the complexities of the new provisions of the Structural Funds and it considers it necessary to set a timetable for the introduction of a single audit system which also involves the candidate countries, therefore it asks both the Commission and the Court of Auditors to assess regularly the existing Community Agencies on the basis of their cost-benefit ratio and their added value when compared with other alternatives. Furthermore, the Commission is asked, at the earliest possible opportunity, to add to the legal basis the explicit possibility of abolishing these Agencies. Concerned by the adulteration of agricultural products with a direct or indirect impact on the EU budget, for example in the olive oil and butter sector, Parliament finds this unacceptable and asks the Commission to employ all available scientific measures in order to combat this type of fraud; requests that the precise cost to the budget of these abuses be established and asks the Commission to set up a strategy to minimise the opportunities for fraud involving the misleading marketing of products. It draws attention to the fact that the milk quota regime, which has been in existence for 17 years, is still not being correctly applied, especially in Greece, Italy and Spain; supports the Commission's initiative to open infringement proceedings against these Member States. As regards feed and food controls, the Parliament states that it is still awaiting a proposal for a regulation from the Commission on Feed and Food Control and expects that such a proposal will not only have a positive impact on the health and confidence ofconsumers, but will also contribute to the protection of the Community's financial interests. Lastly, Parliament cannot understand why the Commission and the Council refuse to end the payment of export refunds for live animal transports despite Parliament's request, which it reiterated in resolutions in 2001 and 2002.

2000 discharge: follow-up on the European Parliament's resolution. Report

2002/2189(DEC) - 10/12/2002 - Non-legislative basic document

PURPOSE : to present the follow-up report on the European Parliament resolution on 2000 Discharge for the General Budget. CONTENT : at Parliament's request, the Commission produces the present follows-up report on the action taken by the Commission or that which it intends to take in response to the comments contained in the discharge resolution in respect of the implementation of the general budget of the European Union for the financial year 2000 voted by the European Parliament on 10 April 2002 (refer to DEC/2001/2102). The document gives answers to the all the observations made by the Parliament in its resolution of April 2002. Among the main answers from the Commission, one can note in particular those which concern: - the effectiveness of the Commission whether it be in terms of strategic approach or in terms of management (procedures, controls, etc); - the fight against fraud and the protection of financial interests (problems linked to export refunds, OLAF and the funding linked to the enlargement process); - sectoral issues more specifically linked to management of different programmes; - access to documents. 1) Effectiveness of the Commission : the report shows that the Commission has implemented a new management system (Activity-Based Management) in order to increase cost awareness through integrated decisions on priorities and allocation of resources, objectives, planning, monitoring and evaluation of activities and to develop performance management by emphasising results rather than input control. As regards the planning, the first Annual Policy Strategy (APS), adopted in February 2001 for the year 2002, launched the strategic planning and programming cycle, linking political priorities, key actions and corresponding resources. The Commission also reformed its Work Programme to provide better focus on political priorities and introduced a new system of operational programming to ensure more effective delivery on priority objectives. As regards management, new supporting tools were introduced for the first time in 2002: Annual Management Plans as key instruments to help management integrate priorities, objectives and resource allocation at the operational level and Annual Activity Reports aggregating information on outcomes and use of resources according to the principles of sound financial management (economy, efficiency and effectiveness). Moreover, the Commission responds more precisely on the administrative machinery of the Commission as well as on the new control system put in place in the framework of the reform of the Commission and on the decisions taken in 2002 in this context. The report also goes into detail on issues such as the contractual management procedures and Community subsidies. The Commission replies by stating that several initiatives have been launched in the context of the recast Financial Regulation (adopted in June 2002) which strengthen the general, transparent and fair rules for awarding both grants and procurement contracts. The ensuing harmonisation of procedures throughout Community policies should simplify candidacies for applicants. 2) Regularity, combating fraud and protection of financial interests : the Commission is fully in agreement with the Parliament's view on the need to strengthen the protection of the Community's financial interests and fraud prevention in general. To this end, it adopted a strategy on an overall strategic approach for the protection of the Community's financial interests and the fight against fraud. The strategy involves all the Commission departments. The four main parts of this approach are as follows: - developing an overall anti-fraud policy based on Article 280 of the Treaty to provide effective and equivalent protection of the Community's financial interests. This involves adopting legislation to cut off existing opportunities for fraud and other activities harmful to the Community's interests, including regulations aimed at reinforcement of cooperation to prevent and combat money laundering and VAT fraud, a proposal for a regulation on the 'black list' mechanism and an initiative concerned with the integration of administrative measures and penalties in the field of direct expenditure. The Commission has adopted a communication concerning the fraud-proofing of legislation and contract management. - fostering a culture of cooperation between all the authorities responsible so that the national and Community authorities participate fully and in concert to protect financial interests and combat fraud. A Community platform of services is under construction. Its purpose is to collect, exploit and make available to national administrations and all Commission departments information gathered on the ground relating to the protection of financial interests and fraud prevention. To this end, a specific Directorate for Intelligence was established in OLAF. It should contribute to the drawing up of the operational priorities of the Office and the reinforcement of exchange of information with the Member States, including more precise information on the follow up of cases by Member States on which the Parliament expresses concerns. - following an interinstitutional approach to preventing and fighting fraud and corruption with the aim of making all Commission officials and beneficiaries aware of the ethical aspects of financial management and to lay down guidelines to prevent conduct harmful to the Community's financial interests These guidelines have been adopted in the form of a code of conduct and, if used on an interinstitutional basis, should enable all the institutions to respond better to the concerns expressed by the Parliament; - strengthening the criminal law dimension so that the most serious cases of wrongdoing are subject to criminal proceedings. To this end OLAF is strengthening its cooperation with the national judicial and police authorities. The Commission has adopted a Green Paper on the criminal law protection of the financial interests of the Community and the establishment of a European Public Prosecutor. As regards the preventive aspects, in addition to the general effort concerning sound financial management, the new Financial Regulation adopted by the Council on 25 June 2002 contains a number of provisions designed to strengthen the protection of the Communities financial interests (such as penalties to apply to procurement and grants, the suspension of performance of contracts and agreements where irregularities or fraud aredetected, recovery decision, amounts may be recovered by offsetting against any claim that a debtor has on the Communities that is certain, of a fixed amount and due). As regards to OLAF and the enlargement process, the Report considers that combating fraud and the effective protection of the Community's financial interests must be top priorities in the candidate countries and invites the Commission to make special efforts to ensure that, prior to accession, all candidate countries have introduced genuine accounting, auditing and control systems in accordance with the EU standards, in the areas benefiting from EU financial assistance and in particular where there is shared management of Community appropriations; insists that the annual country progress reports include clear and detailed information on the implementation of the financial pre-accession aid, on the measures taken to monitor it and on the out-come of auditing and checks on the spot and on chapter 28 (financial control). 3) Sectoral issues: in this area, the report presents a list of irregularities highlighted by the Parliament in its resolution of 10 April 2002. The report concerns, in particular, the area of Justice and Home Affairs (European Refuge Funds, Eurodac and the European Monitoring Centre on racism and Xenophobia), some decentralised agencies, the DAPHNE programme and the cooperation sector of Community development. The report states that a new management information system was set up in 2002 making it possible to produce information in conformity with the standards fixed by the Development Assistance Committee (DAC). 4) Access to documents : with regard to the problem of access to documents, the report states that Parliament, as the discharge authority, must have the same access to Commission documents as the Court of Auditors. The Commission considers that the Framework Agreement has enabled all the necessary confidential information to be transmitted to Parliament for the purposes of the discharge in satisfactory conditions. The Commission states that the Parliament's control powers are fully recognised and protected by the EC Treaty.