



Procedure file

Basic information		
DEC - Discharge procedure	2007/2050(DEC)	Procedure completed
2006 discharge: European Monitoring Centre for Drugs and Drug Addiction EMCDDA		
Subject 8.70.03.07 Previous discharges		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	CONT Budgetary Control		27/03/2007
		NI MARTIN Hans-Peter	
	Committee for opinion	Rapporteur for opinion	Appointed
	LIBE Civil Liberties, Justice and Home Affairs		05/11/2007
		PSE DÜHRKOP DÜHRKOP Bárbara	
Council of the European Union	Council configuration	Meeting	Date
	Economic and Financial Affairs ECOFIN	2847	12/02/2008
European Commission	Commission DG	Commissioner	
	Budget	KALLAS Siim	

Key events			
29/03/2007	Non-legislative basic document published	SEC(2007)1055	Summary
25/10/2007	Committee referral announced in Parliament		
26/03/2008	Vote in committee		Summary
03/04/2008	Committee report tabled for plenary	A6-0116/2008	
22/04/2008	Results of vote in Parliament		
22/04/2008	Debate in Parliament		
22/04/2008	Decision by Parliament	T6-0147/2008	Summary
22/04/2008	End of procedure in Parliament		
31/03/2009	Final act published in Official Journal		

Technical information	
Procedure reference	2007/2050(DEC)
Procedure type	DEC - Discharge procedure
Legal basis	Rules of Procedure EP 100
Stage reached in procedure	Procedure completed

Documentation gateway

Non-legislative basic document		SEC(2007)1055	30/03/2007	EC	Summary
Court of Auditors: opinion, report		N6-0004/2008 OJ C 309 19.12.2007, p. 0001	15/11/2007	CofA	Summary
Supplementary non-legislative basic document		05843/2008	29/01/2008	CSL	Summary
Committee draft report		PE396.692	13/02/2008	EP	
Committee opinion	LIBE	PE400.460	28/02/2008	EP	
Amendments tabled in committee		PE402.805	06/03/2008	EP	
Committee report tabled for plenary, single reading		A6-0116/2008	03/04/2008	EP	
Text adopted by Parliament, single reading		T6-0147/2008	22/04/2008	EP	Summary
Commission response to text adopted in plenary		SP(2008)3169	28/05/2008	EC	

Final act

[Budget 2009/207](#)
[OJ L 088 31.03.2009, p. 0134](#) Summary

2006 discharge: European Monitoring Centre for Drugs and Drug Addiction EMCDDA

PURPOSE: presentation of the final accounts of the European Monitoring Centre for Drugs and Drug Addiction (EMCDDA) for the 2006 financial year.

CONTENT: this document sets out a detailed account of the implementation of the EMCDDA's 2006 budget. It indicates that EMCDDA's final budget amounted to 13.12 million EUR in 2006 (compared with 12.8 million EUR in 2005) 92% of which is derived from a Community subsidy.

In terms of personnel, the EMCDDA, whose headquarters are in Lisbon (Portugal) had 77 posts in its establishment plan 68 of which are occupied and 23 others (auxiliary contracts, contract staff and temporary replacements) amounting to 91 posts undertaking operational, administrative or mixed tasks. Expenditure on personnel in 2006 represented 6.373 million EUR.

The main task of the EMCDDA is to provide the Union and its Member States with information regarding illegal drugs in the Union and their effects on Europeans. In particular, it collects data, carries out surveys, disseminates information, improves the coordination between national and Community actions in this field and promotes the integration of information on drugs in international programmes.

In 2006, the EMCDDA's activities mainly focused on:

The REITOX network: the Observatory manages a computerised network for the collection and exchange of information called Reitox (the European Information Network on Drugs and Drug Addiction); this network links together the national drugs information networks, specialised centres in Member States and the information systems of international organisations cooperating with the Observatory.

Publications:

- Annual Report on the state of the drugs problem in Europe (23 language versions, publication and interactive website web),
- Annual report 'Selected issues' (EN, publication and interactive website),
- Statistical bulletin and interactive website including more than 250 tables, 150 illustrations and PDF files,
- General activity report (annual, EN),
- 'Drugnet Europe' newsletter (4 issues - 2 in five languages, 2 in English),
- Studies/technical and scientific articles (21),
- Scientific articles and summaries (16);
- Other websites: creation/updating/development of content:
- Country situation summaries;
- Country data profiles;
- Drug treatment overviews;
- European legal database on drugs;
- Evaluation instruments bank;
- Exchange on drug demand reduction action;
- Promotional brochures: 4 prepared ;

- Media products: 174 products of various kinds;
- Participation in 162 international conferences/meetings ;
- Organisation of 27 technical and scientific meetings.

The Observatory's full accounts are available from the following address:

<http://www.emcdda.europa.eu/index.cfm?fuseaction=public.Content&nnodeid=6465&sLanguageiso=EN>

2006 discharge: European Monitoring Centre for Drugs and Drug Addiction EMCDDA

The Committee on Budgetary Control adopted the report by Hans-Peter MARTIN (NI, AT) recommending that the Parliament grant the Director of the European Monitoring Centre for Drugs and Drug Addiction discharge in respect of the implementation of the budget for the financial year 2006.

The parliamentary committee notes that the final annual accounts of the European Monitoring Centre for Drugs and Drug Addiction are as annexed to the Court of Auditors' report.

MEPs make a series of general comments on the agencies of the EU before referring to the specific case of the European Monitoring Centre for Drugs and Drug Addiction.

1. General comments on the majority of EU agencies: MEPs note that the budgets of the 24 agencies and other satellite bodies audited by the Court of Auditors totalled more than EUR 1 billion and that the number of agencies is constantly increasing. The number of agencies subject to the discharge procedure evolved from 8 in 2000 to 20 in 2006. They conclude therefore that the auditing/discharge process has become cumbersome and disproportionate compared to the relative size of the agencies and that, in the future, this type of procedure should be simplified and rationalised for decentralised agencies.

On the basis of the financial analysis, MEPs are of the following opinion:

- Fundamental considerations: given the constantly increasing number of agencies, MEPs request that, before the creation of a new agency, the Commission provide clear explanations regarding agency type, objectives of the agency, internal governance structure, products, services, clients and stakeholders of the agency, formal relationship with external actors, budget responsibility, financial planning, and personnel and staffing policy. They also request that each agency be governed by a yearly performance agreement which should contain the main objectives for the coming year and that the performance of the agencies be regularly audited by the Court of Auditors (and extend the financial analysis of expenditure to also cover administrative efficiency and effectiveness). More generally, MEPs take the view that, in the case of agencies which are continually overestimating their respective budget needs, technical abatement should be made on the basis of vacant posts in order to reduce the assigned revenue for the agencies and therefore also lower administrative costs of the EU. They recall that it is a serious problem that a number of agencies is criticised for not following rules on public procurement, the Financial Regulation, the Staff Regulations etc., and consider that the principal reason for this is that most regulations and the Financial Regulation are designed for bigger institutions rather than for small agencies. Therefore, it is necessary to seek a rapid solution in order to enhance the effectiveness of the legislation by grouping the administrative functions of various agencies together or by establishing implementing rules which are better adapted to the agencies. MEPs also insist that the Commission, when drafting the Preliminary Draft Budget, take into consideration the results of budget implementation by the individual agencies in former years and revise the budget requested by the particular agency accordingly. If this revision is not undertaken is not undertaken by the Commission, MEPs invite the competent committee to revise, itself, the budget in question to a realistic level. At the same time, MEPs recall that they expect the Commission to present every five years a study on the added value of every existing agency and to not hesitate to close an agency if it is deemed useless by the analysis. Such an assessment is expected as soon as possible given that this type of assessment has yet to be presented. Furthermore, MEPs insist that recommendations of the Court of Auditors should be promptly implemented and the level of subsidies paid to the agencies should be aligned with their real cash requirements.
- Presentation of reporting data: noting that there is no standard approach among the agencies with regard to the presentation of information, MEPs recall that they already invited the directors of the agencies to accompany their annual activity report with a declaration of assurance concerning the legality and regularity of operations, similar to the declarations signed by the Directors General of the Commission. They therefore ask the Commission to amend its standing instructions to the agencies and to produce a harmonised model for presenting information, including: i) an annual report intended for a general readership on the body's operations, work and achievements; ii) financial statements and a report on implementation of the agency's budget; iii) an activity report of the Directors of the agency (as requested by the Parliament since 2005); iv) a declaration of assurance signed by the body's director.
- General findings by the Court of Auditors: MEPs refer to certain recurring findings by the Court, including the disbursement of subsidies paid by the Commission (not sufficiently justified estimates of the agencies' cash requirements), the non implementation of the ABAC accounting system by some agencies or the accrued charges for untaken leave which are accounted for by some agencies. They call for rapid measures in these areas as well as improvements to the internal audit procedures of the agencies. MEPs also call on the agencies to consider an inter-agency disciplinary board, as some individual agencies have difficulty in setting up their own disciplinary boards due to their size.
- Draft inter-institutional agreement: MEPs recall the Commission's draft Interinstitutional agreement on the operating framework for the European regulatory agencies (see [ACI/2005/2035](#)), which intended to create a framework for the creation, structure, operation, evaluation and control of the European regulatory agencies and insist that it be completed as soon as possible. They particularly welcome the Commission's commitment to bring forward a Communication on the future of the regulatory agencies during the course of 2008.

2. Specific points concerning the European Monitoring Centre for Drugs and Drug Addiction: MEPs note alongside the Court that:

- the Centre reduced the level of carry-overs to 25 % in 2006 (40 % in 2005);
- there were delays in making payments to the national focal points of REITOX (European Information Network on Drugs and Drug Addiction), with which the Centre has very a close relationship;
- a staff member continued to be paid by the Centre without having resumed work in Lisbon.

Overall, MEPs welcome the efforts by the Centre to improve the implementation of its budget even though the level of carry-overs is still too

high. They also welcome the fact that an evaluation of the Centre's operations was carried out in 2007 and that a management plan is envisaged for 2008 and 2009. This plan aims to implement the recent recommendations of the Commission's Internal Audit Service, as well as:

- developing ex-post control of financial transactions;
- developing an internal capacity for risk assessment and internal audit;
- developing tools and procedures for integrated resources management (particularly with the European Maritime Safety Agency (EMSA), also based in Lisbon);
- implementing a more structured and effective human resources policy;
- successfully completing the move to its new headquarters in Lisbon.

2006 discharge: European Monitoring Centre for Drugs and Drug Addiction EMCDDA

PURPOSE: to grant discharge to the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2006.

LEGISLATIVE ACT: Decision 2009/207/EC of the European Parliament on the discharge for the implementation of the budget of the European Monitoring Centre for Drugs and Drug Addiction for the financial year 2006.

CONTENT: with the present decision, the European Parliament grants discharge to the Director of the European Monitoring Centre for Drugs and Drug Addiction for the implementation of the Centre's 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: European Monitoring Centre for Drugs and Drug Addiction EMCDDA

The European Parliament adopted, by 626 votes in favour, 17 against and 41 abstentions, a Decision to grant the Director of the European Monitoring Centre for Drugs and Drug Addiction 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 EU agency.

At the same time, the Parliament adopted, by 627 votes in favour, 16 against and 41 abstentions, a Resolution containing the comments which form part of the decision giving discharge. The report had been tabled for plenary by Hans-Peter MARTIN (NI, AT) on behalf of the Committee on Budgetary Control.

As is the case for all EU agencies, the Parliament's Resolution is divided into two parts: part one contains general comments on EU agencies, while part two focuses on the specific case of the Agency.

1) General comments on the majority of EU agencies: the Parliament notes that the budgets of the 24 agencies and other satellite bodies audited by the Court of Auditors totalled more than EUR 1 billion and that the number of agencies is constantly increasing. The number of agencies subject to the discharge procedure evolved from 8 in 2000 to 20 in 2006. It concludes therefore that the auditing/discharge process has become cumbersome and disproportionate compared to the relative size of the agencies and that, in the future, this type of procedure should be simplified and rationalised for decentralised agencies.

On the basis of the financial analysis, the Parliament is of the following opinion:

Fundamental considerations: given the constantly increasing number of agencies, the Parliament requests that, before the creation of a new agency, the Commission provide clear explanations regarding agency type, objectives of the agency, internal governance structure, products, services, clients and stakeholders of the agency, formal relationship with external actors, budget responsibility, financial planning, and personnel and staffing policy. It also requests that each agency be governed by a yearly performance agreement which should contain the main objectives for the coming year and that the performance of the agencies be regularly audited by the Court of Auditors (and extend the financial analysis of expenditure to also cover administrative efficiency and effectiveness). More generally, the Parliament takes the view that, in the case of agencies, which are continually overestimating their respective budget needs, technical abatement should be made on the basis of vacant posts in order to reduce the assigned revenue for the agencies and therefore also lower administrative costs of the EU. It recalls that it is a serious problem that a number of agencies is criticised for not following rules on public procurement, the Financial Regulation, the Staff Regulations etc., and consider that the principal reason for this is that most regulations and the Financial Regulation are designed for bigger institutions rather than for small agencies. Therefore, it is necessary to seek a rapid solution in order to enhance the effectiveness of the legislation by grouping the administrative functions of various agencies together or by establishing implementing rules which are better adapted to the agencies. The Parliament also insists that the Commission, when drafting the Preliminary Draft Budget, take into consideration the results of budget implementation by the individual agencies in former years and revise the budget requested by the particular agency accordingly. If the Commission does not undertake this revision, the Parliament invites the competent committee to revise, itself, the budget in question to a realistic level. At the same time, the Parliament recalls that it expects the Commission to present every five years a study on the added value of every existing agency and to not hesitate to close an agency if it is deemed useless by the analysis. Such an assessment is expected as soon as possible given that this type of assessment has yet to be presented. Furthermore, the Parliament insists that recommendations of the Court of Auditors should be promptly implemented and the level of subsidies paid to the agencies should be aligned with their real cash requirements.

Presentation of reporting data: noting that there is no standard approach among the agencies with regard to the presentation of information, the Parliament recalls that it already invited the directors of the agencies to accompany their annual activity report with a declaration of assurance concerning the legality and regularity of operations, similar to the declarations signed by the Directors General of the Commission. It therefore asks the Commission to amend its standing instructions to the agencies and to produce a harmonised model for presenting information, including: i) an annual report intended for a general readership on the body's operations, work and achievements; ii) financial statements and a report on implementation of the agency's budget; iii) an activity report of the Directors of the agency (as requested by the Parliament since 2005); iv) a declaration of assurance signed by the body's director.

General findings by the Court of Auditors: the Parliament refers to certain recurring findings by the Court, including the disbursement of

subsidies paid by the Commission (not sufficiently justified estimates of the agencies' cash requirements), the non implementation of the ABAC accounting system by some agencies or the accrued charges for untaken leave which are accounted for by some agencies. It calls for rapid measures in these areas as well as improvements to the internal audit procedures of the agencies. The Parliament also calls on the agencies to consider an inter-agency disciplinary board, as some individual agencies have difficulty in setting up their own disciplinary boards due to their size.

Draft inter-institutional agreement: the Parliament recalls the Commission's draft Interinstitutional agreement on the operating framework for the European regulatory agencies (see [ACI/2005/2035](#)), which was intended to create a framework for the creation, structure, operation, evaluation and control of the European regulatory agencies and awaits its adoption as soon as possible. It particularly welcomes the Commission's commitment to bring forward a Communication on the future of the regulatory agencies during the course of 2008.

2) Specific points concerning the European Monitoring Centre for Drugs and Drug Addiction: overall, the Parliament welcomes the efforts by the Centre to improve the implementation of its budget even though the level of carry-overs is still too high. It also welcomes the fact that an evaluation of the Centre's operations was carried out in 2007 and that a management plan is envisaged for 2008 and 2009.

This plan aims to implement the recent recommendations of the Commission's Internal Audit Service, as well as:

- developing ex-post control of financial transactions;
- developing an internal capacity for risk assessment and internal audit;
- developing tools and procedures for integrated resources management (particularly with the European Maritime Safety Agency (EMSA), also based in Lisbon);
- implementing a more structured and effective human resources policy;
- successfully completing the move to its new headquarters in Lisbon.