

Procedure file

| Basic information | | |
|--|--------------------------------|---------------------|
| DEC - Discharge procedure | 2006/2075(DEC) | Procedure completed |
| 2005 discharge: EC general budget, Economic and social Committee ESC | | |
| Subject 8.70.03.07 Previous discharges | | |

| Key players | | | |
|---|--|---|------------|
| European Parliament | Committee responsible | Rapporteur | Appointed |
| | CONT Budgetary Control | | 20/04/2006 |
| | | PPE-DE CASPARY Daniel | |
| | 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. | | |

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|--------------------------------------|--|---|
| | 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. |
| Council of the European Union | Council configuration Economic and Financial Affairs ECOFIN | Meeting 2787 |
| European Commission | Commission DG Budget | Commissioner KALLAS Siim |
| | | Date 27/02/2007 |

Key events

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|------------|--|--|---------|
| 26/07/2006 | Non-legislative basic document published | SEC(2006)0915 | Summary |
| 14/12/2006 | Committee referral announced in Parliament | | |
| 27/03/2007 | Vote in committee | | Summary |
| 30/03/2007 | Committee report tabled for plenary | A6-0110/2007 | |
| 24/04/2007 | Results of vote in Parliament |  | |
| 24/04/2007 | Debate in Parliament |  | |
| 24/04/2007 | Decision by Parliament | T6-0109/2007 | Summary |
| 24/04/2007 | End of procedure in Parliament | | |
| 15/07/2008 | Final act published in Official Journal | | |

Technical information

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|----------------------------|---------------------------|
| Procedure reference | 2006/2075(DEC) |
| Procedure type | DEC - Discharge procedure |
| Legal basis | Rules of Procedure EP 100 |
| Stage reached in procedure | Procedure completed |
| Committee dossier | CONT/6/43593 |

Documentation gateway

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|---|---|------------|------|---------|
| Non-legislative basic document | SEC(2006)0915 OJ C 263 31.10.2006, p. 0001 | 26/07/2006 | EC | Summary |
| Court of Auditors: opinion, report | N6-0039/2006 OJ C 263 31.10.2006, p. 0001 | 31/10/2006 | CofA | Summary |
| Committee draft report | PE382.615 | 10/01/2007 | EP | |
| Committee report tabled for plenary, single reading | A6-0110/2007 | 30/03/2007 | EP | |
| Text adopted by Parliament, single reading | T6-0109/2007 | 24/04/2007 | EP | Summary |
| Commission response to text adopted in plenary | SP(2007)2625/2 | 31/05/2007 | EC | |

2005 discharge: EC general budget, Economic and social Committee ESC

PURPOSE: presentation of the final annual accounts of the European Community for the financial year 2005 ? Other institutions: Section VI ? Economic and Social Committee.

CONTENT: this document sets out the amount of expenditure and the financial statement of the Economic and Social Committee (ESC) for 2005 and presents an analysis of its financial management. The available appropriations set out in the Court's 2005 budget amounted to EUR 103 million of which EUR 99 million was spent (a take-up rate of 95.94%).

Main axes of 2004 expenditure: budget implementation of the ESC can be characterised by the following :

- enhancing the Committee's credibility through selectivity in its work programme, choice of opinions and forward studies;
- playing a key role in the Communicating Europe campaign;
- enhancing the EESC's visibility by an initiative aimed at the general public and by giving prominence to the role played by its members;
- ensuring maximum transparency for its work;
- enhancing the members' status commensurate with their value and highlighting their political responsibility;
- asserting the EESC's role as an institutional partner in civil dialogue and guarantor of participatory democracy;
- contributing to the general debate on the future of Europe and European identity, more specifically through a series of conferences and cultural events and by awarding a civil society prize.

On an internal level, the Committee continued to implement its 2003-2005 medium-term development plan in accordance with several lines of action:

- improving the service provided to members by cultivating a genuine partnership;
- continuing the implementation of modern working methods with the active support of the entire staff, whilst maintaining quality of life at work;
- strengthening interinstitutional cooperation and developing activities to make it more open and visible externally;
- implementing an ambitious and dynamic communication policy.

It should also be noted that in many sectors, a number of activities were achieved which were not foreseen at the start of the year.

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; staff training, etc. One also notes the costs relating to contract staff. Given that the budget for contract staff was drawn up for the first time for the 2005 financial year, the need was over estimated by 48%. This under-use can be explained in part by the application of guidelines requiring a minimum recruitment period of three months, and partly by the additional administrative work involved in recruiting contract as opposed to auxiliary.

2005 was also marked by a change in policy as regards compensation for overtime. Moreover, the demand for translations was much lower than in 2004.

Title II (Operational expenditure) : notably building policy, at 31.12.2005, the EESC and the Committee of the Regions together had 5 buildings under long term leases (Rue Montoyer 92-102; Rue Belliard 68-72 and 103-11; Rue de Trèves 74 and Rue Belliard 93). Following the new accounting rules, the balance sheet was recalculated at 1 January 2005. The net values of the buildings were decreased because the future variable price index addition to payments no longer added to the net present value. At the same time, the net value of Rue de Trèves, EUR 10 396 943 was added as the contract was signed in 2004.

In parallel, on 2 December 2005, a new long lease was signed jointly by the EESC and the Committee of the Regions concerning the 'Rue Belliard 93' building. The EESC's share, which is 50%, amounts to EUR 5 736 656 and is recorded in the EESC balance sheet from 31 December 2005 onwards.

The continuation of interinstitutional cooperation should also be noted. Pursuant to a cooperation agreement concluded with the Committee of the Regions, the agreements on invoicing between the committees has been simplified the management of appropriations and the settlement of bills.

For further details concerning the Economic and Social Committee's budget in 2005, please refer to the annexed detailed analysis of expenditure.

2005 discharge: EC general budget, Economic and social Committee ESC

The committee adopted the report by Daniel CASPARY (EPP-ED, DE) granting discharge to the European Economic and Social Committee for 2005. In its accompanying resolution, the committee welcomed the fact that since 2004 all plenary sessions of the EESC have taken place in Parliament's premises. It also noted that consideration was being given within the EESC to establishing a clearer procedure for refunding travel expenses and paying travel and subsistence allowances

In other points, the report noted that the administrative cooperation between the Committee of the Regions and the EESC committee should be beneficial to both and financially advantageous for European taxpayers, and called on the two institutions to find a suitable way to continue such cooperation. Lastly, in view of the substantial divergences between the findings of the reports of the joint services and the CoR's two

external exports, the committee urged the CoR and the EESC to conduct a joint analysis - if necessary with the help of the Court of Auditors - of the precise costs, benefits and savings generated by cooperation.

2005 discharge: EC general budget, Economic and social Committee ESC

PURPOSE: to grant discharge to the Economic and Social Committee for the 2005 financial year.

LEGISLATIVE ACT: Decision 2008/503/EC of the European Parliament on the discharge for implementation of the European Union general budget for the financial year 2005 (Section VI - European Economic and Social Committee).

CONTENT: with the present decision, the European Parliament grants the Secretary-General of the Economic and Social Committee discharge in respect of the implementation of the budget for the financial year 2005.

This decision is in line with the European Parliament's resolution adopted on 24 April 2007 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 24/04/2007).

2005 discharge: EC general budget, Economic and social Committee ESC

The European Parliament adopted a resolution drafted Daniel CASPARY (EPP-ED, D), by 580 votes for, 50 against and 23 abstentions, and granted the European Economic and Social Committee's Secretary-General discharge for the implementation of the European Economic and Social Committee budget for the financial year 2005. In doing so, Parliament made a series of observations on the discharge in its accompanying resolution.

It began by noting that, in 2005 the European Economic and Social Committee (EESC) had available commitment appropriations amounting to a total of EUR 106 880 105,67 with a utilisation rate of 94,99 %. Following the introduction of accrual accounting with effect from 1 January 2005 the EESC's financial statements disclose a negative economic out-turn of EUR 3 811 889,47 (deficit) and identical amounts (EUR 168 387 721,19) in respect of both assets and liabilities.

With regard to administrative cooperation, Parliament noted that, notwithstanding the setting-up of a unit responsible for coordinating financial and contractual activities throughout the joint services of the EESC and the Committee of the Regions (CoR), some weaknesses still appeared concerning the operational management of certain procurement and coordination procedures between the new unit and the operating units which had not been clearly defined. The EESC and the CoR are currently considering whether they should continue to manage certain activities in common through the joint services, and, if so, what form that collaboration should in future take. Parliament felt that the administrative cooperation between the CoR and the EESC should be beneficial to both committees and financially advantageous for European taxpayers. Any new structures of administrative cooperation between the two committees must result in financial benefits. It demanded that both committees find a way to continue the administrative cooperation already in place. Having regard to the substantial divergences between the findings of the reports of the joint services and the CoR's two external experts, Parliament invited the CoR and the EESC to conduct a joint analysis based on appropriate benchmarks ? if necessary with the help of the Court of Auditors ? of the precise costs, benefits and savings generated by cooperation and to submit the results of their examination to the competent committee by 31 October 2007.

On the matter of buildings, Parliament recalled that, in 2005, the EESC began discussions with the Commission about taking over the office space in the van Maerlant building, and that following this event, the two Institutions do not expect to need further buildings in the coming years.

On the matter of travel expenses, Parliament noted that consideration is being given to establishing a clearer procedure for refunding travel expenses and paying travel and subsistence allowances, particularly in situations which are not explicitly envisaged by the rules.

Lastly, it observed that, further to the Belgian criminal proceedings against a former EESC Member concerning travel expenses, the EESC has brought a civil action for damages and that the Belgian Court is expected to give its judgment towards the middle of 2007.