



**COUNCIL OF  
THE EUROPEAN UNION**

**Brussels, 6 March 2008**

**7268/08**

**PE 65**

**NOTE**

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From : General Secretariat of the Council  
To : Delegations  
Subject : **Meeting of the Committee on Budgetary Control**  
Brussels, 25 and 26 February 2008

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*Chairman: Mr BÖSCH (PSE, AT)*

**1. 2006 Discharge: Presentation of the Council Recommendation by Mr Andrej BAJUK, Minister of Finance of the Republic of Slovenia**

Minister BAJUK presented the Council Recommendation as adopted by the Ecofin Council on 12 February (see 5842/08 ADD 1).

The rapporteur for the 2006 discharge to the Commission, Mr JØRGENSEN (PSE, DK), considered that the annual summaries Member States were obliged to transmit to the Commission were insufficient and requested that Member States produce national management declarations.

Chairman BÖSCH stated that two Member States (AT and DE) had not transmitted their national summaries as required by the budget regulation and the Inter-Institutional Agreement by the deadline of 15 February and inquired into the Presidency's intention to take measures against this failure to respect obligations. He also mentioned the lowest likely error rate identified by the Court of Auditors at 12 % in the management of Structural Funds and asked if the Presidency found this rate acceptable. Finally, he asked for confirmation of the fact that the Council's decision to recommend discharge had not been unanimous.

Mr STUBB (PPE, FI) referred to the enlarged competences that the Lisbon treaty will confer on the EP and asked whether it would not be appropriate to provide the EP with more information on the external policy. He also mentioned the possibility of ending the Gentlemen's Agreement.

In his reply, Minister BAJUK confirmed that one delegation (NL) had voted against the recommendation. Regarding the 12 % error rate, he explained that in the Council's view the high inherent risks in the use of Structural Funds needed to be addressed by improved controls. However, the multi-annual nature of expenditure under this title also had to be taken into account. As far as the annual summaries were concerned, he made it clear that any infringement procedure against Member States which failed to honour their commitments would fall into the Commission's remit. Replying to Mr JØRGENSEN's wish for national management declarations, he pointed out that this was not provided for in the IIA, but that he took note of this suggestion. Reacting to Mr STUBB, the Minister recalled that the Council Presidency had already informed the EP as stipulated by the IIA. He added that the Council's budget for CFSP and ESDP covered only administrative expenditure.

**2. 2006 Discharge: EC General Budget, Section III, Commission, and second exchange of views with Ms Hübner, Commissioner responsible for Structural Funds, Mr Špidla, Commissioner responsible for Employment and Social Affairs, and Ms FERRERO-WALDNER, Commissioner responsible for External Relations**

CONT/6/53895

Rapporteur: Mr JØRGENSEN (PSE, DK)

The draft report prepared by the rapporteur was not complete, as Mr JØRGENSEN considered that the replies given by the Commission regarding the Structural Funds and External Action had been inadequate. The report will therefore be completed by way of amendments tabled by the rapporteur after the hearing of the Commission on these matters.

Deadline for amendments: 4 March at 12.00.

During the exchange of views on Structural Funds

- Ms HÜBNER emphasised that a third of the 12% of minimum error rate identified by the Court was related to public procurement and 50 % to audit trail and overheads. She added that efforts were being stepped up to recover and correct errors and informed the Committee that last week the Commission had adopted an Action Plan to achieve these goals;

- Mr ŠPIDLA added to Ms HÜBNER's remarks that measures would also be taken to intensify training and guidance given to Member States. Also, procedures for suspension and correction would be speeded up, thus giving greater incentive to Member States to reduce errors. For the 2007-2013 period, Mr ŠPIDLA added that Member States would no longer receive interim payments, in spite of unsatisfactory management and control systems.

- Mr BONNICI as Member of the Court of Auditors stressed that the minimal error rate as identified was too high. He underlined the fact that 80% of the funds in question were managed by Member States. Vigorous measures for recovery and correction were required. He welcomed the Action Plan referred to by Ms HÜBNER and hoped that sufficient resources would be made available for its implementation.

- Mr JØRGENSEN reiterated that he was amazed by the 12% figure and asked with how much certainty recoveries could be realised and to what extent. Mr STUBB (PPE, FI) asked for the Commission to report regularly to the Committee on the implementation of the Action Plan and on the recoveries;

- Ms HÜBNER declared her willingness to report every six months on the Action Plan, but stressed that she would not be in a position to provide information about recoveries made by Member States.

During the exchange of views on external policy

- Ms FERRERO-WALDNER, focusing her intervention on assistance for Iraq, recalled that the EUR 800 million committed to this assistance had been managed by the IRFI trust fund. This had happened in full conformity with financial regulations. The Commission had been permanently involved in the management of funds by the World Bank or UN agencies. She pointed to the state of play document that was updated monthly. She then informed the Committee that two senior Commission officials would visit Iraq in March and highlighted that Iraq was still a very difficult working environment, this being a reason why Iraqi contractors were not explicitly named in the lists transmitted to the Committee.

- Mr JØRGENSEN regretted again how long and complicated the process of providing him with a comprehensive list of projects in Iraq had been. He expressed some disappointment at certain replies from the Commission which he considered to be vague.

- Mr BONNICI from the Court of Auditors pointed out that dealing with international organisations was difficult insofar as they usually did not have satisfactory auditing systems.

### **3. Amendment of regulation on a standard financial regulation for the executive agencies entrusted with the management of Community programmes**

CONT/6/49396

2007/0901 (CNS)

Rapporteur for opinion: Ms HERCZOG (PSE, HU)

The opinion was adopted as amended.

### **4. Framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002**

CONT/6/52288

2007/0151(CNS) SEC(2007)1013 – C6-0417/2007

Rapporteur for opinion: Mr MULDER (ALDE, NL)

The opinion was adopted as amended.

### **5. 2006 Annual report of the EIB**

CONT/6/56475

2007/2251(INI)

Rapporteur: Jean-Pierre Audy (EPP-ED, FR)

Consideration of a draft report

The rapporteur briefly presented the draft report.

Deadline for amendments: 3 March, 12.00.

**6. 2006 discharge: Sixth, Seventh, Eighth and Ninth European Development Funds (EDF)**

CONT/6/49235

2007/2064(DEC) COM(2007)0458 – C6-0118/2007

Rapporteur: Alexander Stubb (EPP–ED, FI)

Opinions: DEVE Ralf Walter (PSE, DE)

Consideration of a draft report

The rapporteur briefly presented the opinion, indicating that he could recommend discharge. As a general observation, he suggested that the EDF be integrated into the general budget.

Deadline for amendments: 4 March 2008, 12.00

**7. 2006 discharge: EC general budget - European Parliament**

CONT/6/53915

2007/2038(DEC) SEC(2007)1055[02] – C6-0363/2007

Rapporteur: José Javier Pomés Ruiz (EPP–ED, ES)

Responsible: CONT

Consideration of a draft report

The rapporteur presented his draft report, indicating that he could recommend discharge. As issues that needed to be addressed he specifically mentioned the statute of parliamentary assistants and the question of the seats of the EP, pointing to the cost in time and money created by the current situation.

Mr MARTIN (NI, AT) raised the issue of a confidential report drawn up by the internal auditor indicating the existence of irregularities concerning the use of parliamentary allowances.

Mr DAVIS (ALDE, UK) expressed his wish for the report mentioned to be made public.

The rapporteur did not comment on these interventions.

(This point was raised again under AOB).

Deadline for tabling amendments: 4 March 2008, 12.00

**2006 Discharge: Agencies (items 8 to 27)**

**8. 2006 discharge: European Agency for the Management of Operational Coordination at the External Borders of the Member States of the European Union (Frontex)**

CONT/6/54051

2007/2214(DEC) SEC(2007)1055[28] – C6-0389/2007

Rapporteur: Hans-Peter Martin (NI, AT)

Opinions: LIBE Bárbara Dührkop Dührkop (PSE, ES)

Consideration of a draft report

Deadline for tabling amendments: 4 March 2008, 12.00

**9. 2006 discharge: European Agency for Reconstruction (EAR)**

CONT/6/53859

2007/2048(DEC) SEC(2007)1055[12] – C6-0373/2007

Rapporteur: Hans-Peter Martin (NI, AT)

Opinion: AFET Jelko Kacin (ALDE)

Consideration of a draft report

Deadline for tabling amendments: 4 March 2008, 12.00

**10. 2006 discharge: European Centre for the Development of Vocational Training (Cedefop)**

CONT/6/53855

2007/2046(DEC) SEC(2007)1055[10] – C6-0371/2007

Rapporteur: Hans-Peter Martin (NI, AT)

Opinion: EMPL Jamila Madeira (PSE)

Consideration of a draft report

Deadline for tabling amendments: 4 March 2008, 12.00

**11. 2006 discharge: European Food Safety Authority (EFSA)**

CONT/6/53881

2007/2059(DEC) SEC(2007)1055[23] – C6-0384/2007

Rapporteur: Hans-Peter Martin (NI, DE)

Opinion: ENVI Jutta Haug (PSE, DE)

Consideration of a draft report

Deadline for tabling amendments: 4 March 2008, 12.00

**12. 2006 discharge: European Foundation for the Improvement of Living and Working Conditions (EUROFOUND)**

CONT/6/53857

2007/2047(DEC) SEC(2007)1055[11] – C6-0372/2007

Rapporteur: Hans-Peter Martin (NI, AT)

Opinions: EMPL Jamila Madeira (PSE)

Consideration of a draft report

Deadline for tabling amendments: 4 March 2008, 12.00

**13. 2006 discharge: European Aviation Safety Agency (EASA)**

CONT/6/53880

2007/2058(DEC) SEC(2007)1055[22] – C6-0383/2007

Rapporteur: Hans-Peter Martin (NI, AT)

Opinions: TRAN Luca Romagnoli (NI, IT)

Consideration of a draft report

Deadline for tabling amendments: 4 March 2008, 12.00

**14. 2006 discharge : European Railway Agency**

CONT/6/53887

2007/2062(DEC) SEC(2007)1055[26] – C6-0387/2007

Rapporteur: Hans-Peter Martin (NI, AT)

Opinions: TRAN Luca Romagnoli (NI, IT)

Consideration a of draft report

Deadline for tabling amendments: 4 March 2008, 12.00

**15. 2006 discharge: European Environment Agency (EEA)**

CONT/6/53865

2007/2051(DEC) SEC(2007)1055[15] – C6-0376/2007

Rapporteur: Hans-Peter Martin (NI, AT)

Opinions: ENVI Jutta Haug (PSE, DE)

Consideration of a draft report

Deadline for tabling amendments: 4 March 2008, 12.00

**16. 2006 discharge: European Training Foundation (ETF)**

CONT/6/53875

2007/2056(DEC) SEC(2007)1055[20] – C6-0381/2007

Rapporteur: Hans-Peter Martin (NI, AT)

Opinions: EMPL Jamila Madeira (PSE)

Consideration of a draft report

Deadline for tabling amendments: 4 March 2008, 12.00

**17. 2006 discharge: European Monitoring Centre for Drugs and Drug Addiction (EMCDDA)**

CONT/6/53863

2007/2050(DEC) SEC(2007)1055[14] – C6-0375/2007

Rapporteur: Hans-Peter Martin (NI, AT)

Opinions: LIBE Bárbara Dührkop Dührkop (PSE, ES)

Consideration of a draft report

Deadline for tabling amendments: 4 March 2008, 12.00

**18. 2006 discharge: European Medicines Agency (EMA)**

CONT/6/53871

2007/2054(DEC) SEC(2007)1055[18] – C6-0379/2007

Rapporteur: Hans-Peter Martin (NI, AT)

Opinions: ENVI Jutta Haug (PSE, DE)

Consideration of a draft report

Deadline for tabling amendments: 4 March 2008, 12.00

**19. 2006 discharge: European Agency for Safety and Health at Work (OSHA)**

CONT/6/53867

2007/2052(DEC) SEC(2007)1055[16] – C6-0377/2007

Rapporteur: Hans-Peter Martin (NI, AT)

Opinions: EMPL Jamila Madeira (PSE, DE)

Consideration of a draft report

Deadline for tabling amendments: 4 March 2008, 12.00

**20. 2006 discharge: Translation Centre for the Bodies of the European Union (CdT)**

CONT/6/53869

2007/2053(DEC) SEC(2007)1055[17] – C6-0378/2007

Rapporteur: Hans-Peter Martin (NI, AT)

Consideration of a draft report

Deadline for tabling amendments: 4 March 2008, 12.00

**21. 2006 discharge: Eurojust**

CONT/6/53873

2007/2055(DEC) SEC(2007)1055[19] – C6-0380/2007

Rapporteur: Hans-Peter Martin (NI, AT)

Opinions: LIBE Bárbara Dührkop Dührkop (PSE, ES)

Consideration of a draft report

Deadline for tabling amendments: 4 March 2008, 12.00

**22. 2006 discharge: European Monitoring Centre for Racism and Xenophobia**

CONT/6/53861

2007/2049(DEC) SEC(2007)1055[13] – C6-0374/2007

Rapporteur: Hans-Peter Martin (NI, AT)

Opinions: LIBE Bárbara Dührkop Dührkop (PSE, ES)

Consideration of a draft report

Deadline for tabling amendments: 4 March 2008, 12.00

**23. 2006 discharge: European Centre for Disease Prevention and Control (ECDC)**

CONT/6/53883

2007/2060(DEC) SEC(2007)1055[25] – C6-0386/2007

Rapporteur: Hans-Peter Martin (NI,AT)

Opinions: ENVI Jutta Haug (PSE, ES)

Consideration of a draft report

Deadline for tabling amendments: 4 March 2008, 12.00

**24. 2006 discharge: European Network and Information Security Agency (ENISA)**

CONT/6/53885

2007/2061(DEC) SEC(2007)1055[24] – C6-0385/2007

Rapporteur: Hans-Peter Martin (NI, AT)

Opinions: ITRE

Consideration of a draft report

Deadline for tabling amendments: 4 March 2008, 12.00

**25. 2006 discharge: European Maritime Safety Agency (EMSA)**

CONT/6/53877

2007/2057(DEC) SEC(2007)1055[21] – C6-0382/2007

Rapporteur: Hans-Peter Martin (NI, AT)

Opinions: TRAN Luca Romagnoli (NI, IT)

Consideration of a draft report

Deadline for tabling amendments: 4 March 2008, 12.00

**26. 2006 discharge : European Police College (CEPOL)**

CONT/6/53889

2007/2063(DEC) SEC(2007)1055[27] – C6-0388/2007

Rapporteur: Hans-Peter Martin (NI, AT)

Opinions: LIBE Bárbara Dührkop Dührkop (PSE, ES)

Consideration of a draft report

Deadline for tabling amendments: 4 March 2008, 12.00

**27. 2006 discharge: European GNSS Supervisory Authority**

CONT/6/57875

2008/2000(DEC)

Rapporteur: Hans-Peter Martin (NI, AT)

Consideration of a draft report

Deadline for tabling amendments: 4 March 2008, 12.00

The Committee had no debate on the discharge for the Agencies. It should be noted that the rapporteur proposed to postpone the discharge except for the European Police College, Eurojust, Medicines Agency and European Reconstruction Agency, the reason being that he considered as unjustified the multiplication of Agencies and the political decisions regarding their location in many different Member States.

## **2006 Discharge: Other Institutions (items 28 to 34)**

### **28. 2006 discharge: EC general budget - Council**

CONT/6/53935

2007/2039(DEC) SEC(2007)1055[03] – C6-0364/2007

Rapporteur: Nils Lundgren (IND/DEM, SE)

Consideration of a draft report

Deadline for tabling amendments: 4 March 2008, 12.00

The rapporteur, whilst calling for more clarity on the Council's expenditure in the area of CFSP, recommended discharge.

### **29. 2006 discharge: EC general budget - Court of Justice**

CONT/6/53955

2007/2040(DEC) SEC(2007)1055[04] – C6-0365/2007

Rapporteur: Nils Lundgren (IND/DEM, SE)

Consideration of a draft report

Deadline for tabling amendments: 4 March 2008, 12.00

The rapporteur recommended discharge.

### **30. 2006 discharge: EC general budget - Court of Auditors**

CONT/6/53975

2007/2041(DEC) SEC(2007)1055[05] – C6-0366/2007

Rapporteur: Nils Lundgren (IND/DEM, SE)

Consideration of a draft report

Deadline for tabling amendments: 4 March 2008, 12.00

The rapporteur recommended discharge.

### **31. 2006 budget: EC general budget - Economic and Social Committee**

CONT/6/53995

2007/2042(DEC) SEC(2007)1055[06] – C6-0367/2007

Rapporteur: Nils Lundgren (IND/DEM, SE)

Consideration of a draft report

Deadline for tabling amendments: 4 March 2008, 12.00

The rapporteur recommended discharge.

**32. 2006 discharge: EC general budget - Committee of the Regions**

CONT/6/54015

2007/2043(DEC) SEC(2007)1055[07] – C6-0368/2007

Rapporteur: Nils Lundgren (IND/DEM, SE)

Consideration of a draft report

Deadline for tabling amendments: 4 March 2008, 12.00

The rapporteur noted substantive improvements in the financial management of the CoR as compared to previous years and recommended discharge.

**33. 2006 discharge: EC general budget, European Ombudsman**

CONT/6/46704

2007/2036(DEC) SEC(2007)1055[08] – C6-0369/2007

Rapporteur: Nils Lundgren (IND/DEM, SE)

Consideration of a draft report

Deadline for tabling amendments: 4 March 2008, 12.00

The rapporteur recommended discharge.

**34. 2006 discharge: EC general budget - European Data Protection Supervisor**

CONT/6/54035

2007/2044(DEC) SEC(2007)1055[09] – C6-0370/2007

Rapporteur: Nils Lundgren (IND/DEM, SE)

Consideration of a draft report

Deadline for tabling amendments: 4 March 2008, 12.00

The rapporteur recommended discharge.

**40. Presentation of the European Court of Auditors' work programme 2008 by the new President of the Court, Vítor Manuel da Silva Caldeira**

The President of the Court briefly presented the programme, which can be found on the Court of Auditors' website.

**41. The European Court of Auditors' Special Report 9/2007 on evaluating the EU RTD framework programmes**

CONT/6/52355

Rapporteur: Eluned Morgan (PSE, UK)

Consideration of a working document

**42. The European Court of Auditors' Special Report 7/2007 on the control, inspection and sanction systems relating to the rules on conservation of Community fish resources**

CONT/6/51460Rapporteur: Paulo Casaca (PSE, PT)

Consideration of a working document,  
in the presence of the Member of the Court responsible for preservation and  
management of natural resources, Kikis Kazamias

**43. The European Court of Auditors' Special Report 5/2007 on the Commission's management of the CARDS programme**

CONT/6/51459

Rapporteur: Pierre Pribetich (PSE, FR)

Consideration of a working document, in the presence of the Member of the Court responsible for  
external actions, Maarten B. Engwirda

The three Special Reports were briefly presented by the respective rapporteur and (for items 42 and  
43) by the Member of the Court responsible

**44. Any other business**

Regarding the internal auditor's report mentioned under point 9, Mr DAVIES (ALDE, UK), Mr  
BONDE (IND, DK) and Mr MARTIN asked that a vote be taken on a possible initiative of the  
Committee's chairman aiming at a reconsideration of the report's classification as confidential. The  
Committee agreed to vote on this suggestion. The result was 25 votes to reject such an initiative,  
against 14 in favour of it.

**45. Date and place of next meetings:**

- . 25 March 2008, 15.00 – 18.30, Brussels
- . 26 March 2008, 09.00 – 12.30 and 15.00 – 18.30, Brussels
- . 27 March 2008, 09.00 – 12.30, Brussels (to be confirmed)