Basic information

2007/2042(DEC) DEC - Discharge procedure	Procedure completed
2006 discharge: EC general budget, Economic and Social Committee **Subject** 8.70.03.07 Previous discharges	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	LUNDGREN Nils (IND/DEM)	27/03/2007

Committee for opinion	Rapporteur for opinion	Appointed
AFET Foreign Affairs	The committee decided not to give an opinion.	
DEVE Development	The committee decided not to give an opinion.	
INTA International Trade	The committee decided not to give an opinion.	
BUDG Budgets	The committee decided not to give an opinion.	
ECON Economic and Monetary Affairs	The committee decided not to give an opinion.	
EMPL Employment and Social Affairs	The committee decided not to give an opinion.	
ENVI Environment, Public Health and Food Safety	The committee decided not to give an opinion.	
ITRE Industry, Research and Energy	The committee decided not to give an opinion.	
IMCO Internal Market and Consumer Protection	The committee decided not to give an opinion.	

TRAN	Transport and Tourism	The committee decided not to give an opinion.	
REGI	Regional Development	The committee decided not to give an opinion.	
AGRI	Agriculture and Rural Development	The committee decided not to give an opinion.	
PECH	Fisheries	The committee decided not to give an opinion.	
CULT	Culture and Education	The committee decided not to give an opinion.	
JURI	Legal Affairs	The committee decided not to give an opinion.	
LIBE	Civil Liberties, Justice and Home Affairs	The committee decided not to give an opinion.	
AFCO	Constitutional Affairs	The committee decided not to give an opinion.	
FEMM	Women's Rights and Gender Equality	The committee decided not to give an opinion.	
PETI	Petitions	The committee decided not to give an opinion.	

European Commission

Commission DG	Commissioner
Budget	KALLAS Siim

Key events

Date	Event	Reference	Summary
30/03/2007	Non-legislative basic document published	SEC(2007)1055	Summary
25/10/2007	Committee referral announced in Parliament		
26/03/2008	Vote in committee		Summary
01/04/2008	Committee report tabled for plenary	A6-0098/2008	

22/04/2008	Decision by Parliament	T6-0138/2008	Summary
22/04/2008	Results of vote in Parliament		
22/04/2008	Debate in Parliament		
22/04/2008	End of procedure in Parliament		
31/03/2009	Final act published in Official Journal		

Technical information

Procedure reference	2007/2042(DEC)
Procedure type	DEC - Discharge procedure
Legal basis	Rules of Procedure EP 102
Stage reached in procedure	Procedure completed
Committee dossier	CONT/6/53995

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE400.412	05/02/2008	
Amendments tabled in committee		PE402.769	07/03/2008	
Committee report tabled for plenary, single reading		A6-0098/2008	01/04/2008	
Text adopted by Parliament, single reading		T6-0138/2008	22/04/2008	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	SEC(2007)1055	30/03/2007	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofA	Court of Auditors: opinion, report	N6-0005/2008 OJ C 273 15.11.2007, p. 0001	15/11/2007	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Budget 2009/0193
OJ L 088 31.03.2009, p. 0079 Summary

2006 discharge: EC general budget, Economic and Social Committee

2007/2042(DEC) - 15/11/2007

PURPOSE: to present the Court of Auditor's report on the implementation of the 2006 budget (other institutions – European Economic and Social Committee – EESC).

CONTENT: in its annual report for the financial year 2006, the Court evaluates the legality and regularity of operating expenditure of the institutions. While, on the whole, all the institutions put in place a satisfactory monitoring and control framework in 2006, the Court notes a certain number of weaknesses in terms of the procurement procedures of the institutions (particularly a lack of competition between tenderers in the case of negotiated procedures). In particular, the European Economic and Social Committee and the Committee of the Regions largely disregarded the limited extent to which the negotiated procedure can be used according to the Financial Regulation. This can result in an increased risk for the legality and regularity of the expenditure.

Audit of the EESC and the Committee of the Regions: the examination of a sample of negotiated procurement procedures and contracts managed by the 'Joint Services' of the European Economic and Social Committee and the Committee of the Regions revealed management and control weaknesses. In 2006 the expenditure relating to contracts resulting from a negotiated procedure, instead of a call for tenders, was a high percentage of the whole expenditure for procurement. For budget lines 'insurance', 'water, gas, electricity and heating', 'Cleaning and maintenance' and 'new purchases of technical equipment and installations', this percentage exceeded 50 % of the total of the appropriations committed, which amounted to EUR 6.4 million. This practice does not comply with the general rule, set out in Article 89 of the Financial Regulation, that "all procurement contracts shall be put to tender on the broadest possible base". **The negotiated procedure is an exception** applicable only within the strict limits set out in Articles 126, 127 and 129 of the Implementing Rules to the Financial Regulation (IR).

Furthermore, in negotiated procedures the number of candidates invited to negotiate or to tender may not be less than three, provided that a sufficient number of candidates satisfy the selection criteria, and that the number of candidates invited to tender must be sufficient to ensure genuine competition. For 70 % of the contracts examined during the audit, a tender was requested from only one potential supplier. The Court considers that for most of these contracts (with a total value of EUR 1.8 million), it would have been possible to request tenders from more than one supplier.

In addition, the Court notes that the proportion of negotiated procedures in relation to the number of contracts awarded by the authorising officer by delegation responsible for 'investments in immovable property, rental of buildings and associated costs' and 'movable property and associated costs' of the budget, had increased significantly in relation to earlier years. As far as March 2007, the authorising officer had not reported to the Institution setting out any measures taken to reverse that trend, as required by the Implementing Rules to the Financial Regulation.

EESC replies: the Committee confirms that the total amount does indeed correspond to more or less 50% of the total amount of commitment appropriations in the areas identified by the Court of Auditors, except for 'electricity and gas', for which the amounts are disputed. This market was only recently opened up to competition. An interinstitutional procedure was launched in 2004 but was unsuccessful. The EESC participates in a new interinstitutional procedure, which is ongoing. A contract for an interpretation equipment system extension for new meeting rooms was awarded to the supplier of the system that was already installed in all other meeting rooms for reasons of technical compatibility. For several contracts, previously awarded by negotiated procedure, calls for tender were launched in the meantime (buildings maintenance contract, building inspection, elevator inspection, elevator maintenance, hygienic supplies and waste disposal) and in several cases new contracts have been signed since. As for the insurance contracts, an initiative for an interinstitutional call for tender in 2003 was not successful. The EESC is preparing to either launch its own call for tender or to be associated with interinstitutional contracts, with an aim to establishing a new legal framework in 2008. The EESC considers that, when there was no call for tender for a contract, the situation was justified by the circumstances (e.g. previous call not successful, technical compatibility, etc.) and this explains the volume of contracts awarded without call for tender.

Furthermore, the Committee justifies many of the negotiated procedures with single tenderers due to the small size of the market in question (for example, banners and posters; small amounts; security badges; orders with the supplier, not via distributors; a conformity study for the JDE 'Belliard I & II' building to be carried out by SICABEL, at the request of the European Parliament…).

2006 discharge: EC general budget, Economic and Social Committee

2007/2042(DEC) - 22/04/2008 - Text adopted by Parliament, single reading

The European Parliament adopted, by 625 votes in favour, 43 against and 16 abstentions, a Decision to grant the European Economic and Social Committee's (EESC) Secretary-General discharge in respect of the implementation of its budget for the financial year 2006. The decision to grant discharge also constitutes closure of the accounts of this institution.

At the same time, the Parliament adopted by 611 votes in favour, 42 against and 18 abstentions, a Resolution containing the comments which form part of the decision giving discharge. The report had been tabled for plenary by Nils **LUNDGREN** (ID, SE) on behalf of the Committee on Budgetary Control.

The Resolution recalls that, in 2006, the EESC had available commitment appropriations amounting to a total of EUR 112 389 673 (compared to EUR 106 880 105 in 2005), with a utilisation rate of 97%.

Overall, the Parliament welcomes the signature in December 2007 of a new Administrative Cooperation Agreement between the EESC and the Committee of the Regions (CoR) for the period 2008 to 2014, in the belief that this cooperation will be financially advantageous for the European taxpayer. It notes that the new Agreement keeps the most important areas (infrastructures, IT and telecommunications as well as translation, including the production of documents) within the Joint Services' remit, while a limited number of services are de-coupled (such as internal services, socio-medical service, the library and prepress) – this de-coupling being budget neutral. It urges the two Committees to make carry out a mid-term analysis of this Cooperation Agreement as well as the effect of the decoupling of certain tasks on the resources of the two institutions.

The Parliament makes a series of observations which can be summarised as follows:

- **Procurement**: the Parliament notes the worryingly high percentage of negotiated procedures, instead of calls for tenders, for allocating certain services to this institution. Regretting this situation, the Parliament welcomes the creation, within the Joint Services, of a Contracts Unit providing assistance to all operational departments in the area of public procurement;
- **Controls**: the Parliament notes that, in its annual activity report, the EESC considered the number of ex post controls performed in 2006 insufficient. However, the Parliament welcomes the fact that improvements appear to have been made. It also welcomes the personal assurance given by the EESC's Secretary-General regarding the efficiency and regularity of ex ante and ex post controls as well as the setting up of an audit committee made up of three EESC Members, whose tasks include, among others, the verification of the independence of the Internal Audit unit and the assessment of actions taken in response to the recommendations contained in the audit reports;
- **Follow-up to the 2005 discharge**: the Parliament notes with regret that, further to the Belgian criminal proceedings against a former EESC Member concerning travel expenses (see Parliament's discharge resolution of 27 April 2006: DEC/2006/2075), the oral meeting before the tribunal were postponed five times, three of which at the request of the defence. However, it notes with satisfaction that the EESC did not encourage those postponements and that rules for reimbursement of travel and meeting expenses of EESC Members were amended. In particular, these rules take into account technological developments such as e-tickets, online hotel reservations and video-conferencing.

2006 discharge: EC general budget, Economic and Social Committee

2007/2042(DEC) - 22/04/2008 - Final act

PURPOSE: to grant discharge to the EESC for the financial year 2006.

LEGISLATIVE ACT: Decision 2009/193/EC of the European Parliament on the discharge for implementation of the European Union general budget for the financial year 2006 (Section VI - European Economic and Social Committee).

CONTENT: with the present decision, the European Parliament grants the Secretary-General of the European Economic and Social Committee discharge in respect of the implementation of the budget for the financial year 2006.

This decision is in line with the European Parliament’s resolution adopted on 22 April 2008 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 22/04/2008).

2006 discharge: EC general budget, Economic and Social Committee

2007/2042(DEC) - 30/03/2007 - Non-legislative basic document

PURPOSE: to present the final annual accounts of the European Communities for the financial year 2006 – Other institutions: section VI – European Economic and Social Committee (EESC).

CONTENT: this document establishes the level of expenditure and the balance sheet of the Council for 2006 and presents an analysis of its financial management.

The figures: the following figures are taken from the provisional annual accounts for the financial year 2006 concerning the European Economic and Social Committee. These figures may be subject to amendment after consolidation.

- **Authorised appropriations for 2006**: EUR 107 985 million;
- **Appropriations committed amount to**: EUR 104 821 million, a utilisation rate of 97.07%;
- **Appropriations paid amount to**: EUR 94.413 million;
- **Appropriations carried over from 2006 to 2007**: EUR 10.125 million;
- **Appropriations cancelled**: EUR 3.447 million.

Main axes of expenditure for 2006: in accordance with the political priorities of the Committee, 2006 expenditure mainly aimed to:

1. Implement and set up the monitoring of the priorities of the President of the EESC (Anne-Marie SIGMUND): to assist the President in taking up her roles and to adapt her priorities;

2. Prepare for the establishment of the new Committee (Autumn 2006) and ensure its enlargement to include Romanian and Bulgarian members;

3. Provide technical assistance to members (advice, information on members, setting up of an internet portal…);

4. Improve the quality of work of the EESC and increase its impact on other stakeholders; plan for an overall impact study of the Committee (to be done carried out in 2007);

5. Ensure a greater institutional role for the Committee vis-à-vis the other European institutions (for example, the European Parliament and the Presidencies of the Council as well as the Member States – particularly in the context of the Lisbon Treaty);

6. Strengthen the communication policy of the institution and continue the work that began in 2005 on "Communicating Europe"; organise a biannual conference on "Living in Europe: a challenge for civil society";

7. Contribute to the implementation of the Sustainable Development Observatory;

8. Implement the conclusions and proposals of the EESC working group on the screening of actions undertaken by the Committee (in cooperation with the Committee of the Regions);

9. To renew the working methods of the Committee;

10. Improve the motivation of EESC staff and prepare a new cooperation agreement with the Committee of the Regions.

The main budgetary priorities of the Committee reflect these overall priorities. As a result, the Committee focused expenditure on increasing the visibility of its activities as well as on improving its legitimacy as a European institution.

The highlights of the implementation of the EESC's budget can be summarised as follows:

Title I (staff costs): this budget heading is mainly highlighted by the delays in recruitment of enlargement related staff. As a consequence, the budget implementation showed less significant expenditure for mission costs and staff training, etc.

There was also a decrease in interpretation costs and an increase in translation costs, due to the arrival of the first translations in Romanian and Bulgarian.

Title II (operating expenditure): this budget heading is mainly highlighted by the Institution's building policy. At 31/12/2006, the EESC and the Committee of the Regions together had 5 buildings under long term leases: (1) the Bertha Von Suttner (BvS) building - Rue Montoyer 92-102; (2) the Jacques Delors (JDE) building – 103-113; (3) Rue Belliard 68-72; (4) the Rue de Trèves building – 74; (5) the Remorquer (REM) building - Rue Belliard 93. All of the buildings were subject to long-term financing. The total value of the buildings is estimated at EUR 243 878 million, EUR 148.607 million of which belongs to the EESC. The total amount of debt for all of the buildings is EUR 219.36 million (around EUR 132 million of which belongs to the EESC).

As in previous years, the EESC prepaid a significant proportion of its real estate debt, a total amount of EUR 8.162 million (notably for the 74 Rue de Trèves building and the Remorqueur).

The year was also characterised by the inventory of the different buildings.

At the same time, the report indicates that a series of invitations to tender could not be finalised in a more cost-effective way, for the two committees (particularly for the relocation of the Van Maerlant building), and were therefore cancelled. The report also draws attention to the net reduction of expenses related to the renting and maintenance of the EESC's car fleet (a long-term leasing contract for cars should be finalised as of 2006).

Once again, the continuation of **interinstitutional cooperationbetween the EESC and the Committee of the Regions** proved to be very profitable, enabling large-scale savings (the main areas of cooperation concerning the use of human resources, computer hardware and telecommunications). For information purposes, a study evaluated the net cost of non-cooperation between the two committees to be EUR 34 million. The EESC is, therefore, broadly in favour of continued cooperation with the Committee of the Regions. For this reason, the EESC called for the extension of the cooperation agreement with the Committee of the Regions on the same grounds as the existing agreement and for several years (the Committee of the Regions would have preferred an extension of the existing agreement but for a shorter period of time). Lastly, it was decided to extend the existing agreement for six months. During this period a new cooperation agreement should be negotiated.